

**COOPERATIVE SERVICES AGREEMENT BETWEEN THE HYDABURG CITY SCHOOL  
DISTRICT AND THE SOUTHEAST ISLAND SCHOOL DISTRICT  
FOR  
HYDABURG CITY SCHOOL DISTRICT WOOD-FIRED BOILER PROJECT**

This Cooperative Services Agreement is entered into and made effective as of July 1, 2018, by and between the Southeast Island School District (“SISD”) and the Hydaburg City School District (“HCSD”).

**RECITALS**

WHEREAS, SISD and HCSD each face increased costs and demands on available resources and each continue to seek creative solutions to allow for the provision of a quality education to the students of the respective district; and

WHEREAS, the parties desire to achieve administrative efficiencies in both districts that will result in lower costs and improved services to both districts; and

WHEREAS, HCSD desires to build a wood-fired boiler system in order to ensure a reliable source of energy to heat HCSD’s school buildings and to save on long-term energy costs; and

WHEREAS, HCSD has received grant funding from Alaska Energy Authority (“AEA”) and the U.S. Department of Agriculture (“USDA”) to design and build a wood-fired boiler system (the “Project”); and

WHEREAS, SISD’s employee, Jonathan Fitzpatrick, has overseen the construction of six systems similar to the Project for SISD; and

WHEREAS, the Boards of Education of SISD and HCSD have passed motions authorizing their respective Superintendents to enter into and sign a cooperative services agreement for the Project; and

WHEREAS, this Agreement is consistent with the motions passed by the Boards of Education.

**TERMS**

NOW, THEREFORE, in consideration of the promises and covenants contained in this Agreement and for other good and valuable consideration, receipt of which is hereby acknowledged, and with intent to be legally bound, the parties hereby covenant and agree as follows:

1. SISD’s Responsibilities. During the term of this Agreement, SISD shall provide the following services for the Project and comply with the following terms and conditions:

a. SISD will provide the project manager, Jonathan Fitzpatrick, and an assistant, to oversee construction of the Project. These individuals shall be employed by

SISD and shall be paid and receive employment benefits from SISD in accordance with SISD's classified handbook.

b. SISD's district office personnel shall provide administrative services for the Project, including processing Project orders, managing Project accounts payable, processing payroll for SISD employees working on the Project, and submitting all required Project reports and back-up documentation to AEA. SISD employees expected to provide services under this Agreement and their estimated Project time for the 2018-2019 school year include:

- i. Priscilla Goulding, grant manager (reporting) - 1 day per month for year;
- ii. Margie Eads, payroll/accounts payable - 2 days per month; and
- iii. Terri Kohn, ordering/procurement - 2 days per month for 1st 4 months, then 1 day per month.

It is expected that the total cost charged to the Project for the SISD administrative employees identified in this Section 1.b. will not exceed \$20,000.

c. SISD is and shall remain the employer of the employees providing services under this Section 1, and shall be responsible for the payment of wages and benefits (including, without limitation, health insurance, retirement, and other similar benefits if any) for such employees. SISD shall comply in all material respects with all applicable federal, state, and local laws, rules, regulations, ordinances, and collective bargaining agreements applicable to its employees, their employment with SISD, and their services under this Agreement, including but not limited to those relating to wages, hours, payment of benefits, withholding, other taxes, workers' compensation insurance, labor and employment relations, employee health and safety, and employment discrimination.

d. SISD shall maintain detailed timekeeping reports to reflect actual hours SISD employees spend working on the Project, and shall submit such reports to HCSD.

2. HCSD's Responsibilities. SISD shall provide the following services for the Project and comply with the following terms and conditions:

a. HCSD shall hire as its employees any workers required for the Project in addition to those to be provided by SISD under Section 1 of this Agreement. These additional workers shall be employed by HCSD and work under HCSD's classified handbook for their salary and benefits.

b. HCSD is and shall be the employer of the employees providing services under this Section 2, and shall be responsible for the payment of wages and benefits (including, without limitation, health insurance, retirement, and other similar benefits if any) for such employees. HCSD shall comply in all material respects with all applicable federal, state, and local laws, rules, regulations, ordinances, and collective bargaining agreements applicable to its employees, their employment with HCSD, and their services under this Agreement, including but not limited to those relating to wages, hours,

payment of benefits, withholding, other taxes, workers' compensation insurance, labor and employment relations, employee health and safety, and employment discrimination.

c. HCSD shall maintain detailed timekeeping reports to reflect actual hours HCSD employees spend working on the Project, and shall submit such reports to SISD.

3. Compensation to SISD.

a. As consideration for the services to be provided by SISD under this Agreement, HCSD shall be responsible to pay to SISD, directly or through grant disbursements from AEA, SISD's aggregate "fully-loaded" cost of wages, benefits (including, without limitation, workers compensation, health insurance, retirement, and other similar benefits, if any), FICA, FUTA, SUTA and/or any other state and local withholding taxes, and any other additional payments required under either applicable law or policy or agreement. HCSD shall pay SISD for 100% of such fully-loaded costs relating to SISD employees who work only on the Project, and shall pay a percentage of such fully-loaded costs relating to SISD employees who split their time between the Project and SISD, which percentage shall be based on the hours worked on the Project compared to total hours worked by all such employees.

b. In addition to HCSD's obligation to pay SISD the fully loaded cost of SISD's employees' time spent on the Project, HCSD shall also be responsible to pay to SISD, directly or through grant disbursements from AEA, approved housing and travel costs of SISD employees for travel to Project meetings and travel related to handling Project materials.

c. SISD shall submit invoices directly to AEA for SISD's Project costs and expenditures, including the fully loaded employee costs described in Section 3.a. above and including approved travel and housing costs described in Section 3,b. above, along with appropriate back-up documentation, on a quarterly or monthly basis. Payment shall be due within thirty (30) days of invoice. HCSD hereby authorizes SISD to be paid directly out of the grant funding from AEA.

4. Additional Funding. In the event the AEA funding is insufficient to cover the entire cost of the Project, HCSD shall be responsible to pay any Project costs not covered by the current AEA grant, directly or through securing additional funding sources, including those costs incurred and charged by SISD under this Agreement.

5. Term. The term of this Agreement shall be for fiscal year (FY) 2019 (July 1, 2018 to June 30, 2019) or until successful completion of the Project. This Agreement may be extended or terminated by the parties as follows:

a. This Agreement will expire on successful completion of the Project on its own terms;

b. This Agreement may be extended by the parties upon such terms and conditions that may be agreed between SISD and HCSD in writing; and

c. This Agreement may be terminated by either party on 45 days written notice to the other party's Superintendent. In the event of such termination, SISD shall be entitled to payment for all services provided through the date of termination, and the parties shall assist each other in the transition out of the Agreement.

6. Mutual Indemnification. Each party (the "Indemnifying Party") hereby agrees to defend, indemnify, and hold the other party (the "Indemnified Party") harmless from and against and in respect of any and all losses, damages, fines, penalties, liabilities, costs, and expenses, including reasonable attorneys' fees and amounts paid in settlement, suffered or incurred by the Indemnified Party by reason of or arising out of (i) any negligent act or omission or willful misconduct of the Indemnifying Party or any of its employees, (ii) any misrepresentation, breach of warranty, or breach or non-fulfillment of any covenant or agreement of the Indemnifying Party contained in this Agreement.

7. Cooperation. HCSD and SISD acknowledge and agree that this Agreement will be successful only if clear communication is established and only if both sides infuse this Agreement with good faith. To this end, the parties agree to put their best efforts toward establishing appropriate meetings periodically during the term of this agreement and as may be necessary to effectuate the intent of this Agreement.

8. Severability. If any provision of this Agreement, or its application to any person, party or circumstance, is held invalid, the remainder of this Agreement and its application to all other persons, parties and circumstances shall not be affected adversely thereby unless the provision or provisions held invalid or inapplicable will, if not enforced, substantially impair the benefits and fairness of the remaining portions of the Agreement.

9. Counterparts. This Agreement may be executed in multiple counterpart copies, each of which will be considered an original and all of that shall constitute one and the same instrument binding on all parties, even though all the parties are not signatory to the same counterpart. Any counterpart of this Agreement that has attached to it separate signature pages, which together contain the signature of all parties, shall for all purposes be deemed a fully executed original

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

Southeast Island School District

By: \_\_\_\_\_  
Lauren Burch, Superintendent

Hydaburg City School District

By: \_\_\_\_\_  
Bartol Mwarey, Superintendent