



WASHINGTON WATER SERVICE COMPANY

February 24, 2023

Amanda Maxwell, Executive Director & Secretary
Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

Dear Ms. Maxwell;

Enclosed is a copy of the agreement between Driftwood Laguna LLC and Washington Water Service Company (WWSC) to complete the replacement of the existing booster station pumps and enclosure at the existing pump house location, modification of the water system piping near the booster station and commercial service upgrade to the proposed building at 13810 Hwy 302. This site is in Pierce County, which is serviced by Pederson Harold Water System, DOH ID# 66727L and Parcel #0122242031. This agreement has been signed by Kent Kingman and countersigned by Matthew D. Brown, the General Manager of WWSC.

Estimated costs identified on attachment are \$105,700. To this, a deposit payment of \$29,200.00 has been received for the total projected engineering costs, as attached.

A map showing the location of the lot is included with this filing. Please do not hesitate to call me at 253-851-4060 Ext. 71103, if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Thu Hoang". The signature is written in a cursive style with a long horizontal flourish at the end.

Thu Hoang
Accounting Analyst

January 20, 2023

Kent Kingman
Driftwood Laguna LLC
PO Box 432
Gig Harbor, WA 98332

Re: Pederson Harold Water System, DOH ID # 66727L; Pierce County, WA
Service/extension for Tax Parcel # 0122242031, 13810 Hwy 302, Gig Harbor, WA, 98332
Abbrev. Legal: A portion of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 24, T22N, R1E, W.M.

Dear Mr. Kingman,

This Water Main Extension Agreement (the "Agreement") is between Washington Water Service Company (the "Washington Water") and Driftwood Laguna LLC (the "Owner") to modify the existing Pederson Harold water system and facilitate installation of any other water system facilities needed, to provide water utility service to the parcel referenced above. At the completion of this project, your property will be allocated 3 equivalent residential units (ERU's), for commercial use.

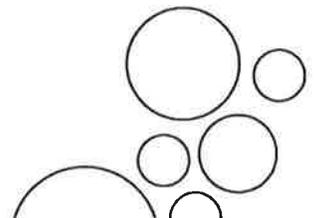
This Agreement sets forth the terms and conditions as well as our engineer's projected costs, enclosed as "Attachment A", to complete the replacement of the existing booster station pumps and enclosure at the existing pump house location; modification of the water system piping near the booster station; and commercial service upgrade to the proposed building at 13810 Hwy 302. The projected cost of \$105,700 is exclusive to the time and materials necessary for the design and installation of Washington Water owned system assets relating to this project.

The improvements stated herein qualify as Contributed In Aid of Construction (CIAC). Pursuant to Section 118(b) of the Tax Cuts and Job Act of 2017, federal tax laws require CIAC funds to be federally taxed ensuring that the expansion of water service to new customers does not unfairly burden a utility's existing customers. Applicants should consult their tax advisors concerning the application of tax laws to their particular situations.

Terms & Conditions

The projected costs are for engineering, construction materials and labor only, unless otherwise specified in Attachment A. Upon execution of this Agreement and prior to commencement of engineering and construction, Washington Water requires a deposit payment of 50% of the estimated developer contribution stated on attachment A of this Agreement. All past due accounts will be charged 1.5% per month (18% per annum). The projected cost submitted in this Agreement is provided as preliminary information only and the figures and information contained herein are subject to the execution of this Agreement within 30-business days of the date the Agreement was issued.

Terms and conditions of this Agreement are subject to the review and approval of the Washington State Utilities and Transportation Commission (the "Commission"). Upon execution of this Agreement, Washington Water will submit the Agreement to the Commission for their approval. Upon the Commission's approval, plans will be



prepared, and if required, submitted to the Washington State Department of Health for their approval. Once all necessary approvals have been obtained and the required payment received, Washington Water will schedule and cause construction to commence.

The project scope is to include: an engineered construction plan-set for the system improvements, a commercial service upgrade to an existing domestic service, installation of the designed improvements, bacteriologic sampling, and engineer inspections. The final amount billed for completing this project is based on actual costs for engineering, materials, labor and other variables needed to complete the project. This amount may also vary from the projected costs provided due to unforeseen issues the project that are beyond the control of Washington Water.

The Owner will be responsible for providing a wellhead enclosure to replace the existing enclosure. The enclosure specification must be reviewed and approved by Washington Water before installation.

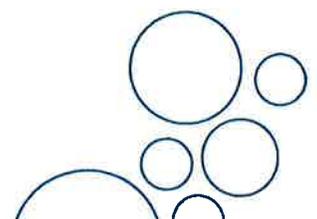
The installation of all fire-suppression equipment, water service lines (yours and your neighbors), valves, fittings and other appurtenances after the water meters will be the responsibility of Owner. During the construction phase of the project, Washington Water will operate the valves for filling and flushing of the new mains and will do periodic inspections of the installation. Washington Water will witness a pressure test of all new water mains and appurtenances.

Washington Water will not take possession or responsibility for fire-flow storage and appurtenances required for the project. Approved backflow devices are required for all private facilities when connecting to our water system. An inline flowmeter is required just before the backflow device to record fire-flow reservoir filling. The ownership and maintenance responsibility for private facilities after the inline meter will be the responsibility of the property owner, and will not be transferred to Washington Water through the Bill of Sale.

Washington Water requires a 20 foot wide easement for all onsite piping and appurtenances. Your surveyor or engineering firm will need to prepare an easement description and drawing exhibit for the on-site water system mains and appurtenances using the Washington Water easement form after construction is complete. Once all signatures have been notarized on the easement document, it must be recorded with the Pierce County Auditor's office.

Vehicle and heavy equipment access to the wellhead, services and system piping is required and must be maintained at all times. This is to ensure that routine maintenance and emergency repairs can be completed independently and expediently. Your construction plans must show how this access will be achieved and will be subject to review and approval by Washington Water before construction begins.

Upon completion of the main extension and after any other requested facilities have been installed, pressure tested, bacteriological samples taken and tested with satisfactory results and a Certificate of Completion signed by a licensed engineer and all approvals received; Washington Water requires all remaining amounts be paid in full with an active billing account established prior to commencement of commercial water service and issuance of a Certificate of Water Availability. If meter installation does not occur after the installation of facilities, the Owner will be charged a monthly Ready-to-Serve fee as listed in Washington Water's approved tariff, until a meter installation has occurred.



Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law, or otherwise, by Owner without the prior written consent of Washington Water, and any such assignment without such prior written consent shall be invalid. Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

Upon execution of this Agreement, the Owner has 180-business days to coordinate with Washington Water for the engineering and construction to complete this project. This Agreement shall automatically become invalid unless the work authorized in this Agreement has commenced within 180-business days after execution. Once this Agreement has become invalid, the project will be closed and all project work will cease; a refund check will be issued to the Owner for deposits or pre-paid amounts received by Washington Water minus any billable work completed and non-refundable fees.

____ I agree to have Washington Water complete this installation under the terms and conditions within this
(Initial) Agreement:

- Remit deposit payment of \$29,200 of the projected developer contribution (\$58,400) for engineering, construction labor, and materials provided by Washington Water, as outlined in Attachment A.
- Time required to complete this project may vary due to the size of the project, projects already scheduled and emergencies that may require our construction crew to leave project site.

BEFORE CONSTRUCTION BEGINS:

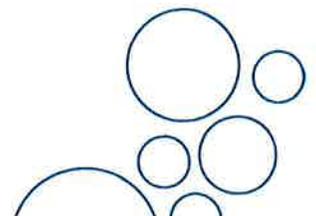
- Washington Water Service must receive approval from the Washington Department of Health, Office of Drinking Water, on the design and modifications to the water system.
- The signed Agreement and the required payment must be received by Washington Water before any work will be scheduled, including the purchasing of materials.
- Owner will provide Washington Water with the specifications for the wellhead enclosure to be used for this project.
- Washington Water must approve construction plans to ensure vehicle access has been provided.
- If required, Washington Water will be responsible for obtaining all necessary regulatory agency approvals, county/state permits and schedule with outside contractors.
- Provide names of any contractor(s) that may be working on-site.
- Schedule a pre-con meeting to review detailed plans and specifications with Washington Water's Engineer, and the Construction Superintendent or Construction Foreman.

DURING CONSTRUCTION:

- Washington Water will operate the valves for filling and flushing of the new water main and will do periodic inspections of the installation.
- Review status of project with Washington Water's Construction Superintendent.
- Coordinate inspections with Washington Water (either our Construction or Engineering Department)

BEFORE TIE-IN/ACTIVATION OF NEW FACILITIES:

- Once construction is completed, Washington Water will be responsible for pressure testing installed facilities.



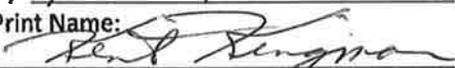
- A backflow assembly (Double Check Valve-DCVA/Reduced Pressure Backflow-RPBA/Pressure Vacuum Breaker-PVB) is required whenever there is a possibility of a cross connection between the public water system and a non-potable water source. Examples include, but are not limited to, irrigation systems, fire sprinkler systems or other water-using equipment. The backflow assembly device must be installed on the customer side of the meter; a licensed plumber can install this device. Annual testing and repair of the device is the responsibility of the parcel owner.
- Easement documents must be reviewed and approved by Washington Water and recorded with Pierce County.
- Washington Water bill-of-sale to be filled out by Owner, reviewed and approved by Washington Water and recorded with Pierce County.
- Final payment for the work completed as outlined in this Agreement must be received, and any remaining amounts due must be paid in full.

If the terms of this letter are acceptable, please initial your election to have Washington Water complete the extension project under the terms listed in the Agreement and then sign the letter below. Return both this letter and the agreed payment to our Gig Harbor Office at 14519 Peacock Hill Avenue NW, Gig Harbor, WA 98335 (Mailing Address: PO Box 336, Gig Harbor, WA 98332). If you have any questions, please give me a call directly in Gig Harbor at (253) 851-4060 or toll free at (877) 408-4060.

Sincerely,

By: 
 Matthew D. Brown, P.E.
 General Manager

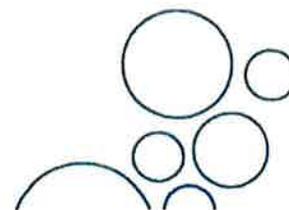
Accepted

By: KENT KINGMAN
 Print Name: 
 Phone: 253-405-4074
 Date Accepted: 1/24/2023

Enclosure(s)

- cc: Jim Morrison, Accounting Manager
 Eric Williams, Construction Superintendent
 Sarah Castro, Customer Service Manager
 John Puccinelli PE, Engineering Manager
 Shawn O'Dell, Operations Manager (Gig Harbor)

\\sdsr\shared data\Engineering\Project Report 3500\3937 - PETH, 131810 HWY 302 (0122242031) Kingman\1 - PROJECT CONTROL\100 - Cost Projections\contract draft\Pederson Harold ID66727L-MainExt, Tap_WWSC Install-Design Final.docx



KK

Washington Water Service Co.

Engineering Department
4531 Intelco Loop SE
Suite 3
Lacey, WA 98503

Engineer's Opinion of Probable Project Costs Summary Attachment "A"

Pederson Harold Water System Laguna's On The Bay - Kingman

January 17, 2023
(Projected Cost Good for 30-Days)

Engineering File # 3937

*** Construction Materials ***

Unit of Property	Description	Quantity	Unit of Measure	Unit Cost	Total
103240	Construction Materials, Pipe, Valves, Fittings, Etc	1	LS	\$ 38,400.00	\$ 38,400.00
103450	Construction Materials for Services	1	LS	\$ 2,100.00	\$ 2,100.00
103480	Construction Materials for Hydrants	1	LS	\$ -	\$ -
				\$ -	\$ -
				\$ -	\$ -
	Sub-Total				\$ 40,500.00
	Contingency			10%	\$ 4,050.00
	SUB Total - Materials				\$ 44,550.00
	Rounded Up Value				\$44,600.00

*** Construction Labor ***

Unit of Property	Description	Quantity	Unit of Measure	Unit Cost	Total
103240	Construction Labor - Watermain & BPS	1	LS	\$ 33,600.00	\$ 33,600.00
103450	Construction Labor - Services	1	LS	\$ 4,100.00	\$ 4,100.00
103480	Construction Labor - Hydrants	1	LS	\$ -	\$ -
				\$ -	\$ -
	WWSC Engineering	1	LS	\$ 13,700.00	\$ 13,700.00
				\$ -	\$ -
				\$ -	\$ -
					\$ 51,400.00
	Contingency			10%	\$ 5,140.00
	Sub-Total - Construction Labor				\$ 56,540.00
	Rounded Up Value				\$56,600.00

*** Outside Contractor ***

Unit of Property	Description	Quantity	Unit of Measure	Unit Cost	Total
	County Permits (Encroachment)	1	LS	\$ -	\$ -
	DOH Review Fees	1	LS	\$ 345.00	\$ 345.00
	Tapping Services	1	LS	\$ -	\$ -
	Geotechnical Engineer	1	LS	\$ -	\$ -
	Engineering Consultant	1	LS	\$ -	\$ -
	Land Surveyor	1	LS	\$ -	\$ -
	Land Cost	1	LS	\$ -	\$ -
	Additional Insurance	1	LS	\$ -	\$ -
	Bonding	1	LS	\$ -	\$ -
	Sanitary Facility Rental (Portable Toilet)	1	LS	\$ -	\$ -
	Paving Contractor - Pavement Restoration	1	LS	\$ -	\$ -
	Traffic Control Contractor - Flaggers	1	LS	\$ -	\$ -
				\$ -	\$ -
				\$ -	\$ -
				\$ -	\$ -
				\$ -	\$ -
	SUB TOTAL				\$ 345.00
	Contingency			10%	\$ 34.50
	Sub-Total - Outside Contractor				\$ 379.50
	Rounded Up Value				\$400.00

Project Subtotal = \$ 101,600.00
 Estimated TCJA tax for Domestic Service \$ 2,200.00
 State B&O Tax \$ 1,900.00

Projected Funds Required =	\$105,700
WWSC Contribution =	\$47,300
Developer Contribution =	\$58,400
Developer Downpayment =	\$29,200

Assumptions:

- 1) This document is intended to forecast approximate construction costs based upon current information and similar projects, and is not intended to accurately represent actual design or construction components or prices.
- 2) Totals are rounded to nearest \$100

MINTERBROOK OYSTER CO
MINTERBROOK BY THE SEA
PO BOX 432
GIG HARBOR WA 98335-0432

1012

Date 11/24/23

PAY TO THE
ORDER OF

Washington Water Service Co. \$29,200.⁰⁰
Twenty nine thousand two hundred two/100 DOLLARS



34-827/1251

FOR DOH ID# 66727L

[Handwritten Signature]



**REBUILD BOOSTER PUMP
STATION W/ NEW PUMPS**

**loop discharge to
distribution**

**developer to
provide new
wellhead enclosure**

