

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
District Office
772 E Chesapeake Drive, Shelton, WA 98584
May 17, 2018 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Present Agenda
5. Presentation: Washington State Healthcare Authority, Public Employees Benefits Board
6. Correspondence
 - FROM: Mason County Auditor RE: Recording Fees Increase on June 7, 2018 (pgs. 2)
 - FROM: Washington State Public Works Board RE: Assignment of DWSRF Loan to Department of Health (pgs. 3-4)
7. Minutes
 - May 3, 2018 Regular Meeting (pgs. 5-8)
 - May 10, 2018 Special Meeting (pg. 9)

REPORTS:

8. Commissioner Reports
9. Emergency Preparedness Report
10. Financial/Administrative Report:
 - Bills to Be Authorized: Voucher 2018-10
 - April Financial Report (pgs. 10-11)
 - March/April Billing Report (pgs. 12-15)
11. Manager's Report

BUSINESS:

12. Tacoma Pump & Drilling Contract for Well 2 Rehabilitation, Pump and Motor Replacement (pgs. 16-21)
13. Well 1 Re-Roof Project Award (pg. 22)
14. Review General Manager Employment Contract Proposal

May 2018

**** NEW WASHINGTON STATE LEGISLATION ****

Recording Fees Increase on June 7, 2018!

- HB 1570 increases the homeless housing and assistance surcharge from \$40 to \$62, removes the exemption for water and sewer district liens and satisfaction of a lien, and makes it a permanent surcharge.
- SHB 2578 increases the affordable housing for all surcharges from \$10 to \$13.

New Recording Fees Effective 06/07/2018:

- Recording fee for most documents will be \$99.00 for the first page and \$1.00 for each additional page.
- For State, County, and City offices (governing agency) recording a lien or satisfaction of lien will be \$37.00 for the first page and \$1.00 for each additional page.
- Assignment of Deed of Trust, Resignation & Appointment, Appointment of Trustee and Substitution of Trustee will be \$16.00 for the first page and \$1.00 for each additional page.
- Deed of Trust will be \$100.00 for the first page and \$1.00 for each additional page.
- Divorce Decrees, Death, and Birth Certificates will be \$37.00 for the first page and \$1.00 for each additional page.
- Map recording fees will be \$183.00 for the first page. Costs for the additional pages will remain the same.

Questions?

Contact the Mason County Auditor's Recording Department at 360-427-9670 Ext: 222 or visit our website at www.auditor.co.mason.wa.us/recording



Washington State
Public Works Board

1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525

May 1, 2018

Mr. Mont Jeffreys
Hartstene Pointe Water-Sewer DIS
772 Chesapeake Drive
SHELTON, WA 98584

RE: Assignment of Loan Agreement/Contract(s) DM12-952-126

The Drinking Water State Revolving Loan Fund (DWSRF) program is transferring to the Department of Health (DOH), effective as of the 30th day of June, 2018.

The 2016 Legislature passed the Second Engrossed Senate Bill 5251, which transfers the loan and contract management duties from the Public Works Board (PWB) to DOH. Transferring these duties requires the assignment of all loans that are in repayment status from the authority and control of PWB to the authority and control of DOH.

The impacts of the **June 30, 2018**, transfer to DWSRF borrowers are:

- All borrower obligations remain in full force and effect; this includes but is not limited to interest rate and length of repayment remain, which shall remain unchanged;
- All lender obligations are transferred to DOH and remain in full force and effect;
- Annual loan repayments will be sent to DOH beginning on **October 1, 2018**;
- Inquiries regarding **all** loan and grant activities will be sent to DOH; and
- All loan and grant files will be physically transferred to DOH custody.

The DOH contact for loan repayments: Mike Copeland at (360) 236-3083 or mike.copeland@doh.wa.gov.

Part of the transfer process is the legal transfer of all existing loans that are currently in repayment status from PWB to DOH effective June 30, 2018. This process begins with the enclosed amendment to the Hartstene Pointe Water-Sewer DIS's contract(s) with PWB.

If you have any questions or need additional information, please do not hesitate to call me at (360) 725-3088 or email at connie.rivera@commerce.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Connie Rivera".

Connie Rivera
DWSRF and PWB Program Manager

Enclosures

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Washington State
Public Works Board

1011 Plum Street SE
Post Office Box 42525
Olympia, Washington 98504-2525

ASSIGNMENT AND ASSUMPTION OF DRINKING WATER STATE REVOLVING
FUND AGREEMENT

The Washington State Public Works Board (hereafter, "Assignor") and the Washington State Department of Health (hereafter "Assignee") enter into this Assignment and Assumption of State Drinking Water State Revolving Fund Agreement, Public Works Board Contract No. DM12-952-126 (hereafter "Contract"), effective as of the 30th day of June, 2018.

Assignor and Hartstene Pointe Water-Sewer District entered into the Contract under the State Drinking Water State Revolving Fund (DWSRF) program on 6/1/2012. Assignor wishes to transfer and assign the Contract to Assignee pursuant to 2016 Second Engrossed Senate Bill 5251, Chapter 111, Laws of 2016, codified at RCW 70.119A.170.

In consideration of the mutual promises contained herein, and other good and valuable consideration, Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the Contract. Assignee hereby assumes all obligations of Assignor under the Construction Permit

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

<p>ASSIGNOR: Washington State Public Works Board</p> <p><u>Scott M. Hutsell</u> Scott Hutsell, Public Works Board Chair</p> <p><u>4-18-18</u> Date</p> <p>APPROVED AS TO FORM ONLY</p> <p><u>This 12th Day of January, 2018</u> Date</p> <p><u>Signature on file</u> Sandra Adix, Assistant Attorney General</p>	<p>ASSIGNEE: Washington State Department of Health</p> <p><u>Michael Maverick</u> Michael Maverick, Contracts & Procurements Director</p> <p><u>4/20/18</u> Date</p>
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**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
May 3, 2018
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

MINUTES

PRESENT: President R. Scarola, Secretary A. Hospador, Commissioner D. McNabb, General Manager (GM) M. Jeffreys, Accounting and Administrative Services Manager (AAS) M. Carnahan. Also present: Stacy Rundle and Melanie Piccin from Department of Retirement Systems.

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

SUBSCRIBER REMARKS: No subscribers present.

PRESENT AGENDA: The agenda for the May 3, 2018 regular meeting was presented. President Scarola proposed amending the agenda to move the Department of Retirement Systems presentation to before Correspondence and Minutes on the agenda. *Commissioner Hospador moved to adopt the agenda as amended. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the amended agenda was adopted.*

PRESENTATION:

Department of Retirement Systems: Stacy Rundle and Melanie Piccin from Department of Retirement Systems presented information on the State's Deferred Compensation Program and Public Employees' Retirement System.

CORRESPONDENCE:

- FROM: Department of Ecology RE: February Discharge Monitoring Report

MINUTES:

- April 19, 2018 Regular Meeting: Presented. President Scarola requested the minutes note, under HPMA Clubhouse Bulletin Board, that HPMA may move the District's space to a different bulletin board space within the clubhouse. *Commissioner McNabb moved to approve the minutes as amended. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved as amended.*
- April 26, 2018 Special Meeting: Presented. *President Scarola moved to approve the minutes as presented. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

REPORTS:

Commissioner Reports:

- Commissioner McNabb:
 - Presented a printout of City of Fife's webpage explaining its recent utility rate increase.

- Reported on his attendance at AWWA-PNWS Conference and discussion of automatic rate increases.
- Announced he plans to resign at the end of the year.
- Requested authorization to attend the AWWA Annual Conference. He offered to pay the travel and lodging costs, leaving only the \$695 registration fee to be paid by the District. *Commissioner Hospador moved to authorize payment of Commissioner McNabb's registration fee of \$695 for attendance of the ACE Conference. President Scarola seconded. Hearing 2 aye votes and 0 nay votes, the motion passed.*
- Commissioner Scarola:
 - Discussed the possibility of an impending requirement to charge high water users.
 - The District's Water/Sewer Technician, David Carnahan, requested authorization to attend the Math for Operators/Fire Hydrant Maintenance/Valve Exercising Workshop in Port Townsend on May 23rd. *Commissioner McNabb moved to authorize the Water/Sewer Technician's attendance and the registration and travel costs. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*
 - Commissioner Hospador: Discussed the possibility of sending letters to high users to impress upon them the need to reduce water use. The Water/Sewer Tech has drafted such a high use letter. It was requested the GM finalize the letter and present it at the next meeting.

Emergency Preparedness Report: The HPMa Emergency Preparedness Committee has obtained the trailers and is in the process of getting them set up.

Financial/Administrative Report:

- Bills to Be Authorized: Voucher 2018-09, in the amount of \$22,030.75, was presented. *Commissioner Hospador moved to approve the voucher. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*

Manager's Report: A written report was presented (attached). *Commissioner McNabb moved to authorize the GM to hire a leak detection company to pinpoint the location of the leak in the water line through the RV parking from the reservoir. President Scarola seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

BUSINESS:

HPMA Permit Review Committee (PRC) Response to WWTP Tree Removal Request: PRC recommended approval of the District's request to remove trees that are inside the fence and wants the District submit a plan to provide alternate screening for the area. It was discussed that the visibility coming down and up the drive is already poor due to the vegetation and causes a hazard. Additional screening would increase the hazard. The PRC did not approve removal of the two trees outside the fence and would only approve trimming the branches hanging over the fence. The District needs the trees removed because the trees themselves are growing into the fence, damaging the fence. *President Scarola moved to provide a written response to the PRC stating that due to the driving visibility danger of additional screening, the District requests authorization to remove the trees and allow the slatted fence to act as the screening.*

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Additionally, the letter should address the need to remove the trees outside the fence because they are growing into and damaging the fence. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.

Well 2 Rehabilitation Project, Award Contract: After numerous attempts to obtain quotes from well drillers for the Well 2 Rehabilitation project, Tacoma Pump & Drilling was the only contractor to provide a quote. The quote is \$17,739.75 for cleaning the well screen and \$10,307.50 for installation of a new pump and motor. *Commissioner Hospador moved to accept the two quotes from Tacoma Pump & Drilling for a total of \$28,047.25. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.* The GM reported Tacoma Pump indicated they are scheduled three to four weeks out. The Board asked the GM to express the emergent nature of the project and implore Tacoma Pump to perform the work sooner.

Well 4 Project: It was proposed the District put the whole project out to general contractors to see what response the District gets and if the project could be completed this summer. *President Scarola moved to authorize solicitation of bids for the Well 4 Project as a whole. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Well 4 Site Protection: The GM spoke with the HPMA General Manager regarding putting up a barrier surrounding Well 4; however he would not authorize closing off the drive next to Well 4 to through traffic. He said the District could put up a no parking sign. The GM reported that due to the nature of the well casing and the clay structure of the material surrounding the well, it is well protected. The GM presented the deed granting the District a 100 foot non-pollution protective radii surrounding the well site. The deed states the District, "...shall not suffer to be constructed or maintained within one hundred feet of...the well site...any potential sources of contamination, such as...roads,...vehicles, structures,...liquid or dry chemical storage,...hazardous waste, or garbage of any kind or description." *President Scarola moved to send a letter to HPMA expressing the District's obligation to protect the area surrounding the wells, and as such, the District will legally restrict access to the circular drive adjacent to the Well 4 site. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Meeting recessed at 4:12 pm. Meeting reconvened at 4:20 pm.

Executive Director Position Posting: The Executive Director position was posted on several free job posting sites on April 24th. Those postings have already produced five applicants. President Scarola called a special meeting for May 10th at 10:00 am to discuss the current applicants.

Water Treatment Plant Improvements Project, Issue Final Acceptance: The District's engineer has provided the Engineering Completion Report for the Water Treatment Plant Improvements project. The Department of Health regional engineer has provided verbal notice to the GM that she has approved the project as well. The GM recommended issuance of project final acceptance. *Commissioner Hospador moved to issue final acceptance of the Water*

Treatment Plant Improvements Project. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.

Proposed June Water Conservation Hearing/District Celebration: President Scarola proposed waiting until later in the summer, when schedules are less busy and the Well 2 project is completed, to host a District 10th anniversary celebration.

Commissioner Hospador moved to adjourn. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the meeting was adjourned at 4:30 pm.

Respectfully Submitted By:

Signature

Name and Title

Approved at the Regular Meeting of the Board on: _____



HARTSTENE POINTE WATER-SEWER DISTRICT
SPECIAL MEETING of the BOARD OF COMMISSIONERS
May 10, 2018
588 E Pointes Drive West, Shelton, WA 98584

MINUTES

PRESENT: President R. Scarola, Secretary A. Hospador, Commissioner D. McNabb.

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

SUBSCRIBER REMARKS: No subscribers present

BUSINESS:

- **Executive Session, evaluating the qualifications of Executive Director applicants:** At 10:10 am President Scarola announced the meeting would move into Executive Session as authorized by RCW 42.30.110 section 1 (g) to evaluate the qualifications of applicants for the public employment position of Executive Director of the Hartstene-Pointe Water-Sewer District, with the session to end at 12:00pm. He reminded the commissioners that during that time all discussion would be confidential and should not be repeated in public. *Commissioner Hospador so moved and Commissioner McNabb seconded the motion to move to Executive Session, approved unanimously.*

At 12:00pm President Scarola announced the Executive Session had ended and would now move into Open Session. *Commissioner Hospador so moved and Commissioner McNabb seconded the motion to move back into Open Session, approved unanimously.*

- **District personnel, compensation, and benefit plan options discussion:** There was discussion and preliminary review of possible district personnel compensation and benefit plan options.

Motion by Commissioner Scarola, seconded by Commissioner Hospador: "To offer applicant David Carnahan the position of General Manager of the Hartstene-Pointe Water-Sewer District contingent on review and approval of a contract agreement, the position to start on June 11, 2018." The motion was approved unanimously.

President Scarola will send Mr. Carnahan a letter confirming the decision of the Board of Commissioners.

Motion to Adjourn by Commissioner Hospador, seconded by Commissioner McNabb, approved unanimously at 12:15 pm.

Respectfully Submitted By:

Signature



Name and Title

Approved at the Regular Meeting of the Board on: _____

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Hartstene Pointe Water Sewer District
Monthly Financial Report - Fund Activity

	Beginning Balances	Payments & Transfers Out	Deposits & Transfers In	Ending Balances	Fund Balance Change
Reserve Funds					
030 - Ecology Reserve	38,783.31	-	49.24	38,832.55	49.24
050 - DWSRF Loan Reserve	41,188.86	-	6,901.44	48,090.30	6,901.44
070 - USDA Revenue Bond Reserve	21,822.06	-	355.29	22,177.35	355.29
Total Reserve Funds	101,794.23	-	7,305.97	109,100.20	7,305.97
Unreserved Funds					
EFT Account - Columbia Bank	903.65	(27,162.81)	27,715.56	1,456.40	552.75
Petty Cash Account	1,895.04	(441.11)	546.07	2,000.00	104.96
Xpress Deposit Account	9,628.78	(26,398.55)	22,552.52	5,782.75	(3,846.03)
010 - Operating Fund	80,000.00	-	-	80,000.00	-
<i>Operating Investment Fund</i>					
010 - Operating Fund - Other	47,340.61	(39,637.46)	53,561.17	61,264.32	13,923.71
Total 010 - Operating Fund	127,340.61	(39,637.46)	53,561.17	141,264.32	13,923.71
065 - Capital Project Account	59,783.61	-	-	59,783.61	-
Total Unreserved Funds	199,551.69	(93,639.93)	104,375.32	210,287.08	10,735.39
Committed Funds					
020 - Water/Sewer Committed Fund	21,540.00	-	-	21,540.00	-
Asset Replacement Fund					
Capital Improvement Fund	49,540.00	-	-	49,540.00	-
I&I Repair					
Reservoir Repair	150,000.00	-	-	150,000.00	-
Total Capital Improvement Fund	199,540.00	-	-	199,540.00	-
Risk Management Fund	136,333.03	-	433.25	136,766.28	433.25
Total 020 - Water/Sewer Committed Fund	357,413.03	-	433.25	357,846.28	433.25
Total Committed Funds	357,413.03	-	433.25	357,846.28	433.25
Total Funds	658,758.95	(93,639.93)	112,114.54	677,233.56	18,474.61

 5/10/18
 Acct. & Admin. Services Mgr. Date
 5/10/18
 Audit Commissioner Date

I hereby certify that the above statement is true.

(2)

Hartstene Pointe Water Sewer District
Profit & Loss Budget vs. Actual
 January through April 2018

	<u>Jan - Apr 18</u> <u>(33% of Year)</u>	<u>Total 2018</u> <u>Budget</u>	<u>\$ Over (Under)</u> <u>Total Budget</u>	<u>% of Total</u> <u>2018 Budget</u>
Ordinary Income/Expense				
Income				
Non-Operating Revenue	157,120.56	177,471.00	-20,350.44	88.53%
Operating Revenue	<u>211,933.01</u>	<u>642,762.00</u>	<u>-430,828.99</u>	<u>32.97%</u>
Total Income	<u>369,053.57</u>	<u>820,233.00</u>	<u>-451,179.43</u>	<u>44.99%</u>
Expense				
534 · Water Expenditures	75,215.66	469,197.91	-393,982.25	16.03%
535 · WW Treatment Expenditures	43,212.95	210,291.40	-167,078.45	20.55%
538 · Combined W/S Expenditures	<u>52,455.28</u>	<u>142,493.00</u>	<u>-90,037.72</u>	<u>36.81%</u>
Total Expense	<u>170,883.89</u>	<u>821,982.31</u>	<u>-651,098.42</u>	<u>20.79%</u>
Net Ordinary Income	<u>198,169.68</u>	<u>-1,749.31</u>	<u>199,918.99</u>	
Net Income	<u><u>198,169.68</u></u>	<u><u>-1,749.31</u></u>	<u><u>199,918.99</u></u>	

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Utilities Trial Balance

Hartstene Pointe Water-Sewer District
03/01/2018 through 04/30/2018

Utility		Beginning A/R Balance	Receipts	Billing	Ending A/R Balance
Water	Basic	2,616.48	55,317.08	55,395.31	2,694.71
	Other	385.84	174.43	190.00	401.41
	Late Fees	(1.35)	320.90	320.90	(1.35)
		<u>3,000.97</u>	<u>55,812.41</u>	<u>55,906.21</u>	<u>3,094.77</u>
Sewer	Basic	(546.03)	51,532.10	51,262.08	(816.05)
	Other	-	-	-	-
	Late Fees	1.35	163.35	163.35	1.35
		<u>(544.68)</u>	<u>51,695.45</u>	<u>51,425.43</u>	<u>(814.70)</u>
Totals		<u><u>2,456.29</u></u>	<u><u>107,507.86</u></u>	<u><u>107,331.64</u></u>	<u><u>2,280.07</u></u>

Notes:

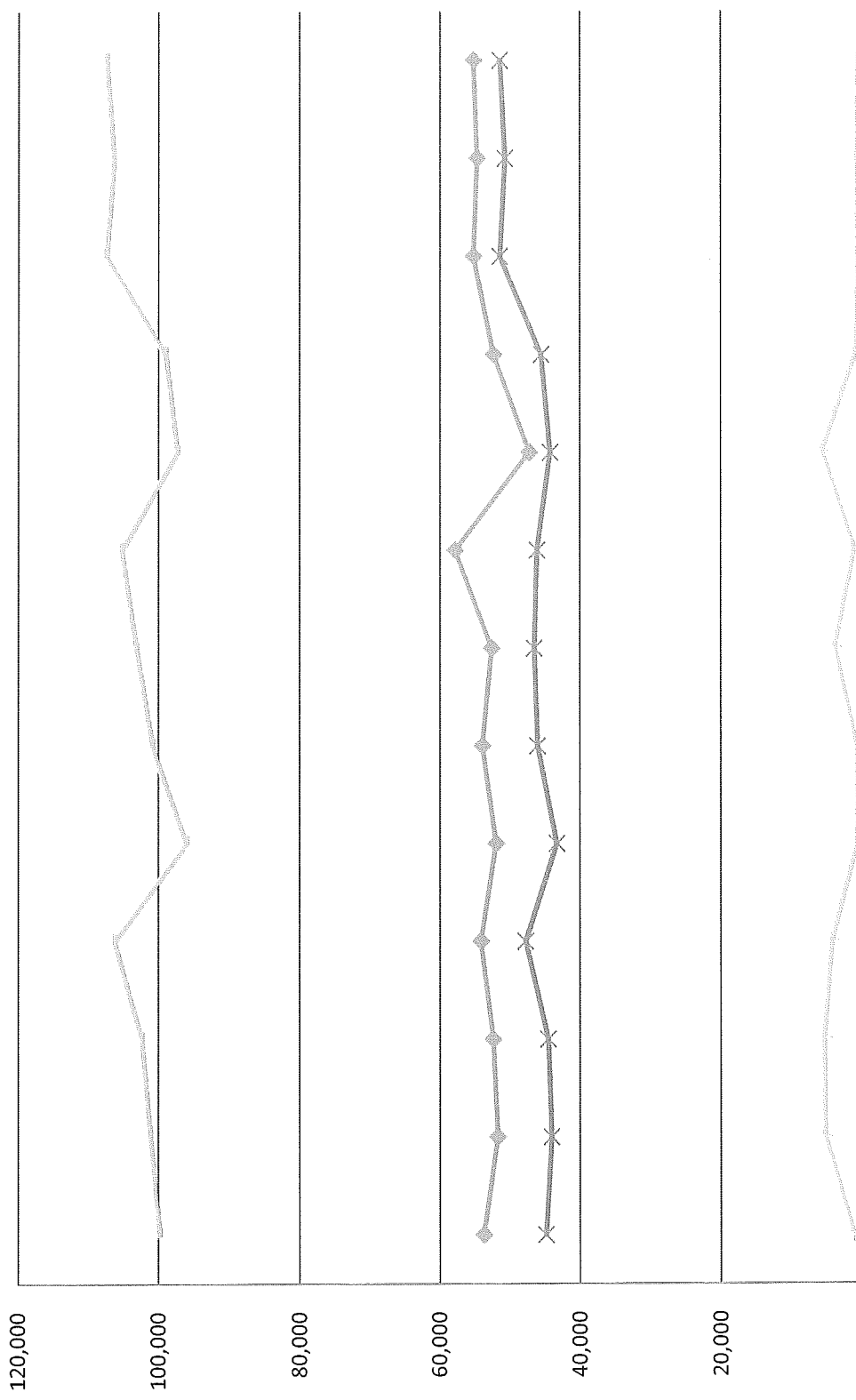
Total Past Due Accounts as of 4/30/2018: 28

1 Billing Cycle Past Due: 25 accounts, totaling \$4,807.66

2 Billing Cycles Past Due: 2 accounts, totaling \$17.04

3 Billing Cycles Past Due: 1 account, totaling \$2,503.92 (on a payment plan)

Utility Receipts



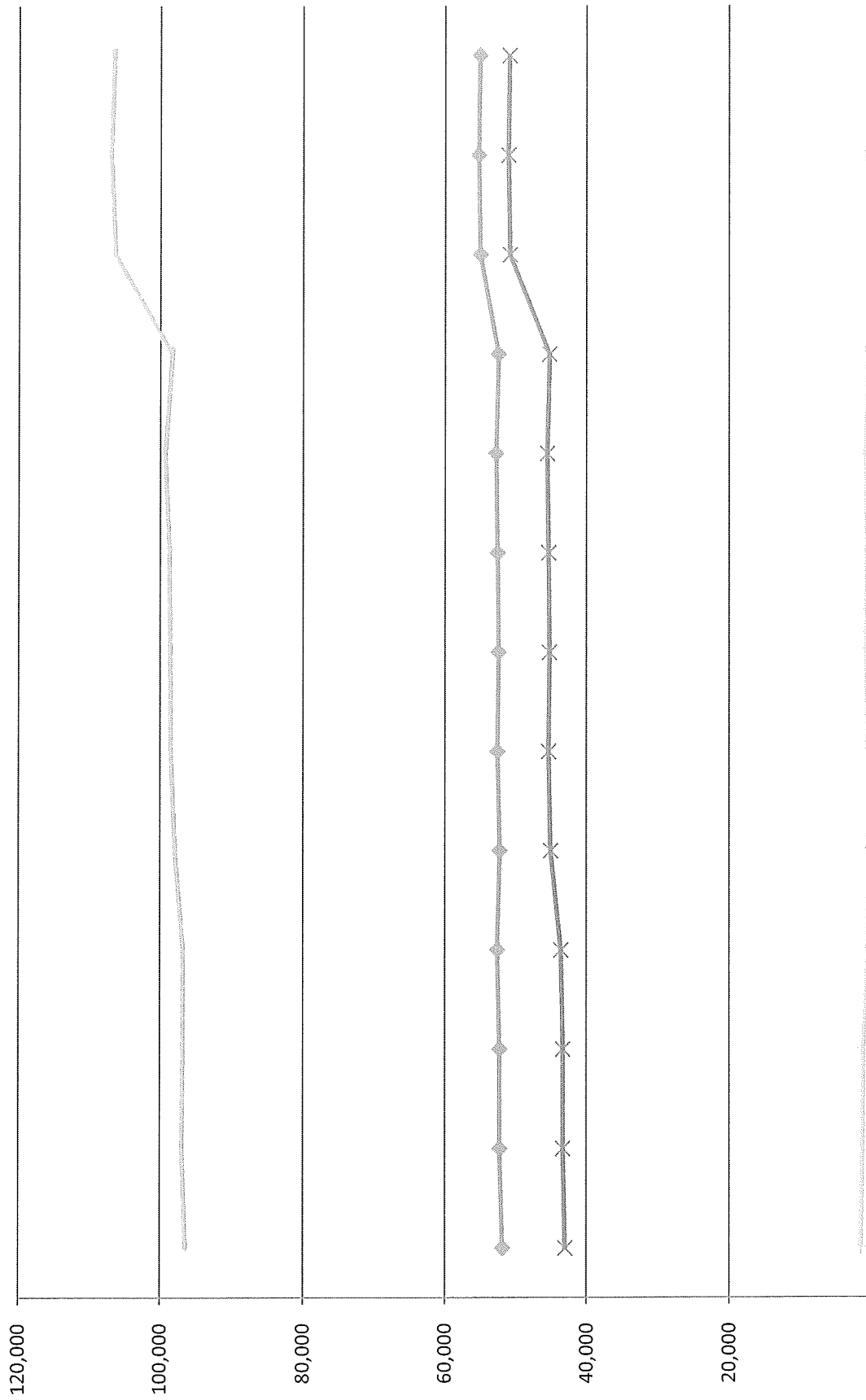
	Mar/Apr 2016	May/June 2016	Jul/Aug 2016	Sep/Oct 2016	Nov/Dec 2016	Jan/Feb 2017	Mar/Apr 2017	May/June 2017	Jul/Aug 2017	Sep/Oct 2017	Nov/Dec 2017	Jan/Feb 2018	Mar/Apr 2018
Water Service Charges	53,781	51,821	52,465	54,225	52,045	54,022	52,691	57,920	47,328	52,454	55,317	54,775	55,317
Sewer Service Charges	44,932	44,137	44,616	47,830	43,394	46,142	46,620	46,239	44,359	45,648	51,532	50,827	51,532
Late/Misc. Fees	1,190	5,266	5,372	4,274	667	793	3,922	1,152	5,740	952.07	659	835.96	658.68
Total Receipts	99,903	101,224	102,453	106,329	96,106	100,958	103,233	105,312	97,428	99,054	107,508	106,438	107,508

All Utility Billing Activity



	Mar/Apr 2016	May/June 2016	Jul/Aug 2016	Sept/Oct 2016	Nov/Dec 2016	Jan/Feb 2017	Mar/Apr 2017	May/June 2017	Jul/Aug 2017	Sep/Oct 2017	Nov/Dec 2017	Jan/Feb 2018	Mar/Apr 2018
Water Service	53,219	51,489	52,459	52,153	52,562	52,144	52,877	52,479	52,254	52,879	52,537	54,775	55,395
Sewer Service	45,808	42,843	43,608	43,350	43,648	45,069	45,670	45,297	45,292	45,740	45,346	50,827	51,262
Late/Misc. Fees	6,416	5,848	1,321	(7,673)	643	817	723	6,102	905	932	610	836	674.25
Total Charges	105,443	100,180	97,388	87,830	96,853	98,030	99,270	103,878	98,451	99,550	98,493	106,438	107,332

Regular Utility Billing



	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	Nov/Dec 2017	Jan/Feb 2018	Mar/Apr 2018	May/June 2018
Water Service	51,931	52,318	52,317	52,647	52,303	52,640	52,481	52,636	52,857	52,498	55,099	55,335	55,175
Sewer Service	43,097	43,417	43,418	43,693	45,141	45,435	45,299	45,431	45,623	45,311	50,897	51,119	50,973
Late/Misc. Fees	1,544	1,305	1,194	551	584	561	905	729	956	604	513	677	542
Total Charges	96,573	97,040	96,929	96,891	98,028	98,636	98,686	98,796	99,436	98,413	106,509	107,132	106,689

Small Public Works Contract

THIS AGREEMENT is made this 8 day of April, 2018, between Hartstene Pointe Water-Sewer District (“District” or “Owner”), a municipal corporation, and **Tacoma Pump & Drilling** (“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 **Well 2 Rehabilitation and Well Pump and Motor Replacement** (“Project”) in accordance with and as described in the following documents: **Well 2 Rehabilitation and Well Pump and Motor Replacement Request for Quote Packet and Contractor’s quotes for the new pump and motor and re-development of Well no. 2**, which are by this reference incorporated in this Contract.
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 **\$25,850.00** plus 8.5% Washington State sales tax of **\$2,197.25** for a total amount of **\$28,047.25** or as further described on the attachments.
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.
 - b. Final Payment: Upon final completion and final acceptance of the Work, in accordance with RCW 60.28, the District shall pay the remainder of the Contract Price, less any claim or lien amounts.
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/>. 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. 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. Bond: Contractor shall provide a performance and payment bond to the District in accordance with RCW 39.08.010. For public works contracts under \$150,000, the Contractor may ask the District to waive the bonds and instead retain 10% of the contract amount for 30 days after the date of final acceptance, or until the receipt of all necessary releases from the Department of Revenue and Department of Labor and Industries, whichever is later.
9. 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 are 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.

10. 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.

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

OWNER:

HARTSTENE POINTE WATER-SEWER
DISTRICT

By:

Its:

CONTRACTOR:

Eric Hansen

By: Eric Hansen

Its: President

Address: 30316 Mountain Hwy E

Graham WA 98338

Telephone: 253-847-9352

State of Washington General Contractor's
License No. TACOMPD203PF

Hartstene Pointe Water-Sewer District
 Well 1 Treatment Bldg. Re-Roof
 Bid Tab
 Bids Due: 4/4/18

Schedule of Prices

Item	Description	Units	Quantity	Budget		Average Bid		Contractor No. 1		Contractor No. 2		Contractor No. 3	
				Unit Price	Total Price	Unit Price	Total Price	Black Diamond Roofing, Inc.	Andy Schwartz Construction	Madsen Roofing, Inc.			
1	Building Permit	LS	1			173.00	173.00					173.00	173.00
2	Roof removal and replacement	LS	1			3,271.00	3,271.00	4,713.00	4,713.00	10,647.00	10,647.00		
4	Potential Additional Fees												
	additional work and rot replacement	EA				98.00							
	sheathing replacement	EA						200.00					
	Umbrella Liability coverage	LS	1			2,500.00	2,500.00	1,320.00	1,320.00				
5	Lump Sum Total	LS	1										
				Subtotal Bid		7,599.00	5,944.00			6,033.00			10,820.00
				Tax 8.5%		532.78	278.04			400.61			919.70
				Total Bid		\$ 8,131.78	\$ 6,222.04			\$ 6,433.61			\$ 11,739.70

Comparison to Budget (% of and Difference):

163%	3,131.78	124%	1,222.04	129%	1,433.61	235%	6,739.70
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Contractor No. 2, Andy Schwartz Construction, submitted amended quote to reflect price increase resulting from purchase of additional insurance to meet District's insurance requirements. As a result, Contractor No. 1, Black Diamond Roofing, is now the low bidder on the project.