

KITSAP COUNTY SEWER DISTRICT NO. 7 RESOLUTION # 95-4

A resolution setting forth the general nature of the duties and responsibilities of the District Manager, and

Establishing a compensation schedule for the District's Manager, Michael Yuhl.

WHEREAS Kitsap County Sewer District #7 (hereinafter referred to as the "District"), its heirs, successors, and assigns, have need for Engineering, technical and administration services to support the implementation of the District's Comprehensive Plan, and to aid in other District matters as may be requested by the Commissioners;

WHEREAS the District has appointed Michael Yuhl as Manager and Mr. Yuhl has been performing these services, and both the District and Mr. Yuhl desire this arrangement to continue under a more structured agreement;

WHEREAS it is agreed that the services to be provided consist of a range of expertise from that of a senior level Professional Engineer, through those services that need technical judgement, to those services that need administrative and/or communication abilities;

WHEREAS the amount of time spent by the Manager on the various skill levels of such services is usually less than 40 hours per week, and therefore does not warrant people trained and paid only to the skill levels needed;

WHEREAS due to the short duration and rapidly changing requirements placed on the Manager, it is not practical to account for the minimum skill levels that it takes to perform these tasks;

NOW THEREFORE IT IS AGREED in carrying out the responsibilities under this Agreement, there will be established a single compensation rate to cover payment for the services of Michael Yuhl while performing the functions of the District's Manager. This compensation rate will, however, not prevail in any engineering design contract that the District may subsequently execute with Yuhl & Associates.

This Manager's rate of compensation is to be established as intermediate between that of an experienced Professional Engineer and that for providing for essentially routine administrative services. This rate will be set taking into account the Manager's estimation of what these skill levels have involved in the past, together with the fact that providing these services to the District has, at times, prevented the Manager from providing Engineering services to other clients at

the rates charged for Senior Civil Engineers. (Clerical services would be performed by clerical employees, and billed at a substantially lesser rate. See below.)

The establishment of this rate is based upon the following:

The District entered into an Agreement in 1991 with the Manager's firm, Yuhl & Associates, and this agreement was reviewed and approved by DOE, to provide engineering services relating to the District's sewage system. This agreement provided for reimbursement at a rate of \$76/hr. for Design Engineer.

Mr. Yuhl has established a rate of \$37.15 for construction contract administrative services to be performed under the construction (and permitting) phase of this program.

In recognition of this range of rates, it is mutually agreed that the blended skill level provided to the District for Mr. Yuhl's range of services is established at \$60/hr. This rate will be adjusted upwards at the rate of 3% per annum on every annual anniversary date of this agreement. Clerical assistance would be at the rate of \$19.35 per hour and would also be adjusted upwards at 3% per annum. From time to time, technicians using computer work stations would be used for tasks which they are skilled in and could perform the work more effectively than Mr. Yuhl. In these cases, Mr. Yuhl would be reimbursed at the rate of \$35/hr. and these rates would escalate at 3% per annum.

It is agreed, with respect to the furnishing of services and associated materials to the District, that the Manager must, in the same time periods, provide services to other clients in order to obtain the compensation needed to support the Manager's office and staff.

It is agreed that the District will provide to the Manager a degree of latitude in the time needed to perform the work for the District to account for the Manager's other commitments, providing the combined work will not require the Manager to work more than 48 hours in any week, exclusive of weeks in which vacation or holidays occur.

WHEREAS some of the costs for providing these services are reimbursable to the District under the terms and conditions of the District's Centennial Clean Water Grant and Loan, and other costs are to be paid from District generated revenue;

WHEREAS the financial demands on the District's income during the initial stages of this program may not be able to fully support all of the District's financial needs;

WHEREAS this agreement is intended to provide the District and the Manager with the ability to defer invoicing for the costs of services provided by the Manager, his heirs, successors and assigns, until a time that the District is in a financial position to provide compensation for such services;

WHEREAS the District recognizes and accepts that the District Manager must undertake to obtain commercial loans to meet payroll and other costs of providing these services to the District where payment in full does not occur within 45 days of the last day of the month on which the services and materials were provided;

WHEREAS the District agrees that the cost of interest incurred is a reimbursable expense under the terms and conditions of this agreement;

WHEREAS the amount of interest shall be computed at the rate of interest that is paid by the Manager on loans. These rates are now 3% over the Bank prime lending rate, but this rate paid on the borrowed money could be more or less than that rate. This interest amount shall be computed over the time period starting on the 46th day following the end of the month on which the Manager's records indicate that the services have been performed to the date upon which payment for such services and interest costs;

WHEREAS this agreement for the duties and responsibilities for the Manager under this agreement may be terminated by either party upon 30 days written notice to the other. Providing, however, that in such event the District shall pay the accrued costs, in full, incurred under this agreement within 90 days of the effective date of such termination.

Also providing that if the Manager should terminate this agreement for other than inability to perform due solely to the Manager's health, then the interest costs on the services and materials provided from the date of termination to the date of payment shall be reduced to 50% of the interest costs as computed above.

So, Resolved, This 17TH day of 1995

S. L. Bourlier
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Commissioner

C. L. Spicer

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