

EDUCATIONAL SERVICE DISTRICT NO. 123
COMPENSATED ABSENCES LIABILITY POOL
INTERLOCAL COOPERATIVE AGREEMENT

The Board of Educational Service District No. 123, hereinafter referred to as the "ESD 123" and Kennewick School District No. 17, hereinafter referred to as the "District," in accordance with the requirements of Chapter 39.34 RCW by appropriate Board resolution have resolved to enter into this agreement to form a Cooperative hereinafter referred to as the "Pool" and hereby agree as follows:

I. NAME AND PURPOSE

This Cooperative shall be known as the ESD 123 Compensated Absences Liability Pool. The purpose of this agreement shall be to join together in a cooperative manner, forming a pool to reimburse member districts for payments, for accrued sick and/or annual leave due to annual cash out, long-term medical leave, retirement, or death of employees, which are the liability of the member districts.

II. ORGANIZATION

The Pool shall consist of member school districts and Educational Service District 123 that execute a copy of this Cooperative Agreement. There shall be established a Advisory Board made up of one representative of each member district. The duties of the Advisory Board shall be, but not limited to, meeting periodically to rule on matters such as Pool membership, matters of administration, cost control, services to be provided, and assessment rate or fee schedules.

III. TERM OF AGREEMENT

This agreement shall be effective upon authorization by District Board resolution. The agreement shall then be automatically renewed from year to year thereafter unless the District gives written notice to the ESD 123 of its election to terminate the agreement on or before March 1 of any year unless the agreement is terminated in accordance with Paragraph X or XI.

IV. METHOD OF FINANCING AND BUDGETING

Assessment rates will be calculated annually by each district and become effective September 1 for the ensuing school year. Administrative fees will be established by the Advisory Board and published annually in Appendix A to this agreement.

All member payments to the Pool shall be made on a monthly basis.

Upon joining the Pool, member districts may elect to transfer into the Pool reserves previously held locally for compensated absence liabilities.

Pool interest earnings shall be pro-rated to the District account based on fund balance per district at month-end, before any accruals and interest earning allocations.

The Pool finances will be budgeted and accounted for in accordance with acceptable accounting principles.

V. MEMBERSHIP IN THE POOL, NEW MEMBERS, AND EFFECTIVE MEMBERSHIP DATE

The District shall become a full member of the Pool and shall designate a district employee to serve on the Advisory Board.

Any District, which shall become a member after May 1, 2005, shall be eligible to participate as of the first day of any subsequent calendar month or earlier as allowed.

VI. DUTIES OF THE DISTRICT

In accordance with this agreement, the District will:

1. Designate a representative to the Advisory Board.
2. Pay to the Pool's administering agency, ESD 123, its share for the program costs. Programs for the purposes of this paragraph mean the total services provided by the ESD 123 pursuant to this agreement and all costs associated therewith.
3. Be responsible for maintaining backup documentation for all Pool claims submitted in order to meet audit requirements.
4. Remain ultimately responsible for any liabilities to District employees in the event that sufficient funds are not available in the Pool fund.

VII. DUTIES OF THE ESD 123

In accordance with this agreement, the ESD 123 shall perform the following functions and duties within the constraints of funds made available by the District:

1. Prepare an annual operating budget and present it to the Advisory Board, which shall have the authority to accept, reject, modify, and approve the same.
2. Receive all Pool payments per Paragraph VI.
3. Pay from the Pool funds, all employee and other costs.
4. Provide for the receipt and disbursement of funds and maintain adequate financial records in order to properly manage the Pool as well as provide financial reports to the Advisory Board. In addition, adequate statistical records will be maintained in order to project assessments, fees, use, or other data.
5. Assign the ESD 123 auditing officer to sign all claim vouchers on behalf of the Pool.
6. Be responsible for employment of any staff and the general administration of the Pool.
7. Invest surplus funds on behalf of the Pool.
8. Establish a Pool fund with the Franklin County Treasurer.

VIII. GOVERNANCE

1. Administration – It is agreed that the coordination, administration, and management of the Pool shall be by the ESD 123. All services provided by the ESD 123 shall be performed in accord with policies adopted by the ESD 123 Board, including but not limited to, policies regarding hiring, reduction in force, annual leave, salary, and other personnel policies.
2. Advisory Board – There shall be an Advisory Board, which shall consist of representatives of the Districts. The Advisory Board should include at least one Superintendent or designee. The ESD 123 Superintendent or designee shall be a voting member of the Advisory Board. The Advisory Board shall be responsible for recommending the level of support services, the costs of membership in the Pool, the types of memberships available to the Districts and other policy decisions regarding the operation of the Pool. The Advisory Board shall develop an annual plan, review and revise the goals and objectives of the Pool, and apprise the ESD 123 of current needs to be met. The Advisory Board shall develop rules of governance as needed.
3. Meetings – The Advisory Board shall meet as required, when called by the Chairperson or a majority of its members to conduct the business of the Pool; provided that there shall be at least one meeting of said Board annually between September 1 and August 31.

IX. DEFINITIONS

1. Compensated Absences Liability – For the purpose of this agreement, Compensated Absences Liability will be limited to accrued sick leave payable at annual cash-out, retirement, or death at the rate of one day for four earned per RCW 28A.400.210; accrued sick leave payable for an individual on medical leave per District policies utilizing in excess of sixty consecutive working days; and annual leave payable at annual cash-out, death, or retirement per District policies. Each District will determine its participation level.
2. Fiscal Year – For purposes of this agreement, the term Fiscal Year shall mean the 12-month period beginning September 1 and ending August 31.

X. TERMINATION FOR BREACH

1. If the ESD 123 fails to comply with the terms and conditions of this agreement, the Pool, by two-thirds (2/3) majority vote of the total Advisory Board, upon thirty (30) days prior written notice to ESD 123, may terminate ESD 123 as the Administrator.
2. If the District fails to comply with the terms and conditions of this agreement, the Advisory Board shall review the conditions of the breach of the agreement and upon two-thirds (2/3) majority vote of the Advisory Board, upon thirty (30) days prior written notice to the District, may terminate this agreement. In this regard, all decisions of the Advisory Board are final.

XI. DISSOLUTION OF POOL

The Pool may be dissolved by two-thirds (2/3) majority vote of the Advisory Board with the effective date midnight August 31 of any year. Such action for dissolution shall occur no later than May 30.

XII. DISTRIBUTION OF ASSETS UPON DISSOLUTION / TERMINATION

1. Ownership of personal property purchased with the funds expended pursuant to this agreement shall remain vested in the Pool and shall be used or distributed as determined by the Advisory Board and approved by the ESD 123 Board.
2. Each District shall be entitled to its share of the assets in the Pool after all potential liabilities of each District have been incurred and paid.
3. No distribution of assets shall be made to any District that owes the Pool funds until such amounts are paid.
4. Upon termination or dissolution, the District shall reimburse the Pool for any funds disbursed from the Pool in excess of the District's share of the assets.

XIII. ASSIGNMENT

Either party without the written consent of the other party may not assign this agreement.

XIV. WAIVER AND SEVERABILITY

No provision of this agreement, or the right to receive reasonable performance of any act called for by its terms, shall be deemed waived by a breach thereof as to a particular transaction or occurrence.

If any term or condition of this agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other terms, conditions, or applications of the agreement, which can be given effect without the invalid term, condition, or application. To this end the terms and conditions of the agreement are declared severable.

XV. NONDISCRIMINATION

No person shall, on the grounds of race, creed, color, national origin, sex, marital status or the presence of any sensory, mental or physical handicaps, be excluded from participation in or be denied the benefit of, or otherwise be subjected to discrimination with regard to any activity pursuant to this agreement.

XVI. AGREEMENT

The parties acknowledge that they have read and understand this agreement, including any supplements or attachments, and agree in every particular. The parties further agree that this agreement, together with any appendices, constitutes the entire agreement between the parties and supercedes all communications, written or oral, related to the subject matter of this agreement. No alteration or variation of the terms of this agreement and no oral understanding or agreements not incorporated herein shall be binding unless made in writing and signed by the ESD 123 and all of the participating Districts.

Signed: *Debra A. Hawkins* (ESD 123 Superintendent or Designee) Signed: *Jane Bond* (District Superintendent or Designee)

Date: *August 26, 2010* Date: *8-11-10*

District: *Kennewick*

Resolution No. *21 09/10*

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