William Neal PDC Case No. 13-002 Report of Investigation Page - 8 -

#### **List of Exhibits**

- Exhibit 1 Candidate Registration filed by William "Bill" Herman, Jr. on December 16, 2011, declaring his candidacy for Pacific County Commissioner in 2012.
- **Exhibit 2** May 14, 2012, PDC staff telephone record of Tony Perkins.
- Exhibit 3 June 17, 2012, complaint filed by Tami Herman, Office Manager of the North Beach Water District, against William Neal.
- Exhibit 4 October 1, 2012, three-page response letter along with several attached documents from William Neal concerning the complaint filed by Ms. Herman, including the following:
  - A copy of PDC Interpretation #04-02: Guidelines for Local Government Agencies in Election Campaigns;
  - A copy of an unsigned dismissal letter on NBWD letterhead from Mr. Neal dated May 13, 2012, addressed to Ms. Herman, with courtesy copies sent to Suzanne Michael, NBWD legal counsel, and Corrine Schmid of the Washington State Auditor's Office;
  - A May 11, 2012 letter addressed to Mr. Neal from the Bank of the Pacific, confirming that Ms. Herman was no longer an authorized signer on the NBWD bank account; and
  - Several documents Mr. Neal reported as having been copied from Ms.
     Herman's NBWD computer concerning her spouse's campaign, labeled Exhibit C.
- Exhibit 5 Signed Management Agreement between NBWD and SHA.

(5) CC 7:1 C/P 0 BO OLYM (360) 7	OMMISSION APITOL WAY RM 206 OX 40908 PIA WA 98504-0908 753-1111	Candidate Registration		C1	100441926
Toll F	ree 1-877-601-2828		ĺ	(,	12-16-2011
Candidate's Name (Give candidate	te's full name.)			<del>(</del>	Telephone Number
VILLIAM "BILL" HER	MAN JR				360-642-0595
Candidate's Committee Name (Do	o not abbreviate.)				Fax Number
HE COMMITTEE TO E	LECT WILLIAM	"BILL" HERMAN, PACIFIC	COUNTY		
Mailing Address					Candidate's E-Mail Address
O BOX 1031			7: 4		BILL@VOTE4BILLHERMAN.
ity		County	Zip + 4		Campaign E-Mail Address
CEAN_PARK  . What office are you running f		IFIC  Legislative District. County or Cit	98640 . Iv F	Position No.	<u>trc@vote4billherman.c</u> Do you now hold this office?
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10. Campaign books must be open to the public by appointment between 8 a.m. and 8 p.m. during the eight days before the election. except Saturdays. Sundays. and legal holidays. In the space below, provide contact information for scheduling an appointment and the address where the inspection will take place. It is not acceptable to provide a post office box or an out-of-area address.

Street Address, Room Number, City where campaign books will be available for inspection

5704 SANDRIDGE RD, LONG BEACH

In order to make an appointment, contact the campaign at (telephone, fax, e-mail):360-244-0296 TRC@VOTE4BILLHERMAN.CC

11. CERTIFICATION:

I certify that this report is true, complete and correct to the best of my knowledge.

Candidate's Signature

WILLIAM "BILL" HERMAN JR

Date

12-16-2011

PDC Exhibit #\_\_\_/\_ Page\_\_\_/\_of\_\_\_/

# PDC Staff Telephone Record

#### Tony Perkins

Date:

5/14/2012

3:51PM

Duration: 0.05

Subject:

.555 self-disclosure: North Beach Water District

From:

Tami Herman, formerly of N. Beach WD

To:

**TPERKINS** 

Returned: N

Status:

Contact:

360-642-0595 (H)

Her husband is Bill Herman, running for Pacific Co Commn. She has been working a great deal of overtime and \*thought it was acceptable to print personal documents at the office. She normally emailed a number of campaign docs to her work address from her home address.

There were five or six instances of using the office printer: 25 copies of an entry form for golf tournament Car signs (appx 50) 25 copies of a 2-up card

(2 -3 other instances maximum, appx 150 pieces total.)

General manager William Neal was using WD printing equipment to make books or pamphlets for local homeowners' assn (not related to WD work). Tami helped him with the equipment, and in doing to it occurred to her to ask if she could do the same for her husband's campaign. Neal authorized her to use the office printer.

No printing occurred during work hours, only after hours or on a break. Her own paper was used in every instance.

She also emailed campaign-related Web links to her work address, and followed those links during business hours, but only during a lunch or other break.

On her computer desktop (not in the public area), she displayed her husband's campaign logo.

Q: Who authorized Tami to use agency facilities to assist her husband's campaign?

A: William Neal GM - authorized printing

Tia Crisifulli (past Office Manager) - authorized computer use

Today, following a staff meeting to discuss the use of facilities to assist her husband's campaign. Tami was teminated by GM William Neal. She believes that her termination was caused by anatagonism against her from a water commissioner, R.D. Williams, and that the campaign activity she conducted from the office was a pretext.

Four days ago Williams asked for Tami's SSN and DOB so that he could add her name to a credit card that she said "he shouldn't have." WD rules allow two agency officials to have credit cards: GM and office manager. Board members are not authorized to have a separate credit card. R.D. Williams opened up a 25 K credit card. Other commissioners ordered the account closed. Williams did so, but then opened another card with a lower limit. It was this card that he wanted to add Tami's name to, and she refused.

WD employees Brian Leroux and Jason Crisifulli both stated to Tami this morning that what she had done "couldn't be that bad," because water commissioner R.D. Williams ran his 2008 campaign out of the WD office, including agency equipment and staff. However, Williams was a non-incumbent in that race. Tami was not employed by the WD at that time, so she couldn't explain how a non-incumbent managed to run his campaign out of the WD office.

# PDC Staff Telephone Record

#### Tony Perkins

Date:

5/14/2012

3:51PM

Duration: 0.05

Subject:

.555 self-disclosure: North Beach Water District

From:

Tami Herman, formerly of N. Beach WD

To:

**TPERKINS** 

Returned:

Status:

Contact:

360-642-0595 (H)

Another WD employee, Jenny Sheldon, informed Tami that there was another employee meeting today following her termination re: campaigning with agency facilities.

. I thanked Tami for the information and said that we would let her know if there was anything more we needed from her.

JUN 17 2012	JUI	N	1	7	2	0	12
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Office Use Only: No	ce Use Only: No	
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9

Public Disclosure Commission

# WASHINGTON STATE PUBLIC DISCLOSURE COMMISSION COMPLAINT FORM

(See instructions on the last page.)

### **Description of Complaint**

#### RESPONDENT:

Identify who you are filing a complaint against and provide all contact information you have for them. Give names and titles, if any, for individuals, and the full name of any organization. Please note that the PDC does not enforce federal campaign finance laws or local ordinances.

Example #1: Joe Public, Mayor of My Town,

123 Main Street, Your Town, State, Phone: 555-123-4567, Email: unknown

Example #2: The Political Action Group (instead of P.A.G.), 123 Main Street, Your Town, State,

Phone: 555-123-4567, Email: pag@pag.org

NOWTH BEACH	WATER DISTRICT	r: General N	MAR William Neal	亚
COMMISSION	RD. Willian	ns, Commiss	Honer Gwen	
BROKE CO	mmissioner Bu	rian Sheldo	n	
PO BOX WB	Ocean Park,	Wa 98640	(360) 665.4144	
* sec reverse	page 3)			

#### 2. ALLEGED VIOLATIONS:

Explain how and when you believe the people/entities you are filing a complaint against violated RCW 42.17/RCW 42.17A or Title 390 WAC. Be as detailed as possible about dates, times, places and acts. If you can, cite which specific laws or rules you believe were violated. Attach additional pages if needed. (Note that the RCW 42.17 citation applies to conduct before 2012 and the RCW 42.17A citation applies to conduct on or after January 1, 2012.)

RCW 42.17A. In late 2011/cany 2012 Gen Mgr William Neal gave me permission to receive by email campaign. In April at the Regular Meeting later print for a campaign. In April at the Regular Meeting (4/16/12) Commissioner Williams gave the other Commissioners and GM Neal printed materials begarding the RCWs in executive session. Therefore all the Board & GM realized a law was being broken, yet it was not disclosed to any staff or public. On May 10 a special meeting was held to consider charges against me. GM Neal disclosed to the Board that I had the materials on the Office computer - (yet hedid not tell ->

# Contid

them that he had given me permission)
The next day I was terminated. Mr Neal only quoted the RCW and said changes were filed against me.
I called the PDC to explain & find out what damage would be done to the campaign I represent. I spoke with Tony Perkins. Tony told me that no complaints / charges were filed.

- 1) So; against RCW 17. A GM Neal gave me permission to have and punit campaign materials.
- 2) The Board of Commissioners became aware of this law in April 2011 and did nothing including dicuss with me or other staff.

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JUN 17 2012

Public Disclosure Commission

JUN 17 2012

#### **Evidence and Witnesses**

Public Disclosure Commission

3. EVIDENCE:

List the documents or other evidence you have that support your complaint, if any, and attach copies to this form. If you do not have copies, provide any information you have about where you believe the documents or evidence can be found and how to obtain it. Attach additional pages if needed.

Example: Emails between Joe public and Candidate X, attached DR

Joe Public has emails from Candidate X which describe an illegal campaign donation, and Joe Public's phone number is 555-123-4567.

The documents I punted & accessed are on the office
computers I no longer have access but I was also
told that on Saturday May 12, 2012 GM Neal destroyed
computers. I no longer have access but I was also told that on Saturday May 12, 2012 GM Neal destroyed the evidence by having the computer scrubbed.
· · · · · · · · · · · · · · · · · · ·
T. Attached copies of the agendas of the meetings
I Attached copies of the agendas of the meetings Showing dates of Commissioner & GM Knowledge.
5.00.1.12)

4. WITNESSES:

List the names and contact information, if known, of any witnesses or other persons who have knowledge of facts that support your complaint. Attach additional pages if needed.

Example: Jane Public was present when Candidate X spoke to me about the illegal contribution. Jane Public's address is 123 Main Street, Your Town, USA 12345, and her phone number is 555-123-4567.

Commissioner R.D	. Williams: (3	60) 665.5371		
Commissioner Gwe	n Brake: 1?	360) 665. 2784		
Commissioner Bu	AN Sheldon: 1	(360) 244, 969	16	
William Neal III:	(360) 665.414	4		
Jenny Sneldon: 136	0) 244.1062			(employee
Kristin adovin: (36	O) 751·4880		· · · · · · · · · · · · · · · · · · ·	(emplayee)
William Herman, dr: 1	360) 642.0595 -	- was told by Sn	eldon' Williams	Was
		after	nis campaign	I" ON
		The nigh	nt of April 16	12012
George D'Haone - com	outer tech- TGH	Technologies	(340) 665.	3069

PDC Exhibit # 3 Page 3 of 5

# Con't Pg 1 item 1

JUN 17 2012

**Public Disclosure Commission** 

Contact Info: General Manager Nezl hm: PO Box 38

Nancotta, WA 98637 (360) 665-3290 hm (360) 490-6708 cell

Commissioner RD Williams 2101 BAY AUE OCEAN PARK, WA 98640 (360) 665.5371

Commissioner Brake 1605 229Th Pl Ocean Park, WA 98640 (360) 665.2784

Commissioner Bonan Sheldon Po Box 1039 Ocean Park, WA 98640 (360) 244.9696

JUN 17 2012

	·	0011 1 2 7 12
	Certification	Public Disclosure Commis
In signing this complaint:		
<ul> <li>If I become aware of additional complaint, I will promptly prov</li> </ul>	nt information on how to contact r	ence related to my
Your name (print or type)	TAMI Herman	·
Street address PO Box	1598	
City, state and zip code	gBeach WA 9863	1
Telephone number (including a E-mail address (optional)	rea code) <u>(360) 642.05</u> zmi \$2\$2\$2@ao1.con	95
	Oath	
Required for complaints ag office:	jainst elected officials or ca	andidates for elective
certify (or declare) under penalty his complaint is complete, true an	id correct to the best of my knowled I	State of Washington that edge and belief.*
our signature	lew.	
Date signed June 5, 20	)12	
Place signed (city and county)		
Long Beach, WA	Pacific	
City	County	
	Attachments	
Check here if you are attachi	ng copies of documentary evid	lence or extra pages

\*RCW 9A.72.040 says that "(1) A person is guilty of false swearing if he makes a false statement which he knows to be false, under an oath required or authorized by law. (2) False swearing is a misdemeanor."



# Vorth Beach Water District

OCT 0 1 2012

Public Disclosure Commission

Washington State Public Disclosure Commission

September 26, 2012

Philip E. Stutzman.

Director of Compliance 711 Capital Way Room 206 PO Box 40908 Olympia Washington 98504-0908

Phone: 360.753.1111

William Neal,

General Manager North Beach Water District PO Box 38 Nahcotta, WA 98637

Phone: 360.665.3290

#### Mr. Philip E. Stutzman.

I am writing this letter in response to your letter dated September 12, 2012 regarding PDC Case No. 13-002. In your letter, you requested a response by September 28, 2012 to the allegations found in Tami Herman's complaint, dated June 17, 2012. This letter and its attachments constitute that response.

## Allegation 1:

Ms. Herman alleges that I gave her permission to receive, print, and use political campaign documents and templates via e-mail to the North Beach Water District office.

## Response 1:

This allegation is untrue. I categorically deny ever giving Ms. Herman permission to use North Beach Water District's computers, time, or other resources to e-mail, print, and/or use documents related to her husband's political campaign. I have never given such permission to Ms. Herman or any other employee of North Beach Water District.

## Allegation 2:

Ms. Herman alleges that the general manager and commissioners knew that certain election laws were being broken due to the fact that Commissioner Williams had provided "printed materials regarding the RCW in executive session."

Response	2:
wesponse.	

PDC E	xhibit #	4
Page_	01	_24

OCT 0 1 2012

Public Disclosure Commission
This allegation is untrue. At the April 16, 2012 regular meeting of the Board of
Commissioners of North Beach Water District, Commissioner Williams provided a copy of
PDC Interpretation 04-02 to Commissioner Brake, Commissioner Sheldon, and me. A copy
of the PDC Interpretation is attached to this letter as Exhibit "A." Commissioner Williams
presented the document during the "Board Member Comments" portion of the meeting.
Board Member Comments are made in open session. My understanding is that
Commissioner Williams presented the document because he had noticed campaign signs
on personal vehicles parked near the District's business office and campaign buttons being
worn by some District employees. I gave the document a cursory review and filed it with
the other materials from the board meeting. I had no knowledge of, nor reason to suspect
that any law was being violated at that time. There was no discussion of Ms. Herman or
possible campaign law violations during the executive session or during the open session.

#### Allegation 3:

Ms. Herman alleges that I told her charges would be filed against her.

#### **Response 3:**

This allegation is also untrue. On Tuesday, May 1, 2012, an employee who has access to Ms. Herman's computer confidentially reported to me that they had discovered documents on Ms. Herman's District computer that were related to Ms. Herman's husband's political campaign. The employee also told me that they had knowledge of Ms. Herman working on her husband's political campaign at work. I accessed the District's computer and found voluminous materials related to Ms. Herman's husband's campaign for Pacific County Commissioner, including campaign slogans, letterhead, "model releases" related to his campaign, planning maps, organizational charts, business listings, mailing addresses, and other items related to his campaign for political office. I copied the files in question to a USB flash drive. Copies of the documents in question that were found on Ms. Herman's computer are attached to this letter as Exhibit "C."

Ms. Herman's employment with North Beach Water District ended Friday, May 11, 2012. On that day, I meet with Ms. Herman at about 10:00 a.m. and showed her the political campaign documents discovered on her District computer and asked if the documents were hers. She replied, "Yes." She told me she did not create the documents on the District's computer, but that she had e-mailed them to herself so that she would have access to them at the District's offices during the day. I informed her that just the fact that the documents were on her computer constituted a violation of the law and of District policy. I informed

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OCT 0 1 2012

Public Disclosure Commission

Ms. Herman the incident would be reported to the Washington State Auditor, as required by law. I then told her she was being discharged effective immediately. I asked her to gather her personal things and leave the building. On May 14, 2012, the District mailed Ms. Herman a termination letter. A copy of the termination letter is attached to this letter as Exhibit "B."

The District reported the above issues regarding Ms. Herman's actions to the Washington State Auditor. After careful consideration, in light of the information available at that time, it was determined that Ms. Herman's activity, although inappropriate, did not necessitate reporting to the PDC at that time.

I am pleased to cooperate fully with your investigation of this matter. If you need additional information that is not contained in this letter or its attachments, please contact me.

Sincerely,

William Neal
General Manager

North Beach Water District

9/26/2012

<sup>&</sup>lt;sup>1</sup> While Ms. Herman was gathering her personal items, I took a call from a vendor. The call lasted less than three minutes. When I finished the call and returned to the front office, Ms. Herman was operating the office manager computer, even though her employment had been terminated. I asked Ms Herman not to operate the computer. She said she was just writing down file names. She gathered up the rest of her personal effects and left the building. I then accessed the same computer and noted that the recycle bin was empty. I immediately took steps to clone both the billing clerk and office manager computers used by Ms. Herman so that that any remaining information on them would be preserved. The clones are available for your inspection upon request.



25902 Vernon Avenue, Suite C P.O. Box 618, Ocean Park, WA 98640-0618 Tel: 360.665.4144 Fax: 360.665.4641 Email: northbeachwater@centurytel.net

Sunday, May 13, 2012

Tammie L. Herman
Po Box 1598
Long Beach, WA 98631

Re:

Letter of Dismissal

Dear Ms. Herman,

This will confirm that we found voluminous material on the computer you used related to your husband's campaign for County Commissioner. Some of the material on the computer included campaign slogans, letterhead, "model releases" related to his campaign, planning maps, organizational charts, business listings, mailing addresses, and other items related to his campaign. It is a violation of law, specifically RCW 42.17A.555 for any public employee to use public property such as a computer to aid and assist in a campaign. That statute provides:

No ... person employed by any public office or agency may use or authorize the use of any of the facilities of a public office or agency, directly or indirectly, for the purpose of assisting a campaign for election of any person to any office . . . . Facilities of a public office or agency include, but are not limited to, use of stationery, postage, machines, and equipment, use of employees of the office or agency during working hours, vehicles, office space, publications of the office or agency, and clientele lists of persons served by the office or agency. . .

PDC Exhibit # 4

A person who violates RCW 42.17A.555 is subject to a civil penalty of not more than \$10,000 per violation. We are required under RCW 43.09.108 to report to the state auditor our findings, and we intend to do so.

Because of the seriousness of this, and the fact that a law designed to protect the public that we serve was violated, I have decided to terminate your employment effective immediately. Your final paycheck will be sent to you during the course of the next normal payroll period, and any documentation necessary for the conclusion of your employment or the continuation of any benefits, if applicable, will also be sent to you at the address the District has on file for you.

If you have any items in your possession that belong to the District such as keys, credit cards, files (electronic or paper), or any other items please call me at (360) 244-0068 to make arrangements to return them without delay.

Sincerely,

William Neal General Manager

CC Suzanne Michael, District's Counsel

Corrine Schmid, Washington State Auditor Office

File

Encl. Memo from Bank of the Pacific



May 11, 2012

Bill Neal, General Manager North Beach Water District PO Box 618 Ocean Park, WA 98640-0618

RE: North Beach Water District Petty Cash Account Ending In 3657

Dear Bill,

This letter is to confirm the change in signers on the above-referenced account, specifically as it relates to Tammie L. Herman.

As of this date, Tammie L. Herman is no longer a signer on the account.

Sincerely,

Susan C. Madsen

Vice President and Manager

Ocean Park Branch

1802 Bay Avenue

PO Drawer B

Ocean Park, WA 98640

PDC Exhibit # Page of 38 -

Exhibit "C"

PDC Exhibit # 4
Page 7 of 33



## The Committee to Elect William "Bill" Herman

Pacific County Commissioner PO Box 1031 Ocean Park, WA 98640-1031 (360) 642-0595

> PICE Exhibit #\_ F Page 8 of 188

# BILL HERMAN

PACIFIC COUNTY COMMISSIONER

DEMOCRAT www.vote4billherman.com



DISTRICT

**VOTE** for

# BILL

# **IERMAN**

PACIFIC COUNTY COMMISSIONER

District 1 - DEMOCRAT

www.vote4billherman.com



# **VOTE** for

# BILL HERMAN

**Pacific County Commissioner** 

District #1

www.vote4billherman.com



Democrat



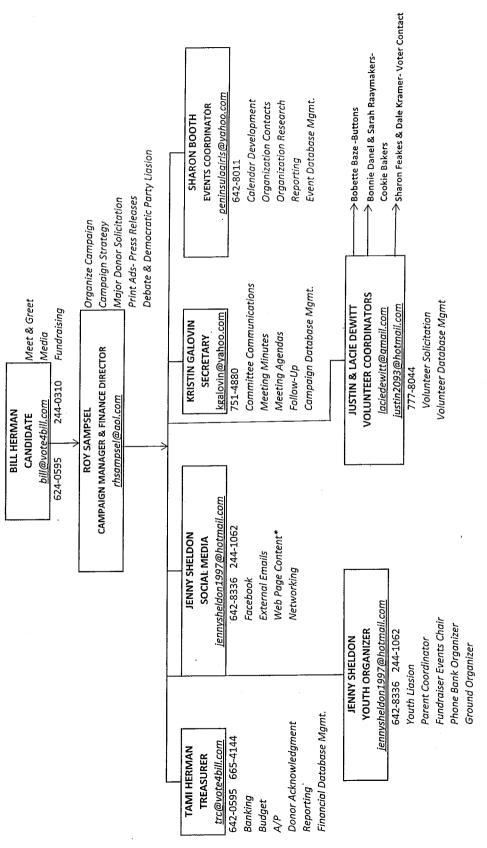
Catch a wave of change
VOTE 4

# BILL HERMAN

Pacific County Commissioner

Nov. 6, 2012

Democrat



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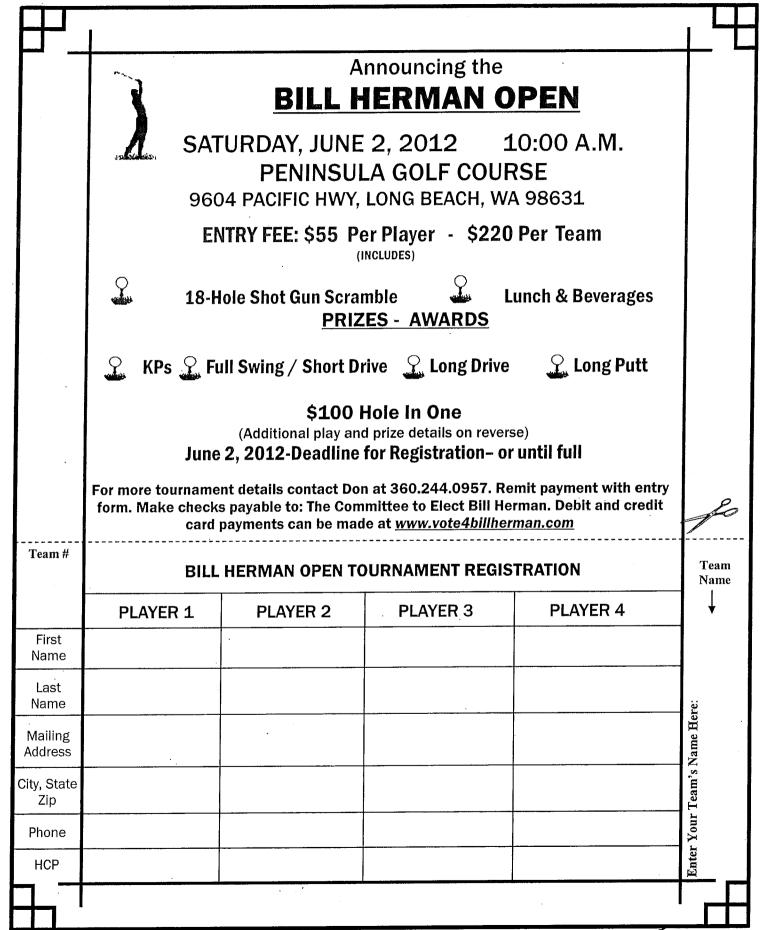
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PDC Exhibit # 1/4\_Page\_\_(7\_of\_ 3/8





# **BILL HERMAN OPEN**

SATURDAY, JUNE 2, 2012 10:00 A.M.
PENINSULA GOLF COURSE
9604 PACIFIC HWY, LONG BEACH, WA 98631



#### **GENERAL INFORMATION AND TOURNAMENT RULES**

This is a fund-raising event. Greens fees, consumables and prizes will be paid for from the entry fees. All funds, after expenses, will be donated to the Committee to Elect William "Bill" Herman, Pacific County Commissioner.

Standard Scramble Play, Shot Gun Start. Traditional rules will apply.

Each player receives 1 Mulligan included in the entry fee.

Field is limited to 15 teams - Check in begins at 9 a.m.—Be at your hole by 9:50

KPs on: #3 or 12; #4 or 13; #6 or 15 and #17.

Full Swing - Short Drive: #1

Long Drive: #18

Long Putt: #4

\$100 Hole In One—Donated by Doc's Tavern

Full listing of other donated prizes available at tournament

Entry fees must be paid with the Registration.

Registrations can be mailed to: EBH, PO Box 1031, Ocean Park, WA 98640

Registrations can be dropped off at the Peninsula Golf Course or Doc's Tavern.

Electronic entries and payments can be made at: www.vote4billherman.com

For more information call Don at 360.244.0957

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For mail-in or drop- off entries,

Please detach at the perforation above and return with

the entry fee.

PDC Exhibit #\_4\_ Page\_ 19\_of\_ 23

Dear\_\_\_\_\_\_\_\_\_.

My name is William "Bill" Herman, Jr. and I have declared my candidacy for Pacific County Commissioner for District I.

County Government Accountability, Property Owner's Rights and Small Business Empowerment are the basis of my platform; but there are so many more challenges that need our attention. Business owners know this better than most and must face these issues head on.

In the next few weeks I will be visiting businesses and I would like to take a few minutes of your time to discuss your concerns and hear your thoughts toward solutions.

In the meantime, feel free to contact me at (360)244-0310 or visit www.vote+billherman.com. Soon you will see information regarding Meet & Greet Events hosted by supporters. Please consider this my personal invitation to attend!

I look forward to speaking with you and thank you in advance for any and all support!

Dear

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PDC Exhibit # 1/2 Page\_ 20.01 33

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The Committee to Elect
William "Bill" Herman
Pacific County Commissioner

The Committee to Elect ——
William "Bill" Herman
Pacific County Commissioner

PO Box 1031 Ocean Park, WA 98640-1031

PO Box 1031 Ocean Park, WA 98640-1031

The Committee to Elect ——
William "Bill" Herman
Pacific County Commissioner

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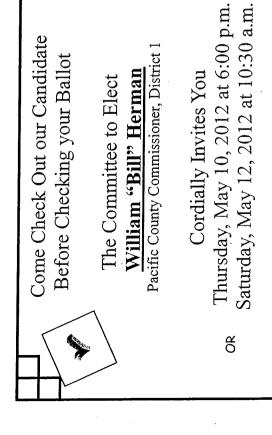
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PO Box 1031 Ocean Park, WA 98640-1031

The Committee to Elect ——
William "Bill" Herman
Pacific County Commissioner

PO Box 1031 Ocean Park, WA 98640-1031

NAME	
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EMAIL ADDRESS	
Our campaign & success depen	ds on <u>you</u> . Indicate below how
You can assist:	
Your Vote Display a	a Yard Sign
A Donation Letters	of Support Phoning
Campaign Volunteering	Host A Coffee Meeting



...come see why your friends and neighbors say Bill Herman is the right choice for Pacific County! Community Candidate Meet & Greet

Thursday, May 10, 2012 at 6:00 p.m. Saturday, May 12, 2012 at 10:30 a.m. .. come see why your friends and neighbors say Bill Herman is the right choice for Pacific County! Come Check Out our Candidate Community Candidate Meet & Greet Pacific County Commissioner, District 1 Before Checking your Ballot William "Bill" Herman Cordially Invites You The Committee to Elect 8



Come Check Out our Candidate

Before Checking your Ballot

Come Check Out our Candidate Before Checking your Ballot

Pacific County Commissioner, District 1 William "Bill" Herman The Committee to Elect

Thursday, May 10, 2012 at 6:00 p.m. Saturday, May 12, 2012 at 10:30 a.m. Cordially Invites You 8

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Community Candidate Meet & Greet

Thursday, May 10, 2012 at 6:00 p.m. Saturday, May 12, 2012 at 10:30 a.m.

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Cordially Invites You

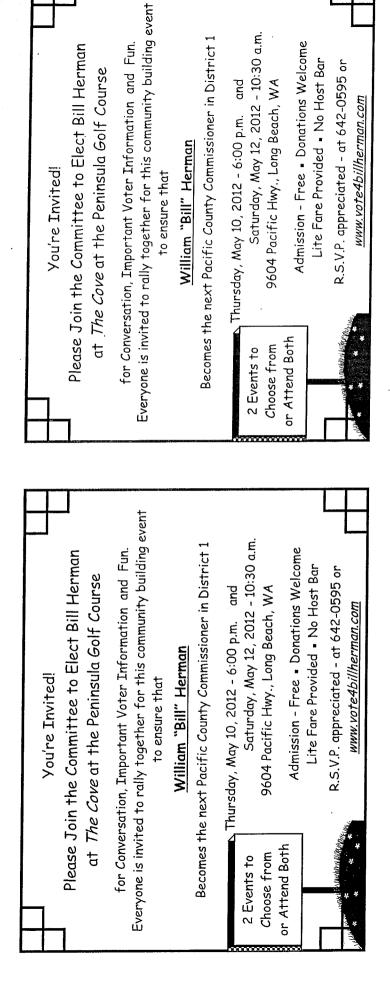
Pacific County Commissioner, District 1

William "Bill" Herman

The Committee to Elect

...come see why your friends and neighbors say Bill Herman is the right choice for Pacific County!

PDC Exhibit #



Saturday, May 12, 2012 - 10:30 a.m.

William "Bill" Herman

to ensure that

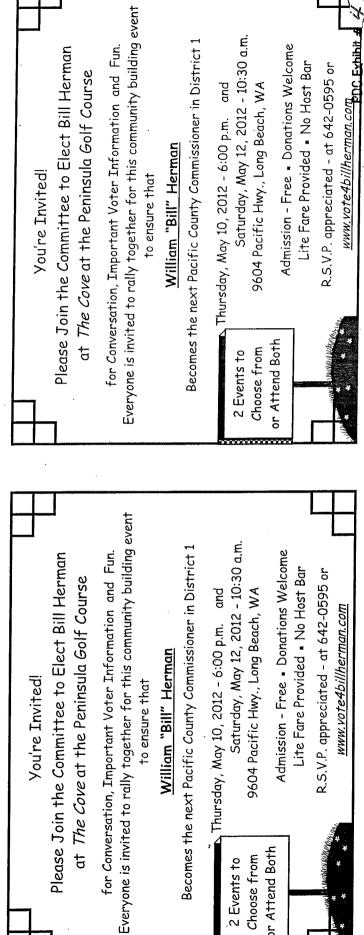
You're Invited!

9604 Pacific Hwy., Long Beach, WA

Admission - Free • Donations Welcome

Lite Fare Provided . No Host Bar R.S.V.P. appreciated - at 642-0595 or

www.vote4billherman.com



9604 Pacific Hwy., Long Beach, WA

or Attend Both

Choose from

2 Events to

www.vote4billherman.com

Thursday, May 10, 2012 - 6:00 p.m. and

William "Bill" Herman

to ensure that

You're Invited!

# THE COMMITTEE TO ELECT WILLIAM "BILL" HERMAN, PACIFIC COUNTY COMMISSIONER

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## Model Release - Adult

I hereby confer to	, Inc. the unrestricted an irrevocable
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a. To copyright the same in their own name or	
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I hereby release and discharge	, from all and any claims
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This authorization and release shall inure to the ben	efit of the legal representatives, licensees and as-
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Model Rele	ease – Child
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other photographs, in any medium now or he	reafter known, and for any purpose whatsoever in-
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# AMENDMENT TO MANAGEMENT AGREEMENT BETWEEN NORTH BEACH WATER DISTRICT AND SURSIDE HOMEOWNERS ASSOCIATION

THIS AMENDMENT amends paragraph 2 of and adds a new paragr Management Agreement between North Beach Water District, Pacific County, Washington municipal corporation ("District") and Surfside Homeowners Association, a Washington non-profit corporation ("SHA") ("Agreement") as follows:

- A. Amendment of Paragraph 2. Paragraph 2 of the Agreement is amended to read as follows:
  - 2. TERM OF AGREEMENT AND EFFECTIVE DATES:

Subject to paragraph 11 (TERMINATION), the term of this Agreement shall be from August 1, 2011 through July 31, 2013, and shall be extended automatically for successive one-year terms.

- Addition of new Paragraph 15. A new paragraph 15 is added to the Agreement as В. follows:
  - 15. APPLICABILITY OF PARAGRAPHS 3.1 AND 1.6:

The cost and payment requirements of paragraph 3.1 and the purchase and contract authorization of paragraph 1.6 shall apply for any one-year period of this Agreement, which commences on August 1 and ends on July 31.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the dates written below:

SURSIDE HOMEOWNERS ASSOCIATION

NORTH BEACH WATER DISTRICT

By: Gay Welleau

President

Date: 07-03-2012

By: 🔞

#### MANAGEMENT AGREEMENT

Worth Beach Water District, a Washington municipal corporation (NBWD) and Surfside Homeowners Association, a Washington non-profit corporation (SHA) which owns a water system know as Surfside Himeowners Association, a Water System (System) enter into this Interim Management Agreement ("Agreement") as set forth herein.

#### PURPOSE

#### **PUBLIC DISCLOSURE COMMISSION**

SHA desires to enter into an agreement with NBWD to retain William Neal (Neal) as System Manager to provide supervision of System staff and management of System. NBWD is willing to assign Neal, under the terms and conditions of this Agreement, to manage and supervise System services.

#### **AGREEMENT**

In consideration of the mutual promises and covenants contained herein, the parties agree as follows:

#### 1. SERVICES PROVIDED:

- 1.1. In consideration of the payment of fees described in section 3 (PRICE FOR SERVICES), NBWD will assign and authorize Neal to serve as System manager. Neal shall perform services to SHA as provided in this Agreement, except when he is "unavailable for service" for reasons such as; on leave, is away for training, or is ill. Neal will use a high degree of skill and care as an expert in water system management and supervision. NBWD will authorize Neal sufficient time each week, at Neal's good judgment, to provide services described below. Neal, except times when he is unavailable for service, will be on call 24 hours a day, 7 days a week for emergencies involving the System. An "emergency" shall be the failure or imminent failure of any vital component of the System, in the opinion of Neal. SHA and NBWD agree that Neal will provide System supervision and management in accord with industry standards and with specific System operation needs. NBWD services will include, but not be limited to, the following:
- 1.2. Neal will prepare and manage a schedule for operation and maintenance of System in accordance with accepted public health practices and the System's approved Water System Plan. Under the direction of Neal, SHA's staff will operate and maintain the System;
- 1.3. Neal will examine and interpret all incoming correspondence concerning. System, will communicate the meaning and significance of the correspondence to SHA, and will respond to correspondence.
- 1.4. Neal will prepare a monthly report for SHA on System observations and operation. Neal will present the report to SHA's board of Trustees at their regular monthly board meeting.
- 1.5. Neal shall manage SHA System capital improvement projects including analyzing the need for an proposing potential System capital improvement projects; planning; overseeing and inspection of work and coordinating with vendors; contractors; engineers; consultants; regulators; and others as needed to facilitate the successful completion of the project.
- 1.6. Neal is authorized to make purchases and enter into contracts on behalf of SHA if the purchase or contract amount is not in excess of \$3000.00 total cost without board approval. The division of purchases or contracts into smaller portions to fall below \$3,000.00 is not be allowed.

#### 2. TERM OF AGREEMENT AND EFFECTIVE DATES:

Subject to paragraph 11 (TERMINATION), this Agreement will be for a term of 12 months starting August 1, 2011 and continuing through July 31, 2012.

#### 3. PRICE FOR SERVICES

3.1. The total cost of this Agreement is \$60,000.00 paid as follows; On the 10<sup>th</sup> of September, 2011, and each month thereafter through the term of this agreement, SHA will pay NBWD \$5,000.00 for services rendered, as described in section 1, in the prior calendar month; provided that if this Agreement is terminated pursuant to paragraph 11 (TERMINATION), SHA will not be liable for payment of any amount under this Agreement (including paragraphs 3.1 and 3.2) for any period after termination.

PDC Exhibit # 5
Page 2 of 7

Page 1 of 3

- 3.2. SHA will reimburse NBWD for its reasonable direct costs incurred in performing services under this Agreement, including but not limited to out-of-area lodging and per diem, mileage, and similar items. All direct costs will be reimbursed at actual amounts incurred, supported by invoices or statemental mileage will be reimbursed at the current Internal Revenue Service standard mileage rate for business miles driven. Notwithstanding the foregoing provisions of this paragraph 3.2, NBWD will not be entitled to any payment from SHA for any costs related to employment of Neal by NBWD, including, but not limited to, taxes, wrusto Discussive Complete Compl
- 3.3. NBWD will not generate invoices for the payments identified in paragraphs 3.1. NBWD will generate invoices for payments under paragraph 3.2. All invoices submitted to SHA by the fifth (5<sup>th</sup>) day of the month will be due by the twenty-fifth (25<sup>th</sup>) day of the same month. All payments more than thirty (30) days in arrears will bear interest at a rate of eighteen percent (18%) per annum.

#### 4. LIMITATION OF SERVICE:

- 4.1. NBWD's responsibility is limited to the services of this Agreement.
- 4.2. NBWD has no responsibility in the event that System's water source is interrupted, volume thereof is reduced, or the water is contaminated. NBWD has no responsibility to construct or install new or replacement facilities and structures of any kind. SHA will be responsible for financing of new or replacement facilities and structures and for all repairs to facilities and structures. All liabilities and obligations of the System will remain with SHA. SHA will keep in full force and effect during this Agreement general and commercial liability insurance for the System in amounts and coverages reasonably approved by NBWD. NBWD shall keep in full force and effect during the term of this Agreement general and commercial liability insurance with respect to its obligations under this Agreement in amounts and coverages reasonably approved by SHA.
- 4.3. SHA understands that NBWD is subject to state statutes and case authority regarding municipalities, including but not limited to the Public Records Act. And that such state statues and case authority may supersede, govern, and modify NBWD's duties and responsibilities under this Agreement.

#### 5. LICENSE:

For the duration of this Agreement, SHA hereby grants NBWD license to enter onto all premises, easements, and properties of SHA to perform NBWD's duties and responsibilities under this Agreement. This license is limited to Neal or other NBWD employees approved by SHA and limited to easements and premises directly related to the System.

#### 6. INDEMNIFICATION:

Each party will defend, indemnify and hold harmless the other party, its officers, agents and employees, from and against any and all claims, including third party claims, costs, judgments or damages, including attorney's fees, arising out of the negligent acts or omissions of the party, its officers, agents and employees, in connection with this Agreement. The parties hereby waive, but only as to each other, their immunity from suit under industrial insurance, Title 51 RCW. This waiver of immunity was mutually negotiated by the parties. This paragraph will survive any termination or expiration of this Agreement.

#### 7. CONSTRUCTION:

This Agreement is being entered into and will be construed and interpreted in accordance with the laws of the State of Washington.

#### 8. INDEPENDENCE OF PARTIES:

In executing this Agreement, the parties are independent and acting solely for their own accounts, and nothing in this Agreement will cause them to be construed as partners, joint ventures, or having any other relationship under which either party could be deemed to be the agent of the other or as creating any rights in any third parties.

#### 9. SEVERABILITY:

The invalidity, illegality, or unenforceability of any provision hereof will not in any way affect, impair, invalidate, or render unenforceable this Agreement or any other provision thereof.

PDC Exhibit # 5 Page 2 of 3

#### 10. WAIVER:

# DATE FILED

Failure on the part of either party to exercise or any delay in exercise of any rights hereunder will not act as a waiver thereof; nor will any waiver of acceptance of any partial, single, or delayed performance of any term or condition of this Agreement operate as a continued waiver or waiver and table of the condition of this Agreement operate as a continued waiver or waiver and table of the condition of this Agreement operate as a continued waiver or waiver and table of the condition of the condition of this Agreement operate as a continued waiver or waiver and table of the condition of this Agreement operate as a continued waiver or waiver and table of the condition of the condition of this Agreement operate as a continued waiver or waiver and table of the condition of the

#### 11. TERMINATION:

The Agreement may be terminated by either NBWD or SHA upon Thirty (20) is to some to make the NBWD, this Agreement may be terminated by SHA upon fifteen (15) days written notice to NBWD.

#### 12. INTIGRATION:

This Agreement integrates the understanding of the parties. It supersedes and cancels all prior negotiations, correspondence and communications between the parties with respect to the terms and conditions of this Agreement. No oral modifications of, or amendment to, this Agreement will be effective; however, this Agreement may be modified or amended by written agreement signed by both parties to this Agreement.

#### 13. INTERPRETATION OF FAIR CONSTUCTION OF CONTRACT:

This Agreement has been reviewed and approved by the parties. In the event it should be determined that any provision of this Agreement is uncertain or ambiguous, the language in all parts of this Agreement will be in all cases constructed as a whole according to the fair meaning and not strictly construed for or against either party.

#### 14. WARRANTIES AND REPRESENTATIONS:

SHA hereby warrants and represents to NBWD that SHA either possesses or will possess valid and sufficient authority to provide water to the entire System.

IN WITNESS WHEREOF, the parties have signed this agreement on the dates below.

North Beach Water District:

Si Ihlda	Date: 7-18-11
Brian Sheldon, Commissioner Position #1	
Aw Blile	Date: 1-18-11
Gwen Brake, Commissioner Position #2	
JANACO CONTRACTOR OF THE PARTY	Date! _/8-2011
R.D. Williams, Commissioner Position #3	
Surfside Homeowners Association:	. •
Gent Welliams  Gary Williams, President Board of Trustees	Date: <u>07 - // - 20</u> / )

PDC Exhibit # 5
Page 4 of 7

Page 3 of 3

AGREEMENT TO PROVIDE WATER SYSTEM MANAGEMENT SERVICES

# INTERIM MANAGEMENT AGREE 2013 APR 10 AM 11 22 Agreement

North Beach Water District, a Washington municipal corporation (NBWD) and Surfside Homeowners Association, a Washington non-profit corporation (SHA) which owns a water system know as Surfside Homeowners Association, a System (System) enter into this Interim Management Agreement ("Agreement") as set forth herein.

#### **PURPOSE**

SHA desires to enter into an agreement with NBWD to retain William Neal (Neal) as System Manager to provide supervision of System staff and management of System. NBWD is willing to assign Neal, under the terms and conditions of this Agreement, to manage and supervise System services.

#### **AGREEMENT**

In consideration of the mutual promises and covenants contained herein, the parties agree as follows:

#### 1. SERVICES PROVIDED:

- 1.1. In consideration of the payment of fees described in section 3 (PRICE FOR SERVICES), NBWD will assign and authorize Neal to serve as System manager. Neal shall perform services to SHA as provided in this Agreement, except when he is "unavailable for service" for reasons such as; on leave, is away for training, or is ill. Neal will use a high degree of skill and care as an expert in water system management and supervision. NBWD will authorize Neal sufficient time each week, at Neal's good judgment, to provide services described below. Neal, except times when he is unavailable for service, will be on call 24 hours a day, 7 days a week for emergencies involving the System. An "emergency" shall be the failure or imminent failure of any vital component of the System, in the opinion of Neal. SHA and NBWD agree that Neal will provide System supervision and management in accord with industry standards and with specific System operation needs. NBWD services will include, but not be limited to, the following:
- 1.2. Neal will prepare and manage a schedule for operation and maintenance of System in accordance with accepted public health practices and the System's approved Water System Plan. Under the direction of Neal, SHA's staff will operate and maintain the System;
- 1.3. Neal will examine and interpret all incoming correspondence concerning System, will communicate the meaning and significance of the correspondence to SHA, and will respond to correspondence.
- 1.4. Neal will prepare a monthly report for SHA on System observations and operation. Neal will present the report to SHA's board of Trustees at their regular monthly board meeting.
- 1.5. Neal will manage SHA approved System capital improvement projects including planning, overseeing and inspection of work. It will also include coordinating with vendors, contractors, engineers, consultants, regulators, and others as needed to facilitate the successful completion of the project. The approved projects are 2010 WMR, 2011 WMR, 2011 Blow-Off Installations, 2011 J Well Field Improvements, 2012 Service Metering Project.

#### 2. TERM OF AGREEMENT AND EFFECTIVE DATES:

Subject to paragraph 11 (TERMINATION), this Agreement will be for a term of 5 months starting March 1, 2011 and continuing through July 31, 2011.

#### 3. PRICE FOR SERVICES

- 3.1. The total cost of this Agreement is \$25,000.00 paid as follows; On the 10<sup>th</sup> of April SHA will pay NBWD \$5,000.00. On the 10<sup>th</sup> of May SHA will pay NBWD \$5,000.00. On the 10<sup>th</sup> of July SHA will pay NBWD \$5,000.00. On the 10<sup>th</sup> of August SHA will pay NBWD \$5,000.00 for the services provided described in section 1
- 3.2. SHA will reimburse NBWD for its reasonable direct costs incurred in performing services under this Agreement, including but not limited to out-of-area lodging and per diem, mileage, and similar items. All Page 1 of 3

Final Agreement

direct costs will be reimbursed at actual amounts incurred, supported by invoices or statements. Mileage will be reimbursed at the current Internal Revenue Service standard integer aterial business miles driven. Notwithstanding the foregoing provisions of this paragraph 3.2, NBWD will not be entitled to any payment from SHA for any costs related to employment of Neal by NBWD, including, but not limited to, taxes, withholding, fringe benefits, educational expenses or any other exercises constructions in the absence of this Agreement.

3.3. **NBWD** will not generate invoices for the payments identified in paragraphs 3.1. **NBWD** will generate invoices for payments under paragraph 3.2. All invoices submitted to **SHA** by the fifth (5<sup>th</sup>) day of the month will be due by the twenty-fifth (25<sup>th</sup>) day of the same month. All payments more than thirty (30) days in arrears will bear interest at a rate of eighteen percent (18%) per annum.

#### 4. LIMITATION OF SERVICE:

- 4.1. NBWD's responsibility is limited to the services of this Agreement.
- 4.2. NBWD has no responsibility in the event that System's water source is interrupted, volume thereof is reduced, or the water is contaminated. NBWD has no responsibility to construct or install new or replacement facilities and structures of any kind. SHA will be responsible for financing of new or replacement facilities and structures and for all repairs to facilities and structures. All liabilities and obligations of the System will remain with SHA. SHA will keep in full force and effect during this Agreement general and commercial liability insurance for the System in amounts and coverages reasonably approved by NBWD. NBWD shall keep in full force and effect during the term of this Agreement general and commercial liability insurance with respect to its obligations under this Agreement in amounts and coverages reasonably approved by SHA.
- 4.3. SHA understands that NBWD is subject to state statutes and case authority regarding municipalities, including but not limited to the Public Records Act. And that such state statues and case authority may supersede, govern, and modify NBWD's duties and responsibilities under this Agreement.

#### 5. LICENSE:

For the duration of this Agreement, SHA hereby grants NBWD license to enter onto all premises, easements, and properties of SHA to perform NBWD's duties and responsibilities under this Agreement. This license is limited to Neal or other NBWD employees approved by SHA and limited to easements and premises directly related to the System.

#### 6. INDEMNIFICATION:

Each party will defend, indemnify and hold harmless the other party, its officers, agents and employees, from and against any and all claims, including third party claims, costs, judgments or damages, including attorney's fees, arising out of the negligent acts or omissions of the party, its officers, agents and employees, in connection with this Agreement. The parties hereby waive, but only as to each other, their immunity from suit under industrial insurance, Title 51 RCW. This waiver of immunity was mutually negotiated by the parties. This paragraph will survive any termination or expiration of this Agreement.

#### 7. CONSTRUCTION:

This Agreement is being entered into and will be construed and interpreted in accordance with the laws of the State of Washington.

#### 8. INDEPENDENCE OF PARTIES:

In executing this Agreement, the parties are independent and acting solely for their own accounts, and nothing in this Agreement will cause them to be construed as partners, Joint ventures, or having any other relationship under which either party could be deemed to be the agent of the other or as creating any rights in any third parties.

AGREEMENT TO PROVIDE WATER SYSTEM MANAGEMENT SERVICES

Page 2 of 3

Final Agreement

#### 9. SEVERABILITY:

The invalidity, illegality, or unenforceability of any provision hereoff in any provision hereoff any provision thereof.

#### 10. WAIVER:

#### PUBLIC DISCLOSURE COMMISSION

Failure on the part of either party to exercise or any delay in exercise of any rights hereunder will not act as a waiver thereof; nor will any waiver of acceptance of any partial, single, or delayed performance of any term or condition of this Agreement operate as a continued waiver or waiver any subsequent breach thereof.

#### 11. TERMINATION:

The Agreement may be terminated by either NBWD or SHA upon fifteen (15) days written notice. In the event that Neal is no longer employed by NBWD, this Agreement may be terminated by SHA immediately upon written notice to NBWD.

#### 12. INTIGRATION:

This Agreement integrates the understanding of the parties. It supersedes and cancels all prior negotiations, correspondence and communications between the parties with respect to the terms and conditions of this Agreement. No oral modifications of, or amendment to, this Agreement will be effective; however, this Agreement may be modified or amended by written agreement signed by both parties to this Agreement.

#### 13. INTERPRETATION OF FAIR CONSTUCTION OF CONTRACT:

This Agreement has been reviewed and approved by the parties. In the event it should be determined that any provision of this Agreement is uncertain or ambiguous, the language in all parts of this Agreement will be in all cases constructed as a whole according to the fair meaning and not strictly construed for or against either party.

#### 14. WARRANTIES AND REPRESENTATIONS:

SHA hereby warrants and represents to NBWD that SHA either possesses or will possess valid and sufficient authority to provide water to the entire System.

IN WITNESS WHEREOF, the parties have signed this agreement on the dates below.

North Beach Water District:	
Bi Ihlda	Date: 2/24/2011
Brian Sheldon, Commissioner Position #1	, ,
Shufthe	Date: 2/22/201/
Gyen-Brake, Commissioner Position #2	/ /
MMMllen -	Date: 9/32/2011
R.D. Williams, Commissioner Position #3	
Surfside Homeowners Association:	
Jans a Florelly.	Date: 2/19/ 2.011
James Flood President Board of Trustees	

AGREEMENT TO PROVIDE WATER SYSTEM MANAGEMENT SERVICES

Page 3 of 3