

**HARTSTONE POINTE WATER-SEWER DISTRICT  
REGULAR MEETING**

**District Office**

**772 E Chesapeake Drive, Shelton, WA 98584**

**November 9, 2017 1:00 P.M.**

**AGENDA**

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes
  - October 26, 2017 Regular Meeting (pgs. 2-3)
  - November 2, 2017 Special Meeting – 2018 Budget Work Session (pg. 4)

**REPORTS:**

7. Commissioner Reports
8. Emergency Preparedness Report
9. Financial/Administrative Report:
  - Bills to Be Authorized:
    - Early Voucher 2017-30, in the amount of \$15,483.99
    - Voucher 2017-31
    - Voucher CP 53, in the amount of \$9,500.00
  - Billing Report (pgs. 5-7)
10. Manager's Report

**BUSINESS:**

11. MRSC Rosters Contract (pgs. 8-10)
12. H2O Solutions Reservoir Cleaning and Inspection Contract (pgs. 11-16)
13. Review Wastewater Treatment Operations Contract (pgs. 17-24)
14. 2018 Proposed Budget
15. Budget Hearing Presentation
16. November 27, 2017 Meeting

**HARTSTENE POINTE WATER-SEWER DISTRICT  
REGULAR MEETING of the BOARD OF COMMISSIONERS  
October 26, 2017  
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

**MINUTES**

**PRESENT:** President M.A. Cary, Secretary A. Hospador, Commissioner D. McNabb, Accounting and Administrative Services Manager (AAS) M. Carnahan, General Manager (GM) M. Jeffreys.

**CALL TO ORDER:** The meeting was called to order at 1:00 pm.

**SUBSCRIBER REMARKS:** Robert Scarola present.

**CORRESPONDENCE:**

- FROM: Water Sewer Risk Management Pool RE: Pool's financial condition and District's 2017-2018 allocation.
- FROM: Connie Rivera RE: Drinking Water State Revolving Fund loan disbursements, federal vs. state funds.

**PRESENT AGENDA:** The agenda for the October 26, 2017 regular meeting was presented. GM requested removal of Reservoir Mixer Quotes from the agenda and addition of Annual Pump Preventative Maintenance Quote to the agenda. *Commissioner McNabb moved to adopt the agenda as amended. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the amended agenda was adopted.*

**MINUTES:** The minutes of the October 12, 2017 regular meeting were presented. *Commissioner McNabb moved to adopt the minutes as presented. President Cary seconded. Hearing 3 aye votes and 0 nay votes, the minutes were adopted.*

**REPORTS:**

**Commissioner Reports:**

- President Cary: Reported on two articles she read.
  - Editorial by Dan Evans about the Hirst decision and related capital budget battle.
  - EPA's lowering of the arsenic MCL has helped minimize municipal utilities arsenic issues, but not private wells.
- Commissioner Hospador: presented an article about new water technologies.
- Commissioner McNabb: presented the table of contents of a book he is working on, titled Global Water Sustainability: Barriers and Opportunities.

**Emergency Preparedness Report:** The Hartstene Pointe Maintenance Association (HPMA) Board had originally approved a command center for the HPMA Emergency Preparedness Group, however that has changed. The HPMA Board has now approved \$5,000 for an emergency medical supply kit.

**Financial/Administrative Report:**

- Bills to Be Authorized: Voucher 2017-29, in the amount of \$5,480.97, was presented. *Commissioner Hospador moved to approve the voucher. President Cary seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*

**Manager's Report:** A written report was presented (attached).

**BUSINESS:**

**DWSRF Loan Projected Amortization and Reserve Transfer Schedules:** AAS presented an updated projected amortization schedule for the District's Drinking Water State Revolving Fund (DWSRF) loan. The 2018 loan payment is projected to be \$81,840. Per the District's Fund Policy and loan contract, the District must make regular transfers from the Operating Account into the DWSRF Loan Reserve Fund such that by the annual loan payment date the fund balance equals the projected annual DWSRF loan debt service payment. In order to ensure the fund balance equals the projected payment amount, the AAS proposed the District make monthly fund transfers of \$6,820 from the Operating Fund to the DWSRF Loan Reserve Fund, beginning October 2017. *Commissioner Hospador moved to authorize monthly fund transfers of \$6,820 from the Operating Fund to the DWSRF Loan Reserve Fund. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

**BIAS Software 2018 Renewal:** The 2018 BIAS software contract, in the amount of \$3,143.23, was presented. *Commissioner Hospador moved to authorize the 2018 contract agreement with BIAS for billing software support and hosting. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

**Annual Pump Preventative Maintenance Quote:** Grundfos submitted a quote for preventative maintenance of all the District's pumps in the amount of \$4,264.05. GM will not have the well pumps serviced, which will reduce the final cost. *Commissioner Hospador moved to authorize Grundfos to perform preventative maintenance on the pumps, not to exceed \$4,264.05. President Cary seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

**Commissioner Position Changes Following 2017 Election:** AAS contacted the Mason County Elections Office seeking clarification on when each the newly elected commissioners would be seated following the general election. Both Position 1 and Position 3 will be sworn in after the election is certified on November 28<sup>th</sup>.

**November/December Meeting Schedule:** presented and discussed.

**2018 Preliminary Budget:** Presented. The preliminary budget will be discussed at the Budget Work Session on November 2, 2017 at 10:00 am.

*Meeting adjourned at 3:05 pm.*

Respectfully Submitted By:

\_\_\_\_\_  
Andrew Hospador, Secretary

Approved at the Regular Meeting of the Board on: \_\_\_\_\_

**HARTSTENE POINTE WATER-SEWER DISTRICT  
SPECIAL MEETING of the BOARD OF COMMISSIONERS  
November 2, 2017  
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

**MINUTES**

**PRESENT:** President M.A. Cary, Secretary A. Hospador, Commissioner D. McNabb, General Manager (GM) M. Jeffreys, Accounting and Administrative Services Manager (AAS) M. Carnahan; Subscriber Robert Scarola also present.

**CALL TO ORDER:** The meeting was called to order at 10:00 am.

**BUSINESS:**

**2018 Budget Work Session:** Reviewed and discussed 2018 Preliminary Budget.

*Meeting recessed at 11:45 am for a lunch break. Meeting Reconvened at 12:45 pm.*

Review and discussion of the 2018 Preliminary Budget continued. The Board directed the AAS to incorporate a rate increase, not to exceed 9%, into the proposed budget.

*Meeting adjourned at 2:15 pm.*

Respectfully Submitted By:

\_\_\_\_\_  
Andrew Hospador, Secretary

Approved at the Regular Meeting of the Board on: \_\_\_\_\_

# Utilities Trial Balance

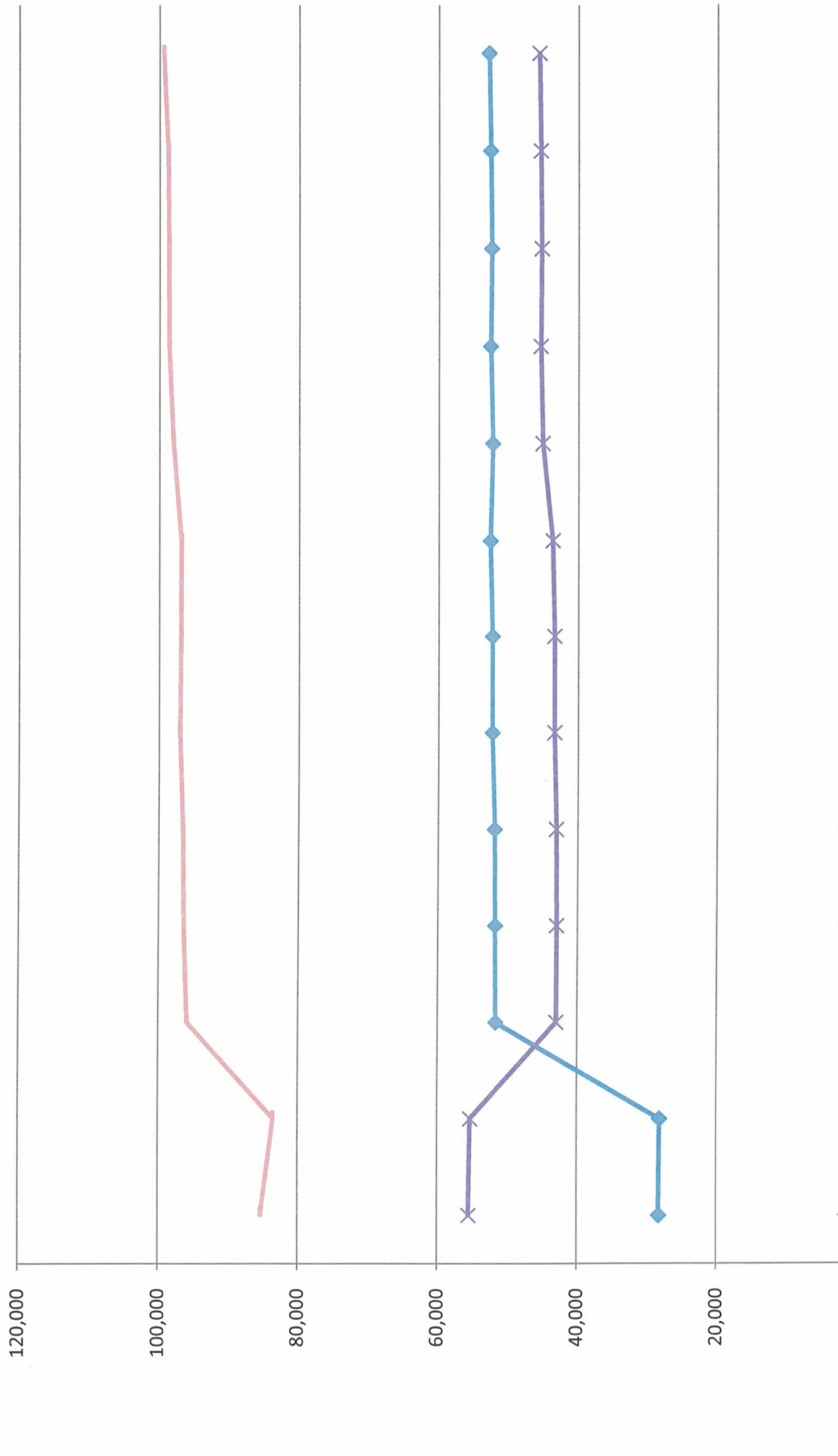
Hartstene Pointe Water-Sewer District  
09/01/2017 through 10/31/2017

Utility		Beginning A/R Balance	Receipts	Billing	Ending A/R Balance
Water	Basic	3,220.39	52,454.04	52,878.51	3,644.86
	Other	405.84	360.00	340.00	385.84
	Late Fees	(1.35)	364.79	364.79	(1.35)
		<u>3,624.88</u>	<u>53,178.83</u>	<u>53,583.30</u>	<u>4,029.35</u>
Sewer	Basic	832.04	45,647.87	45,739.83	924.00
	Other	-	-	-	-
	Late Fees	1.35	227.28	227.28	1.35
		<u>833.39</u>	<u>45,875.15</u>	<u>45,967.11</u>	<u>925.35</u>
Totals		<u><u>4,458.27</u></u>	<u><u>99,053.98</u></u>	<u><u>99,550.41</u></u>	<u><u>4,954.70</u></u>

Notes:



# Regular Utility Billing



	Sep/Oct 2015	Nov/Dec 2015	Jan/Feb 2016	Mar/Apr 2016	May/June 2016	Jul/Aug 2016	Sep/Oct 2016	Nov/Dec 2016	Jan/Feb 2017	Mar/Apr 2017	May/June 2017	Jul/Aug 2017	Sep/Oct 2017
Water Service	28,244	28,134	51,708	51,847	51,931	52,318	52,317	52,647	52,303	52,640	52,481	52,636	52,857
Sewer Service	55,537	55,321	43,028	43,027	43,097	43,417	43,418	43,693	45,141	45,435	45,299	45,431	45,623
Late/Misc. Fees	1,569	120	1,198	1,543	1,544	1,305	1,194	551	584	561	905	729	956
Total Charges	85,351	83,575	95,934	96,418	96,573	97,040	96,929	96,891	98,028	98,636	98,686	98,796	99,436



## Washington Public Agency Contract Small Works, Consultant, and Vendor Rosters

This contract (the "Contract") is made by and between Municipal Research and Services Center of Washington ("MRSC"), a not-for-profit corporation, and the Washington local government (the "Public Agency"),

Hartstene Pointe Water-Sewer District.

1. Purpose. The purpose of this Contract is to provide the Public Agency with membership in MRSC Rosters.
2. Scope of Services. MRSC shall host the entire Public Agency's individual Small Public Works Roster ("Small Works Roster"), individual Consultant Roster ("Consultant Roster"), and individual Vendor Roster ("Vendor Roster") (collectively "Rosters"). MRSC shall advertise at least annually for the Small Works Roster and Consultant Roster, and at least biannually for the Vendor Roster in accordance with statutory requirements on behalf of the Public Agency. MRSC will assist small public works, consultant, and vendor business (collectively, "businesses") with roster registration throughout the year, receive applications, review applicant eligibility for compliance with basic statutory eligibility requirements, and maintain business applications in an online database.
3. Effective Date and Term. This Contract shall be effective in the year in which it is signed on either May 1 if signed prior to May 1 or December 1 if signed prior to December 1, for a period of one year.
4. Access to MRSC Rosters by Public Agency Prior to Legal Notice. As of the Contract effective date, the Public Agency may access the MRSC Rosters database at [www.mrscrosters.org](http://www.mrscrosters.org) by entering its account login information, as will be provided by MRSC. The Public Agency may search for and view business applications as of the effective date of the Contract, but it may not contact businesses about roster projects until after the legal notice is posted.
5. Notification of Transition to MRSC Rosters. As of the contract effective date, the Public Agency may begin notifying interested businesses that they may register with the Public Agency at any time in the MRSC Rosters, but that the Public Agency will not begin using the hosted rosters until after the legal notice is posted.
6. Roster Legal Notice. MRSC shall post the statutorily-required roster legal notice on behalf of the Public Agency in a newspaper of general circulation relative to the location of the Public Agency. The notice will occur the first Monday of January or June, or during the week of the first Monday of January or June for weekly newspapers.
7. Use of MRSC Rosters by Public Agency. As of the date of the applicable legal notice in January or June, all departments of the Public Agency will discontinue use of any previously-maintained rosters and begin using the MRSC Rosters exclusively when choosing to follow a roster contracting process, in accordance with the following statutory requirements:
  - (a) Small Works Roster. The Public Agency will use the Small Works Roster to select businesses for public work projects in accordance with RCW 39.04.155, as now or hereafter amended. The Public Agency shall be responsible for its own and the selected businesses' compliance with all other laws and regulations governing public works contracting, including retainage and bonds, prevailing wages, and any other applicable requirements.
  - (b) Consultant Roster. The Public Agency will use the Consultant Roster to select businesses for consultant projects in accordance with the laws and ordinances applicable to the Public Agency, including Chapter 39.80 RCW when contracting for architectural and engineering services. The Public Agency shall be responsible for its own and the selected businesses' compliance with all laws and regulations governing the purchase of services.



(c) Vendor Roster. The Public Agency will use the Vendor Roster to select businesses to award contracts for the purchase of supplies, materials, and equipment not being purchased in connection with public works contracts in accordance with RCW 39.04.190, and any ordinances and other laws applicable to the Public Agency. The Public Agency shall be responsible for its own and the selected business' compliance with all laws governing such purchases.

8. Compensation of Businesses. The Public Agency shall be responsible for payments to any business that it selects as a result of its use of MRSC Rosters. The Public Agency shall make all such payments directly to the businesses selected by the Public Agency.

9. Annual Membership Fee. The Public Agency will pay MRSC an annual membership fee based on the five-year average of the Public Agency's total capital expenditures. Payment of the annual membership fee is due within thirty (30) days of the Contract effective date.

Based on the following Membership Fee Scale, the Public Agency will pay an annual membership fee of \$ 120.

Total Capital Expenditures	Annual Membership Fee
Less than 5 million	\$120
5 to 10 million	\$240
10 to 15 million	\$360
15 to 25 million	\$480
25 to 50 million	\$600
More than 50 million	\$900

10. Relationship of Parties. MRSC will perform the services under this Contract as an independent contractor and not as an agent, employee, or servant of the Public Agency. Nothing in this Contract shall be construed to render the parties partners or joint venturers.

11. Limitation of MRSC Liability. MRSC shall not be, directly or impliedly, a party to any contract with small works, consulting, or vendor businesses which the Public Agency may enter into as a result of the Public Agency's use of the MRSC Rosters. MRSC does not accept responsibility or liability for the performance of any business used by the Public Agency as a result of its use of the MRSC Rosters.

12. Hold Harmless and Indemnification. Each party shall defend, indemnify, and hold the other party harmless from any and all claims, injuries, damages, losses, or suits, including attorney fees, to the extent arising from any negligent act or omission of that party's officers, employees, volunteers, and agents in connection with the performance of this Contract.

13. Termination. This Contract may be terminated, with or without cause, by written notice of either party to the other. Termination shall be effective thirty (30) days after written notice. Termination of the contract by the Public Agency does not entitle the Public Agency to a refund of the membership fee prorated as to the time remaining in the contract term following termination.

14. Renewal. This Contract may be renewed annually by completing the online renewal process that includes confirming that the Public Agency will continue abiding by the terms outlined in this Contract and making payment within thirty (30) days from the effective date of either May 1 or December 1.

15. Non-assignment. MRSC shall contract with Upwards Technologies for the hosting of the Public Agency rosters in the online database. MRSC shall not otherwise subcontract or assign any of the rights, duties, or obligations imposed upon it by this Contract without the prior express written consent of the Public Agency.

16. Governing Law and Venue. This Contract shall be governed by the laws of the State of Washington.

18. Severability. Should any clause, phrase, sentence or paragraph of this Contract be declared invalid or void, the remaining provisions of this Contract shall remain in full force and effect.

19. Complete Agreement. This Contract constitutes the entire understanding of the parties. Any written or verbal agreements that are not set forth herein or incorporated herein by reference are expressly excluded.

20. Public Agency Information. For purposes of Contract administration, the Public Agency provides the following information:

Official Public Agency Name: Hartstone Pointe Water- Sewer District

Common Public Agency Name (if different): \_\_\_\_\_

Mailing Address: 772 E Chesapeake Drive  
Shelton WA 98584

County: Mason

Type of Public Agency: Special Purpose District

Website: hpwatersewer.com

Primary Contact:

Name: Mont Jeffreys

Title: General Manager

Email: gm@hpwatersewer.com

Telephone: (360) 427-2413

Facsimile: NA

Additional Contact:

Name: Miceal Carnahan

Title: Acct. + Admin. Svcs. Mgr.

Email: acct@hpwatersewer.com

Telephone: (360) 427-2413

Facsimile: \_\_\_\_\_

21. Signatures. By signing this Contract, the Public Agency signatory below certifies that he/she has the authority to enter into this Contract on behalf of the entire Public Agency.

**PUBLIC AGENCY**

**MRSC**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Title]

\_\_\_\_\_  
MRSC Rosters Manager  
[Title]

\_\_\_\_\_  
[Date]

\_\_\_\_\_  
[Date]

10

## Small Public Works Contract

THIS AGREEMENT is made this 30 day of October, 2017, between Hartstene Pointe Water-Sewer District ("District" or "Owner"), a municipal corporation, and H2O Solutions, LLC ("Contractor").

In consideration of the terms and conditions contained in this Contract and attached to it, the parties agree as follows:

1. Project. The Contractor shall do all work and furnish all tools, materials, and equipment for the District's public works project known as Hartstene Pointe Water-Sewer District Reservoir Cleaning & Inspection ("Project") in accordance with and as described in the following documents, which are by this reference incorporated in this Contract:
  - a. District Request for Quotes, Reservoir Cleaning and Inspection, September 21, 2017
  - b. H2O Solutions, LLC submitted and signed pricing quote, September 26, 2017
2. District Agreement. The District employs the Contractor to provide the materials and to do and cause to be done the Project work described above, and to complete and finish the work according to the attached plans and specifications, if any, and the terms and conditions of this Contract, and agrees to pay for the work at the time, in the manner, and upon the conditions provided for in this Contract.
3. Contractor Agreement. The Contractor agrees to fully perform the work upon all terms and conditions as contained in this Contract. The Contractor shall provide and bear the expense of all equipment, work, and labor of any sort whatsoever that may be required for the transfer of materials and for constructing and completing the Project provided for in this Contract, except those that are mentioned in the specifications to be furnished by the District.
4. Contractor Guarantee. The Contractor shall guarantee the materials and work for a period of one year after completion of this Contract.
5. Project Cost. The amount of the Project Contract is \$1,950.00 plus Washington State sales tax of \$165.75 for a total amount of \$2,115.75.
6. Payment Terms. The District shall pay the Contractor on the following terms:
  - a. Submittal and Processing of Payments: Contractor shall submit Applications for Payment for approval by the District. Payment shall be considered timely if made within 60 days of receipt of the Application for Payment.
7. Prevailing Wages. The Contractor shall pay prevailing wages and shall comply with RCW 39.12 and RCW 49.28. Current prevailing wage rates may be found at <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/>.
  - a. Intent to Pay Prevailing Wages must be submitted to and approved by the Department of Labor and Industries before the Project may begin and before any payment shall be made to the Contractor. Prevailing Wages and prevailing wage

rates for the Project must be posted for the benefit of workers. At the conclusion of the Project, the Contractor and its subcontractors shall submit Affidavits of Wages Paid to the Department of Labor and Industries for certification by the director.

- b. Alternatively, if all of the work on the project is performed by the owner(s) and/or employee(s), and no subcontractors are used by the Contractor on the project, H2O Solutions may complete and submit to the District the Combined Form Statement of Intent to Pay Prevailing Wages and Affidavit of Wages Paid.

Final payment on the contract shall be withheld until certification by the director has been received by the District that the prevailing wage requirements of the law have been satisfied.

8. Insurance.

- a. The Contractor shall obtain and keep in force during the term of the contract, Commercial General Liability insurance policies with insurance companies which have an A.M. Best's rating of A: VII or better and who are approved by the Insurance Commissioner of the State of Washington pursuant to Title 48 RCW.
- b. Prior to the execution of the contract, the contractor shall purchase and maintain during the term of this project a Commercial General Liability insurance policy meeting the requirements set forth herein. The contractor shall file with the district either a certified copy of all policies with endorsements attached, or a certificate of insurance with endorsements attached as are necessary to comply with these specifications. Failure of the contractor to fully comply with the requirements regarding insurance will be considered a material breach of contract and shall be cause for immediate termination of the contract and of any and all district obligations, regarding same.
- c. The contractor shall not begin work under the contract or under any special condition until all required insurances have been obtained and until such insurances have been approved by the district. The insurance shall provide coverage for the contractor, the contractor's subcontractors and the district. The coverage so provided shall protect against claims from bodily injuries, including accidental death, as well as claims for property damage which may arise from any act or omission of the contractor, the contractor's subcontractors, or by anyone directly or indirectly employed by either of them.
- d. The insurance policies shall specifically name the district, its elected and appointed officials, officers, employees, agents and volunteers as insureds with regards to damages and defense of claims arising from: (a) activities performed by or on behalf of the contractor; (b) products and completed operations of the contractor, and (c) premises owned, leased or used by the contractor. The

insurance shall be maintained in full force and effect at the contractor's expense throughout the term of the contract.

- e. The district shall be given at least 30 days written notice of cancellation, nonrenewal, material reduction or modification of coverage. Such notice shall be by certified mail to the district.
- f. The coverages provided by the contractor's insurance policies shall be primary to any insurance maintained by the district, except as respects losses attributable to the sole negligence of the district. Any insurance that might cover this contract which is maintained by the district shall be in excess of the contractor's insurance and shall not contribute with the contractor's insurances.
- g. The contractor's insurance policies shall protect each insured in the same manner as though a separate policy had been issued to each. The inclusion of more than one insured shall not affect the rights of any insured as respects any claim, suit or judgment made or brought by or for any other insured or by or for any employee of any other insured. However this provision shall not increase the limits of the insurer's liability.
- h. The General Aggregate provision of the contractor's insurance policies shall be amended to show that the General Aggregate Limit of the policies applies separately to this project.
- i. The contractor's insurance policies shall not contain deductibles or self-insured retentions in excess of \$10,000 unless approved by the district.
- j. The contractor's insurance policies shall contain a provision that the district has no obligation to report events which might give rise to a claim until a claim has been filed with the district's Board of Commissioners.
- k. Types and Limits of Insurance Required:
  - i. **Commercial General Liability**
    - \$1,000,000 each occurrence Bodily Injury and Property Damage liability
    - \$2,000,000 annual aggregate
    - Employees and volunteers as Additional Insureds
    - Premises and operations
    - Broad form property damage including underground, explosion and collapse hazards (XCU)
    - Products completed operations
    - Blanket contractual
    - Subcontractors
    - Personal injury with employee exclusion deleted
    - Employers liability (Stop gap)
  - ii. **Automobile Liability**

- \$1,000,000 per accident bodily injury and property damage liability, including:
  - Any owned automobile
  - Hired automobiles
  - Non-owned automobile

iii. **Umbrella Liability**

- \$2,000,000 per occurrence
  - \$2,000,000 aggregate
- l. As an alternative to the above indicated Commercial General Liability and Umbrella Liability insurance policies the contractor may provide the district with an Owners and Contractors Protective (OCP) policy with a limit of coverage of \$5,000,000. If the contractor provides an OCP policy, the contractor shall additionally provide the district with evidence that the contractor's Commercial General Liability policy has been endorsed adding the district, its elected and appointed officials, officers, employees, agents and volunteers as insureds for at least products completed operations coverage.
  - m. Providing of coverages in the stated amounts shall not be construed to relieve the contractor from liability in excess of such limits.
  - n. The contractor shall have its insurance agent/representative complete the Insurance Coverage Questionnaire contained in Appendix A and attach it to the certificate of insurance for District's approval.
  - o. The contractor shall maintain Workers Compensation insurance and/or Longshore and Harbor Workers insurance (or Jones Act coverage for all employees eligible for same) as required by state or federal statute for all of the contractor's employees to be engaged in work on the project under this contract and, in case any such work is sublet, the contractor shall require the subcontractor similarly to provide workers compensation insurance and/or longshore and harbor workers insurance (or Jones Act coverage) for all of the subcontractor's employees to be engaged in such work. The contractor's Department of Labor & Industries account number shall be noted on the certificate of insurance. In the event any class of employees engaged in the work under this contract is not covered under Workers Compensation insurance or Longshore and Harbor Workers insurance (or Jones Act coverage) as required by state and federal statute, the contractor shall maintain and cause each subcontractor to maintain, Employers Liability insurance for limits of at least \$1,000,000 for each employee for disease or accident, and shall furnish the district with satisfactory evidence of such.
  - p. The Contractor shall be solely and completely responsible for safety and safety conditions on the job site, including the safety of all persons and property during performance of the work. The services of District staff or the engineer's personnel in conducting construction review of the contractor's performance is not intended

to include review of the adequacy of the contractor's work methods, equipment, bracing, scaffolding, or trenching, or safety measures in, on, or near the construction site. The Contractor shall provide safe access for the district and its inspectors to adequately inspect the quality of work and the conformance with project specifications.

- q. The Contractor shall be solely and completely responsible to perform all work and furnish all materials in strict compliance with all applicable state, city, county and federal laws, regulations, ordinances, orders and codes. The Contractor's attention is directed to the requirements of the Washington Industrial Safety and Health Act (WISHA), Chapter 49.17 RCW.
- r. The District will make no progress payments until the contractor has fully complied with this section. This remedy is not exclusive and the District may take such other action as is available under other provisions of this contract, or otherwise in law.
- s. The contractual coverage of the Contractor's policy shall be sufficiently broad enough to insure the provisions of the HOLD HARMLESS AND INDEMNIFICATION AGREEMENT of this contract.
- t. Nothing contained in these insurance requirements shall be construed as limiting the extent of the contractor's responsibility for payment of damages resulting from the contractor's operations under this contract.

9. Hold Harmless and Indemnification Agreement.

- a. Contractor shall defend, indemnify and hold harmless the District, its elected and appointed officers, officials, employees, agents and volunteers from and against any and every claim and risk and all losses, damages, demands, suits, judgments and attorney fees, and other expenses of any kind, on account of injury to or death of any and all persons and/or on account of all property damage of any kind, whether tangible or intangible, including loss of use resulting therefrom, in connection with the work performed under this contract, or caused or occasioned in whole or in part by reason of the presence of the Contractor or its subcontractors, or their property, employees or agents, upon or in proximity to the property of the District, or any other property upon which the Contractor is performing any work called for or in connection with this contract, except only for those losses resulting solely from the negligence of the District, its officers, officials, employees and agents.
- b. Should a court of competent jurisdiction determine that this Hold Harmless and Indemnification Agreement is subject to RCW 4.24.115, then in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the District, its officials, officers, employees and agents, the Contractor's

liability hereunder shall be only to the extent of the contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes Contractor's waiver of immunity under industrial insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

- c. If a lawsuit arises in respect to this Hold Harmless and Indemnification Agreement, the Contractor shall appear and defend that lawsuit at its own cost and expense, and if judgment is rendered or settlement made requiring payment of damages by the District, its elected or appointed officers, officials, employees, agents and volunteers, the Contractor shall pay the same.

10. Trench Safety Systems. All trenches shall be provided with adequate safety systems as required by RCW 49.17.

OWNER:

HARTSTONE POINTE WATER-SEWER  
DISTRICT

By:

\_\_\_\_\_

Its:

\_\_\_\_\_

CONTRACTOR:

H2O Solutions, LLC

By: Renee Reed

Its: Project MGR

Address: 9030 W. Sahara, #208

Las Vegas, NV 89117

Telephone: 206.422.0894

State of Washington General Contractor's  
License No. H20505L909J8



## AGREEMENT FOR CONSULTING SERVICES

This Agreement is made and entered into this 9th day of June, 2016, by and between the Hartstene Pointe Water-Sewer District, a municipal corporation in Mason County, Washington ("District") and MDG Wastewater & Water Treatment (Consultant") for the purposes forth below.

1. Scope of Consulting Services. Consultant shall provide consulting services to the District under the terms of this Agreement. The scope of services is more fully described on Exhibit A attached hereto and incorporated herein by this reference.

2. Compensation and Payment. District shall pay Consultant for the performance of the services set forth on Exhibit A. Such compensation shall be payable in the following manner:

a. Consultant shall submit a detailed monthly billing for all services provided describing in reasonable and understandable detail the services rendered, fees charged and expenses incurred by Consultant during the previous month in accordance with a schedule of rates and charges set forth on Exhibit B, including fees and expenses for additional services authorized by District as provided herein. District shall pay the invoice within thirty (30) days of receipt, except as to any disputed amounts.

b. Upon District's failure to pay within thirty (30) days of receipt the undisputed amount set forth in any monthly billing submitted to District by Consultant, such unpaid balance will bear interest at the rate of 1% per month until the amount of such unpaid balance, plus interest thereon shall be paid in full.

3. Schedule of Work. Consultant shall commence the performance of its services under this Agreement on July 1, 2016 and shall provide the services in accordance with the schedule on Exhibit A.

4. Subcontractors. Consultant shall not subcontract or assign any portion of the work covered by this Agreement without the prior written approval of the District.

5. Independent Contractor. Consultant is an independent contractor and not an employee of the District. Consultant shall be responsible in full for payment of its employees, including insurance and deductions, and for payment to any subcontractors. No personnel employed by Consultant shall acquire any rights or status regarding the District. All of the services required hereunder shall be performed by Consultant or under its direction, and all personnel engaged therein shall be fully qualified under applicable state, federal and local law to undertake the work performed by them.

6. Changes in Scope of Services. The District may require changes or modifications in the scope of services to be performed under this Agreement. Any such changes or modifications shall be in writing and signed by the parties to this Agreement. The compensation for the changes or modifications, whether a decrease or increase, shall be on the same terms and conditions as set forth in paragraph 2 above or in a manner otherwise mutually agreed to by the parties.

7. Insurance. Consultant shall maintain throughout the performance of this Agreement the following types and amounts of insurance.

a. Comprehensive business automobile liability insurance covering personal injury and property damage claims arising from the use of motor vehicles with combined single limits of One Million Dollars (\$1,000,000), including any owned, hired and non-owned automobiles.

b. Commercial General Liability Insurance written on an occurrence basis with limits no less than One Million Dollars (\$1,000,000) combined single limit per occurrence and Two Million Dollars (\$2,000,000) aggregate for personal injury, bodily injury and property damage. Coverage shall include, but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability; and

c. Professional liability insurance (Errors and Omissions insurance) with limits no less than One Million Dollars (\$1,000,000) for each claim with a maximum deductible or self-insured retention not exceeding \$10,000 unless approved by the district.

The insurance policies shall: (1) state that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (2) be primary to any insurance maintained by the District, except as respects losses attributable to the sole negligence of the District; and (3) shall state that the District will be given 45 days prior written notice of any cancellation, intended non-renewal or reduction in coverage.

The District, its elected and appointed officials, officers, employees, agents and volunteers shall be named as insureds on the Commercial General and Business Automobile Liability Insurance policies with regard to work and services performed by or on behalf of the Consultant and a copy of the endorsement naming these parties as insureds shall be attached to the Certificate of Insurance.

Before commencing work and services, Consultant shall provide to the District a Certificate of Insurance evidencing the insurance described above and shall also complete and provide to the District the insurance forms attached hereto as Exhibit C. The District reserves the right to request and receive a certified copy of all required insurance policies.

The above insurance limits do not constitute a limit on Consultant's liability to the District. Any payment of deductible or self-insurance retention shall be the sole responsibility of Consultant.

Consultant shall be solely responsible for the safety of its employees and subcontractors at the Project work site, and shall comply with all applicable federal, state and local statutes, regulations and ordinances regarding safety.

8. Indemnification. Consultant shall defend, indemnify and hold harmless the District, its elected and appointed officers, officials, employees, agents and volunteers from and against all claims, injuries, damages, liabilities, losses of suits, including attorneys' fees and costs, arising out of or relating to Consultant's performance under this Agreement, except for

injuries or damages caused by the sole negligence of the District. For the purposes of this indemnification, Consultant specifically and expressly waives any immunity granted under the Washington Industrial Insurance Act, Title 51 RCW. This waiver has been mutually negotiated and agreed to by the parties. If a court of competent jurisdiction determines that this contract is subject to RCW 4.24.115, Consultant's obligation to defend, indemnify and hold harmless the District, its officers, employees, agents and volunteers shall be limited to the extent of Consultant's negligence. The provisions of this Section shall survive the expiration or termination of this Agreement.

9. Ownership of Documents. Consultant agrees to return to District upon termination of this Agreement all documents, drawings, photographs and other written or graphic material, however produced, received from District and used by Consultant in performance of its services hereunder. All documents, drawings, specifications, designs, mylars, surveys, survey data, reports and other work product (collectively referred to as "Work Product") produced by Consultant in connection with the services rendered under this Agreement shall be owned by District. District shall own all copyrights to such Work Product and Consultant agrees to assign all ownership rights to such Work Product to the District. Reuse of any such Work Product by the District for other than a specific project or modification in use by the District of any of the Work Product without the Consultant's prior written approval shall be at the District's sole risk.

10. Standard of Care. Consultant warrants that its services shall be performed with the level of care, skill and competence of the consulting profession in accordance with the standard for professional services at the time the services are rendered.

11. Right of Entry. District shall provide for the right of entry of Consultant and its subcontractors and all necessary equipment in order to complete the services under this Agreement.

12. Compliance with Codes and Standards. Consultant's Professional Services shall be consistent with the standard of care and shall incorporate those publicly known federal, state and local laws, regulations, codes and standards that are applicable at the time Consultant renders its services.

13. Discovery of Hazardous Materials. The parties recognize that unanticipated hazardous materials or suspected hazardous materials may be discovered on District's property or on property included as part of the site of work but not owned by District. The discovery of unanticipated hazardous materials may delay the Consultant's provision of the services required herein. In that event, the parties may extend the Contract Completion Date by mutual agreement.

14. Termination. This Agreement may be terminated by the District upon 30 days written notice for any reason or upon 60 days written notice by the Consultant for any reason. In the event of termination, Consultant shall be entitled to compensation for all services performed and costs incurred through and including the date of termination, except as to any disputed amounts.

15. General Provisions.

a. Notices. Any notice or demand desired or required to be given under this Agreement shall be in writing and deemed given when personally delivered, sent by facsimile machine, or deposited in the United States Mail (or with an express courier), postage prepaid, sent certified or registered mail, and addressed to the parties as set forth below or to such other address as either party shall have previously designated by such a notice:

Hartstene Pointe Water-Sewer District  
772 E Chesapeake Drive  
Shelton, WA 98584  
Attn: General Manager

Marty Grabill  
MDG Wastewater & Water Treatment

211 E Village View Dr  
Allyn WA 98524

b. Attorneys' Fees. In the event that any party commences litigation against the other party relating to the performance, enforcement or breach of this Agreement, the prevailing party in such action shall be entitled to all costs, including attorneys' fees and costs and any such fees or costs incurred on appeal.

c. Entire Agreement. This Agreement and its exhibit attachments contain the entire understanding between the District and Consultant relating to the consulting services which are the subject of this Agreement. This Agreement merges all prior discussions, negotiations, letters of understanding or other promises whether oral or in writing. Subsequent modification or amendment of this Agreement shall be in writing and signed by the parties to this Agreement.

d. Waiver. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement.

e. Assignment. Neither party shall assign, transfer or otherwise dispose of this Agreement in whole or in part to any individual, firm or corporation without the prior written consent of the other party. Subject to the provisions of the preceding sentence, this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. This Agreement is made only for the benefit of the District and Consultant and successors in interest and no third party or person shall have any rights hereunder whether by agency, as a third party beneficiary, or otherwise.

f. Jurisdiction/Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Any suit to enforce or relating to this Agreement shall be brought in Mason County Superior Court, Mason County, Washington.

g. Severability. If any term, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in effect.

h. Effective Date. The effective date of this Agreement shall be the date that the contract has been signed by authorized representatives of both parties hereto.

**CONSULTANT:**

MDG Wastewater and Water Treatment



Marty Grabill, Owner/Manager

Address:

211 E. Village View Dr.

Allyn, WA 98524

Phone: 253-888-1161

Date: 6/16/16

**DISTRICT:**

Hartstene Pointe Water-Sewer District



Mary Alice Cary  
Board President

Address:

772 E Chesapeake Drive

Shelton, WA 98584

Phone: (360) 427-2413

Date: 6/9/16

## Exhibit A Scope of Work

- General operation of the Hartstene Pointe Water-Sewer District wastewater treatment plant (WWTP) in accordance with the District's National Pollutant Discharge and Elimination System (NPDES) permit
- Daily monitoring of the WWTP
- Prepare/perform all required sampling and lab testing
- Prepare all required reporting, including:
  - Monthly and annual Daily Monitoring Reports (DMR)
  - Annual Biosolids Report
  - Annual Waste Load Assessment
- Prepare all WWTP permit applications, including:
  - Biosolids Permit renewal
  - NPDES Permit renewal
- Create and manage a WWTP Preventative Maintenance Program
- Perform routine maintenance of WWTP equipment, i.e. greasing of equipment, oil changes, including lab equipment.
- Maintain WWTP logs and records
- Order routine supplies and materials
- Respond to regulatory agency and customer concerns/questions/correspondence
- Advise the District regarding repair/replacement of WWTP equipment
- Update and maintain the wastewater treatment plant Operation & Maintenance Manual
- Create and maintain an inventory of wastewater treatment plant assets and equipment

## Exhibit B Schedule of Rates and Charges

- \$4,500 per month for routine operations and maintenance as described
- \$70/hour (two hour minimum) for emergency after-hours call-outs
- Non-routine equipment repairs will be individually bid.

**AMENDMENT No. 1**  
**HARTSTENE POINTE WATER-SEWER DISTRICT**  
**AGREEMENT FOR CONSULTING SERVICES**  
**Wastewater Treatment Plant Operations**

In accordance with the Agreement for Wastewater Treatment Plant Operations between Hartstene Pointe Water-Sewer District and Marty Grabill, MDG Wastewater & Water Treatment, dated June 16, 2016, the agreement is amended as follows:

1. Exhibit B of the Agreement is amended to read:
  - \$4,500 per month for routine operations and maintenance as described *in the scope of work (Exhibit A)*;
  - \$70/hour (two hour minimum) for after-hours *(between the hours of 8:00 pm and 6:00 am)* call-outs *to the wastewater treatment plant for emergencies*;
  - \$30.00/hour for non-routine, after-hours *(between the hours of 8:00 pm and 6:00 am)* emergency, remote plant monitoring and operation;
  - Non-routine equipment repairs will be individually bid.

The above changes to the fee schedule are effective for all work performed on or after December 1, 2016.

Agreed to and signed this 22<sup>nd</sup> day of December, 2016.

MDG Wastewater and Water Treatment



Marty Grabill, Owner/Manager

Date

1/3/17

Hartstene Pointe Water-Sewer District



Mary Alice Cary, Board President

Date

12-22-2016