

**WEST SOUND UTILITY DISTRICT
RESOLUTION 503-14**

**A RESOLUTION OF THE WEST SOUND UTILITY DISTRICT BOARD OF
COMMISSIONERS APPROVING A RETROSPECTIVE RATING AGREEMENT WITH
THE WASHINGTON ASSOCIATION OF SEWER AND WATER DISTRICTS**

WHEREAS, the Washington Association of Sewer and Water District (WASWD) is a retrospective rating group sponsoring entity; and

WHEREAS, WASWD has entered into a retrospective rating group agreement with the Washington State Department of Labor and Industries; and

WHEREAS, West Sound Utility District (WSUD) is an employer that qualifies for the retrospective rating plan; and

WHEREAS, the District desires to participate as a member of the WASWD retrospective rating group;


WHEREAS, an agreement has been prepared which set forth the respective duties and rights with regard to the retrospective rating plan; NOW THEREFORE,

**THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY
DISTRICT HEREBY RESOLVES:**

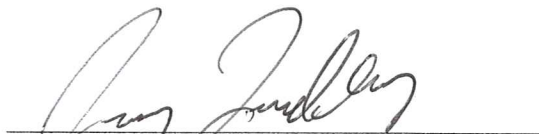
Section 1. The Retrospective Rating Agreement (Exhibit "A") with WASWD is hereby approved; and further, the District's General Manager is hereby authorized to sign the Agreement.

**APPROVED and ADOPTED by the Board of Commissioners of West
Sound Utility District** at a regular scheduled meeting on June 16, 2014.

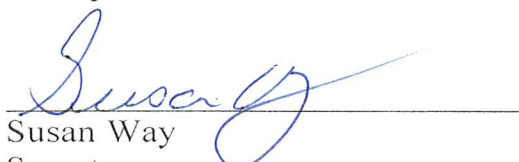
WEST SOUND UTILITY DISTRICT
Kitsap County, Washington



James J. Hart
Chairperson



Jerry Lundberg
Vice Chairperson



Susan Way
Secretary



RETROSPECTIVE RATING PLAN AGREEMENT

THIS AGREEMENT is made by and between the WASHINGTON STATE ASSOCIATION OF SEWER & WATER DISTRICTS, a Washington nonprofit corporation ("WASWD") and West Sound Utility District, a Washington municipal corporation ("District").

RECEIVED

MAY 28 2014

RECITALS

- A. WASWD is a retrospective rating group sponsoring entity under Chapter 51.18 RCW and has entered into a retrospective rating group agreement with the Department of Labor and Industries ("Department").
- B. District members of WASWD are eligible members of WASWD's retrospective rating group ("group"). The District is a member of WASWD.
- C. The District is an employer that qualifies for the retrospective rating plan under Chapter 51.18 RCW and its implementing regulations, and has been approved to be a participant in the plan.
- D. WASWD is enrolled in Plan L of the retrospective rating plan with a maximum loss ratio of .4820. The coverage period for each plan year is July 1 through June 30 ("coverage period").
- E. The District desires to participate in WASWD's group. WASWD and the District desire to enter into this Agreement to state their respective duties and rights with regard to the retrospective rating plan.

AGREEMENT

The parties agree as follows:

- 1. Plan administration. WASWD shall provide for administration of the retrospective rating plan ("plan") through either a Third Party Administrator ("TPA") or WASWD employees, at the discretion of WASWD. If a TPA is to be retained, the Retrospective Rating Committee shall give its recommendation to WASWD regarding which TPA to be retained.
- 2. Payment for plan administration. For plan administration during a coverage period, the District shall pay four percent (4%) of its Department composite premium for the four quarters immediately preceding the coverage period. Within the first two months of a coverage period, WASWD shall send to the District an invoice for the administration payment, which shall be due within 60 days of the date of the invoice.
- 3. Group refunds and additional assessments.
 - 3.1 Approximately ten months after a coverage period, and twice annually thereafter, the Department will evaluate the group's losses for the

coverage period, and will notify WASWD of a group refund or additional assessment for the coverage period. WASWD may protest or appeal the evaluation decision within 30 days of the date of the notice. Within three business days of receiving the Department notice, WASWD shall give a copy of the notice to the District and shall request the Retrospective Rating Committee to convene a meeting for the purpose of making a recommendation on whether or not to file a protest or appeal. The Committee shall hold the meeting at least seven business days before the deadline for filing a protest or appeal, and submit its recommendation, together with analysis and documentation, to WASWD at least five business days before the deadline for filing a protest or appeal. The WASWD Executive Director shall determine whether to file a protest or appeal based on the best interests of WASWD.

- 3.2 If a protest or appeal of an evaluation decision is filed, District shall be responsible for its prorated share of the costs of the protest or appeal, including attorneys' fees and interest, based upon the District's percentage of the total premiums paid by all districts participating in the plan during the coverage period.
- 3.3 The refund for the District for a coverage period shall be the group refund for that year, multiplied by the District's percentage of the total premiums paid by all districts participating in the plan during the coverage period.
- 3.4 The additional assessment for the District for a coverage period shall be the group additional assessment for that year, multiplied by the District's percentage of the total premiums paid by all districts participating in the plan during the coverage period.
- 3.5 Where WASWD receives refunds and additional assessments for multiple coverage periods, it shall add together the refunds and additional assessments for those coverage periods. If the sum of the refunds and additional assessments results in a net refund to the District, WASWD shall pay the net refund to the District. If the sum of the refunds and additional assessments results in a net additional assessment owing by the District, the District shall pay the net additional assessment to WASWD.
- 3.6 WASWD shall pay a refund or net refund to the District within 60 days of receipt of the group notice, or within 30 days of the final decision on an WASWD appeal of the notice, whichever occurs last. WASWD shall send an invoice for an additional assessment or net additional assessment, together with the costs of the protest or appeal if any, to the District within 60 days of receipt of the group notice, or within 30 days of the final decision on a WASWD appeal of the notice, whichever occurs last. The District shall pay the invoice within 45 days of receipt. Delinquent invoices shall accrue interest at the rate of 12 percent per year.

- 3.7 WASWD reserves the right to withhold from the District refund or net refund any plan administration fee and any costs of a protest or appeal that are due and owing.
- 3.8 WASWD reserves the right to withhold from the District refund or net refund any debt owed by the District to the Department that the Department has withheld from the group refund.
- 3.9 WASWD reserves the right to pay the additional assessment to the Department in installments as authorized by statute and regulation.
4. Selection of additional members. A member in good standing of WASWD that satisfies the requirements of Chapter 51.18 RCW and Chapter 296-17B WAC, and their amendments, and any rules adopted by the Retrospective Rating Committee, may file a written request for membership in the group with WASWD. WASWD reserves the right to enter into an agreement with such qualified member that is identical to this Agreement.
5. District withdrawal from Plan.
 - 5.1 The District may withdraw from the plan only at the end of a coverage period (July 1 through June 30). If the District desires to withdraw from the plan at the end of a coverage period, it shall personally deliver or send to WASWD, by certified mail, return receipt requested, by April 30 of the coverage period, a notification of withdrawal from the plan. WASWD shall file a notification of the withdrawal with the Department by June 15 of the coverage period.
 - 5.2 After withdrawal from the plan, the District shall continue to receive and be liable for Department adjustments (refunds or additional assessments) for the coverage periods during which the District was a member of the group and a participant in the plan.
6. Statute and rule compliance. The District and WASWD agree to be subject to and comply with Chapter 51.18 RCW and its implementing regulations, Chapter 296-17B WAC, and their amendments.
7. Release and waiver of liability. The District releases WASWD, its officers, board of directors, employees and consultants, from any liability whatsoever arising from any claim, damage or loss asserted by the District due to the District's participation in the plan.
8. Retrospective Rating Committee. To carry out the plan consistent with this Agreement, there is established a Retrospective Rating Committee as follows:
 - 8.1 Membership. The Committee shall consist of nine members elected by the districts that are members of the group; provided, that if there are less than nine members of the group, the Committee shall consist of an odd number of members that is equal to or less than the number of members in the group. A member shall be a commissioner or employee of a district

participating in WASWD's retrospective rating plan. There shall be only one member from a district. The WASWD Executive Director shall be allowed to attend all Committee meetings.

8.2 Terms of members. The terms of the members shall be two years, with the initial terms of four members being one year and five members being two years.

8.3 Quorum. If there a nine Committee members, a quorum shall consist of five Committee members. If there are less than nine Committee members, a quorum shall consist of a majority of the Committee members. A Committee member must appear in person or by telephone at a meeting, and cannot be replaced by a representative or delegate.

8.4 Committee rules. Except as provided in this Paragraph, the Committee is authorized to adopt its own rules of procedure, a copy of which shall be filed with WASWD within 14 days of adoption. The rules may include criteria and requirements for admission of new members to the group, readmission of former members to the group, and termination of members of the group.

9. Effective date and termination.

9.1 This Agreement shall be effective on July 1, 2014 and shall be effective until terminated by either party as stated in this paragraph.

9.2 If the District elects to terminate its membership in WASWD, this Agreement shall terminate at the end of the coverage period; provided, that if WASWD continues as a sponsoring entity after the termination, the terms and conditions of paragraphs 3, 5.2, 7, 10 and 13 of this Agreement shall survive and remain in effect for four years after the termination date.

9.3 Either party may terminate this Agreement by notice of termination personally delivered or sent to the other by certified mail, return receipt requested, by April 30 of a coverage period, to be effective at the end of the coverage period; provided, that if WASWD continues as a sponsoring entity after the termination, the terms and conditions of paragraphs 3, 5.2, 7, 10 and 13 of this Agreement shall survive and remain in effect for four years after the termination date.

9.4 If the District withdraws from the plan at the end of a coverage period, this Agreement shall be terminated; provided, that the terms and conditions of paragraphs 3, 5.2, 7, 10 and 13 of this Agreement shall survive and remain in effect for four years after the termination date.

10. Attorney's fees. In the event of any conflict, claim or dispute between the parties arising out of or relating to this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party all reasonable costs and expenses of every sort whatsoever including, but not limited to, mediation fees and actual

attorneys' fees incurred or expended, whether incurred or expended in arbitration or trial or on appeal.

11. Entire agreement. This Agreement contains all terms, conditions and provisions agreed upon by the parties, and shall not be modified except by written amendment of the parties.
12. Venue and jurisdiction. The Superior Court of King County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.
13. Successors in interest. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective successors in interest and assigns of the parties.

WASHINGTON ASSOCIATION OF
SEWER & WATER DISTRICTS

DISTRICT

By _____
Its President

By _____
Its _____

Dated: _____

Dated: _____

By _____
Its Secretary

Dated: _____