

**WASHINGTON WATER SERVICE COMPANY**

April 11, 2024

Jeff Killip, Executive Director & Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Dear Mr. Jeff Killip;

Enclosed is a copy of the agreement between JKM Holdings, LLC and Washington Water Service Company (WWSC) to complete the tap and extension of the water main on 198th St E & 126th Ave E. This site is in Pierce County, which is serviced by Southwood Water System, DOH ID# 82844H and Parcel numbers are listed in Exhibit A. This agreement has been signed by Corey P. Watson and countersigned by Matthew D. Brown, the General Manager of WWSC.

Estimated costs identified in the attachment are \$266,600. To this, a deposit payment of \$33,900 has been received for the total projected engineering costs, as attached.

A map 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".

Thu Hoang
Accounting Analyst

Project ID: _____

System ID: Southwood Water System DOH 82844H

MAIN EXTENSION AGREEMENT

This MAIN EXTENSION AGREEMENT (this **Agreement**), effective on June 11, 2024 (the **Effective Date**), is made by and between WASHINGTON WATER SERVICE COMPANY, a Washington corporation (**Washington Water**) and APPLICANT (defined below), who may each be referred to as a **Party** and together as the **Parties**.

BACKGROUND

A. This Agreement concerns the extension of water facilities or services of the Southwood Water System (DOH ID # 82844H; the **System**) to serve the parcel or parcels of real property in the City of Tacoma, County of Pierce, State of Washington (the **Property**), as generally shown on **Exhibit A**.

B. Applicant wants to receive water service from the System (the **Service**) to meet potable water service requirements for Applicant’s project, development, or subdivision of the Property, commonly known as Hidden Hollow (the **Project**).

C. Applicant intends to install or cause to be installed the necessary improvements, extensions, and facilities to connect the System to provide the Service, according to the terms and conditions of this Agreement (the **Extension**).

D. Washington Water is willing to accept the Extension and provide the Service, under the rates and tariffs applicable to the System and subject to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the Background above and the terms and conditions below, the Parties agree as follows:

1. Applicant

The **Applicant** is:

Name or Entity	<u>JKM Holdings, LLC</u>
	<u>Attn: Geoffrey P. Sherwin, P.E.</u>
FEIN or SSN	<u>80-0844823</u>
Mailing Address	<u>P.O. Box 188</u>
	<u>Puyallup, Washington 98371</u>
Phone	<u>253-312-5780</u>
Email	<u>geoff@jkmonarch.com</u>

2. Applicant’s Representations and Warranties

2.1. Complete Application. All the forms, applications, data, and other information provided to Washington Water by Applicant or on Applicant’s behalf concerning the Project and to obtain the Service are true, accurate, and complete in all material respects (collectively, the **Application**). Applicant understands and acknowledges that Washington Water relied on the Application and Applicant’s

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representations in entering into this Agreement. Applicant also understands that Washington Water relied on the Application to develop the Cost Estimate.

2.2. Rights of Way. Applicant has obtained or will have on the Completion Date all right, title, and interest to convey, assign, or otherwise transfer to Washington Water all rights-of-way that are necessary or appropriate to lay, construct, operate, repair, replace, and maintain the Extension and provide the Service, whether in fee simple, leasehold, as easements, licenses, or otherwise (collectively, the **Rights of Way**).

2.3. Title. Applicant has or will have on the Completion Date, good right, title, and interest in the Rights of Way and the Extension to convey, assign, or otherwise transfer to Washington Water.

2.4. Utility Standards. Applicant has had a reasonable opportunity to review and understands their rights and responsibilities under this Agreement, the Drawings & Specifications, and the operating rules, requirements, rates, tariffs, and decisions in effect and which may be on file with the Washington Utilities and Transportation Commission (the **WUTC**) concerning this Agreement.

2.5. Estimates Only. The Applicant has had a reasonable opportunity to review the Cost Estimate and understands that:

(a) THE COST ESTIMATE IS ONLY AN ESTIMATE. THE COST ESTIMATE IS NOT THE ACTUAL AND FINAL COST THAT THE APPLICANT MAY BE RESPONSIBLE FOR.

(b) THE COST ESTIMATE MAY NOT SHOW, REFLECT, OR INCLUDE ALL OF THE COSTS OR EXPENSES THAT THE APPLICANT MAY BE RESPONSIBLE FOR UNDER THIS AGREEMENT, LIKE, FOR EXAMPLE, WASHINGTON WATER'S TIME AND MATERIALS.

(c) THE COST ESTIMATE MAY CHANGE IF, AS AN EXAMPLE, THERE IS A CHANGE IN CONDITIONS OR ASSUMPTIONS CONCERNING THE PROJECT, THE EXTENSION, OR THE DESIGNS AND SPECIFICATIONS, BIDS, OR PROPOSALS EXPIRE, OR THERE ARE CHANGES TO THE EXPECTED SCOPE OF WORK.

(d) THE ACTUAL AND FINAL COST THAT APPLICANT MAY BE RESPONSIBLE FOR MAY BE GREATER OR LESS THAN THE AMOUNTS SHOWN ON THE COST ESTIMATE.

2.6. Due Authority. The person signing this Agreement for Applicant is the lawful and authorized attorney-in-fact, agent, or other authorized representative of the Applicant with full right and power to sign and deliver this Agreement, so that when this Agreement is signed and delivered to Washington Water it will be valid and enforceable against Applicant according to its terms.

2.7. Form of Agreement. Applicant understands that the form, content, and effectiveness of this Agreement is subject to the review and approval of the WUTC, which may take at least **75 days** from the date the WUTC accepts this Agreement for review and approval; and that this Agreement may also require the further and separate review or approval of the Washington State Department of Health (the **DOH**), Washington State Department of Ecology (the **DOE**), or the county or city with jurisdiction over the Project (a **Local Jurisdiction**). After Applicant signs and delivers this Agreement to Washington Water, Washington Water will submit this Agreement to the WUTC for review and approval, and if required, to the DOH, DOE, or Local Jurisdiction for their review and approval. Washington Water will

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not prepare plans, schedule, or allow construction of the Extension to begin unless the WUTC, the DOH, the DOE, and all Local Jurisdictions have reviewed and approved this Agreement, as applicable.

2.8. Potential Delays. Applicant understands that the time to complete the work contemplated under this Agreement may be an estimate only, and that the actual time to complete the work is contingent on circumstances or events that may be beyond a Parties' reasonable control.

3. Costs and Expenses

3.1. Cost Estimate. The **Cost Estimate** for the Extension is attached as **Exhibit B**. The Cost Estimate only shows Washington Water's preliminary, estimated costs for engineering, construction, materials, and labor, unless otherwise shown in **Exhibit B**.

3.2. Deposits. Applicant will deposit the amount for consultant fees, Washington Water Service Company engineering fees and 10% contingency fee as identified on the Cost Estimate with Washington Water on delivery of this Agreement to Washington Water. Upon approval from DOH, Applicant will deposit 50% of the remaining Cost Estimate prior to design, review, and approval of the water infrastructure. No less than **5 days before** the start of work on the Extension, Applicant will deposit the Additional Deposit (see below) with Washington Water. All deposits and payments to Washington Water will be made by cash, or by check or money order (payable to "Washington Water Service Company") and delivered by hand or mail to:

Gig Harbor:	Hand Delivery: 14519 Peacock Hill Avenue Gig Harbor, WA 98335	Mail: P.O. Box 336 Gig Harbor, WA 98332
East Pierce:	Hand Delivery: 5410 189th Street E Puyallup, WA 98375	Mail: P.O. Box 44168 Tacoma, WA 98448

3.3. Final Costs. Applicant is responsible for all the costs and expenses to construct the Extension, including all costs and expenses for engineering, materials, labor, and other costs incurred to complete the Extension and regardless of whether performed by Applicant or Washington Water (the **Final Cost**). Within **180 days** of the Completion Date, Washington Water will calculate the Final Cost, based on information provided by Applicant and Washington Water's calculation of its costs and expenses. If the Final Cost exceeds the amount of any deposit and amounts paid or advanced to Washington Water, Applicant will pay for Washington Water for such additional amounts within **30 days** of receipt of a bill from Washington Water. If the Final Cost is less than any deposits and amounts paid or advanced to Washington Water, Washington Water will return the difference between such amounts and the Final Cost within **180 days** of the Completion Date.

3.4. Apex Costs. Applicant may need to enter into a separate agreement with Apex Engineering (**Apex**) for the design, inspection, or approval of Applicant's plans for the Extension. Apex is Washington Water's master consultant for the System and is responsible for expansion of the System. Applicant can contact Apex at (253) 473-4494 or savage@apexengineering.net.

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3.5. Contribution in Aid of Construction. The Extension is a Contributed in Aid of Construction (*CIAC*). Federal tax laws may subject CIAC to federal taxes. To ensure that the expansion of water service to new customers does not unfairly burden a utility's existing customers, Washington Water will collect applicable taxes on CIAC from Applicant. Applicant should consult their tax advisor concerning the applicability of all tax laws to them.

4. Performance of Work

4.1. Washington Water Work. Washington Water is only responsible to perform the work described in Exhibit C (the *Washington Water Work*). However, Applicant is responsible for the costs and expenses for the Washington Water Work.

4.2. Applicant Work. Applicant is responsible to perform or have performed, and will pay at its cost and expense, all the work necessary to complete the Extension, including any specific work described in Exhibit D, but excluding the Washington Water Work (the *Applicant Work*).

4.3. Contractors. The Applicant Work will be performed by a contractor or contractors that Washington Water approves (the *Applicant's Contractor*). No work on the Extension may start unless Washington Water has approved Applicant's Contractor. On request, Washington Water will provide Applicant a list of contractors approved by Washington Water. Applicant will hire the Applicant's Contractor.

4.4. Plan Review. Washington Water reserves the right to review and revise the plans, specifications, and design of the Extension to provide the Service.

4.5. Before Construction. Before any work on the Extension can begin:

(a) **Revised Cost Estimate:** Washington Water must have approved any revised Cost Estimate, which will be a part of this Agreement and may then be substituted for any prior Cost Estimate attached to this Agreement.

(b) **Additional Deposit:** Washington Water will have received all deposits of the remaining amount of the Cost Estimate or revised Cost Estimate (the *Additional Deposit*).

(c) **Contractors:** Washington Water will have received the names and contact information for the Applicant's Contractor, including the names and contact information for any person that will work on the Extension.

(d) **License and Insurance:** Washington Water will have received valid licenses and certificates of insurance for the Applicant's Contractor and its subcontractors, naming Washington Water as an additional insured or named insured, and otherwise complying with insurance requirements attached as Exhibit E.

(e) **Pre-Con Meeting:** The Parties will have held at least one pre-construction meeting to review the Drawings and Specifications.

(f) **Materials:** Washington Water will have inspected any materials for the Extension.

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(g) **Notice to Proceed:** Washington Water will have completed any of the Washington Water Work that Washington Water deems necessary, and Applicant or Applicant's Contractor receives a notice to proceed from Washington Water.

4.6. During Construction

(a) **Inspections:** Washington Water will operate the valves for filling and flushing of the Extension and will do periodic inspections of the Applicant Work, including any materials. Applicant or Applicant's Contractor will reasonably coordinate any inspections with Washington Water.

(b) **Progress Meetings:** Applicant will review the status of the work on the Extension with Washington Water's designated construction superintendent.

4.7. **Completion Date.** The **Completion Date** will be the date that Applicant meets or otherwise satisfies, or Washington Water waives, the Conditions to Tie-In (below). However, the date of the Tie-In will be no later than **180 days** from the Effective Date, unless the Parties otherwise agree in writing. Washington Water will not accept or physically tie-in the Extension, issue a Water Availability Certificate, or provide the Services (collectively, **Tie-In**) unless:

(c) **Rights of Way:** Applicant delivers to Washington Water the Rights of Way, in form and content acceptable to Washington Water and sufficient for recordation.

(d) **Bill of Sale:** Applicant delivers to Washington Water a bill of sale, or similar instrument conveying its interest in the Extension, in form and content acceptable to Washington Water and sufficient for recordation.

(e) **On Site Inspection:** Washington Water inspects and accepts the Extension, which Washington Water will determine to its sole satisfaction and meeting its standards and specifications for acceptance, including applicable pressure testing, bacteriological sampling and testing, fire flow testing and county approval.

(f) **Certificate of Completion:** Applicant delivers to Washington Water a Certificate of Completion, signed by Applicant's licensed engineer, certifying the full completion of the Extension according to the Drawings & Specifications.

(g) **As-Builts:** Applicant delivers as-built drawings in digital form compatible with Washington Water's AutoCAD software, GPS coordinates of the Extension, and 2 paper copies of as-built drawings of the Extension.

(h) **Active Billing Account:** Applicant will have paid any remaining amounts required to be paid, including any fees or costs owed to Apex, and for the Project to have appropriate active billing accounts. If Applicant has not installed a meter, Washington Water may charge Applicant a monthly **Ready-to-Serve Fee** (under Washington Water's then operative tariff), until a meter or meters are installed.

5. Termination

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5.1. Impossibility. Washington Water may immediately terminate this Agreement if, in Washington Water's judgment, Washington Water could not provide the Services safely or under conditions that would not place an unpermitted cost or burden on its then-existing customers because of changes in the fact, circumstances, laws, regulations, or conditions of the Project that may be foreseeable but are beyond the reasonable control of the Parties.

5.2. Expiration. This Agreement expires, if Applicant has failed, refused, or otherwise not coordinated the planning, design, or engineering of the Extension with Washington Water within **180 days** after the Effective Date. This Agreement expires, if the construction of the Extension has not started within **365 days** after the Effective Date.

5.3. Effect. If this Agreement is terminated or expires, Washington Water will immediately cease work on the Project and Washington Water will refund to Applicant any deposits or advances less any of the costs, expenses, and non-refundable fees owed to Washington Water.

6. No Assignment. Applicant may not assign or delegate, whether in whole or in part, by operation of law or otherwise, any right, interest, or obligation under this Agreement, except with Washington Water's prior written consent. Any such purported or attempted assignment without Washington Water's prior written consent is void.

7. General Terms

7.1. Ownership of Facilities. From and after the Completion Date, the Extension and all construction work in connection with the Extension, is the property of Washington Water.

7.2. Notices. Any notice required or given under this Agreement will be deemed to have been duly given when deposited in the United States mail, registered or certified, postage prepaid, and addressed to the Party to whom such notice is given as follows:

To Applicant: See Section 1

To Washington Water: 14519 Peacock Hill Avenue NW
Gig Harbor, WA 98335
Attn: General Manager

P.O. Box 336
Gig Harbor, WA 98332
Attn: General Manager

Either Party, by notice, may change its address for notice.

7.3. Attachments. The exhibits, schedules, and other documents attached to or referenced in this Agreement are part of this Agreement.

7.4. No Third-Party Beneficiaries. Nothing in this Agreement will be deemed, construed, or interpreted to give any person other than the Parties any legal or equitable right, remedy, or claim under or with respect to this Agreement. This Agreement is for the sole and exclusive benefit of the Parties and their permitted successors and assigns.

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7.5. Cost of Enforcement. Washington Water is entitled to all its actual costs and expenses to enforce this Agreement, including its attorneys' and expert witness fees, costs, and expenses. Applicant will pay Washington Water promptly on demand for any such costs of enforcement.

7.6. Interest. All past due amounts owed to Washington Water under this Agreement will bear interest at **1.5 %** per month (**18 %** per year) or the maximum amount allowed under the laws of the State of Washington.

7.7. Electronic Signature. Applicant acknowledges and agrees that Washington Water may use or require that this Agreement and any other transaction, document, or instrument that must be signed, acknowledged, or delivered between the Parties may be obtained or conducted electronically, whether in PDF, facsimile, or by a similar electronic means, or by an electronic delivery, routing, and signature service with sufficient security procedures to authenticate and verify the identity of a signatory, as Washington Water may specify (an **Electronic Signature**). The Parties understand and consent to the use of an Electronic Signature in lieu or in addition to a manual, wet-ink signature (i.e., a non-electronic means), and that an Electronic Signature will be valid, binding, and enforceable as if this Agreement or such other transaction, document, or instrument signed, acknowledged, or delivered were signed, acknowledged, or delivered by a Party using a non-electronic means and to the greatest extent permitted under the Uniform Electronic Transactions Act, as amended, restated, or recodified (UETA).

7.8. Counterparts. This Agreement may be signed in one or more counterparts. Each counterpart will be deemed an original and all counterparts, when taken together, will be one and the same instrument.

[Remainder of page intentionally left blank. Signatures on the following page(s).]

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IN WITNESS WHEREOF, the Parties have signed this Agreement intending it to be effective on the date of the last signature below.

JKM HOLDINGS, LLC
a Limited Liability Company

By: 
COREY P. WATSON

Its: PRESIDENT

Date: 03/28/2024

By: _____

Its: _____

Date: _____

Applicant

Approved as to
Form and Accuracy:



John Puccinelli
Manager
Engineering

WASHINGTON WATER SERVICE COMPANY,
a Washington corporation

By: 
MATTHEW BLOWNY, P.E.

Its: GENERAL MANAGER

Date: 3.29.2024

Washington Water

Exhibit A
(Parcels, Proposed Site Plan, Release Letter)

Por. of SW 1/4 , NE 1/4, Section 2, T 18N, R 4E, W.M.

AFNs: 0418021025
0418021026
0418022029
0418022030
0418022031
0418022032

[Attached behind cover.]

Exhibit C
(Washington Water Work)

1. Tapping
2. Review and Support of WSP Amendment
3. Water utility plan review
4. Tapping, setting a valve and thrust blocking
5. Tie-In
6. Bacteriological Sampling and Testing
7. Washington Water's Inspections
8. Operating Valves for Filling and Flushing
9. Witnessing pressure testing
10. Fire Flow Testing, if necessary
11. Reviewing As-Builts
12. Reviewing Easements
13. Drafting and reviewing a Bill of Sale
14. Reviewing the compilation of necessary regulatory documents

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Exhibit D
(Applicant Work)

1. 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.

2. **Traffic Control Plan:** Applicant's Contract will be responsible for traffic control, excavation of the main to be tapped, and any road repairs necessary during and after installation of the Extension.

Exhibit E
(Insurance Requirements)

1. General Liability with each occurrence not less than \$1,000,000.00 and general aggregate not less than \$2,000,000.00.
2. Workers Compensation Certificate or Self Employed or Sole Proprietor statement
3. Certificate Holder and Additional Insured Endorsement naming: Washington Water Service Company, 14519 Peacock Hill Avenue NW, Gig Harbor, WA 98335.
4. Description of Operations/Locations/Vehicles/Special Items stating Certificate holder as Additional Insured. If the Certificate and endorsement is job specific then the insured will need a new certificate and endorsement for any subsequent work.
5. Certificates must list the name of the company performing the work and any "dba's" being used must also be shown.

Received Apr 11, 2024

WA. UT. & TRANS. COMM. ORIGINAL UW-240247

JKM HOLDINGS, LLC

P.O. BOX 188
PUYALLUP, WA 98371
(253) 840-5660

1ST SECURITY BANK OF WASHINGTON
LYNNWOOD, WA 98046

98-6228
3251

2522

DATE		AMOUNT
03/28/2024	\$	*33,900.00

PAY: EXACTLY THIRTY-THREE THOUSAND NINE HUNDRED DOLLARS

TO THE ORDER OF: Washington Water Service
5410 189th St E
Puyallup WA 98375



AUTHORIZED SIGNATURE



MP

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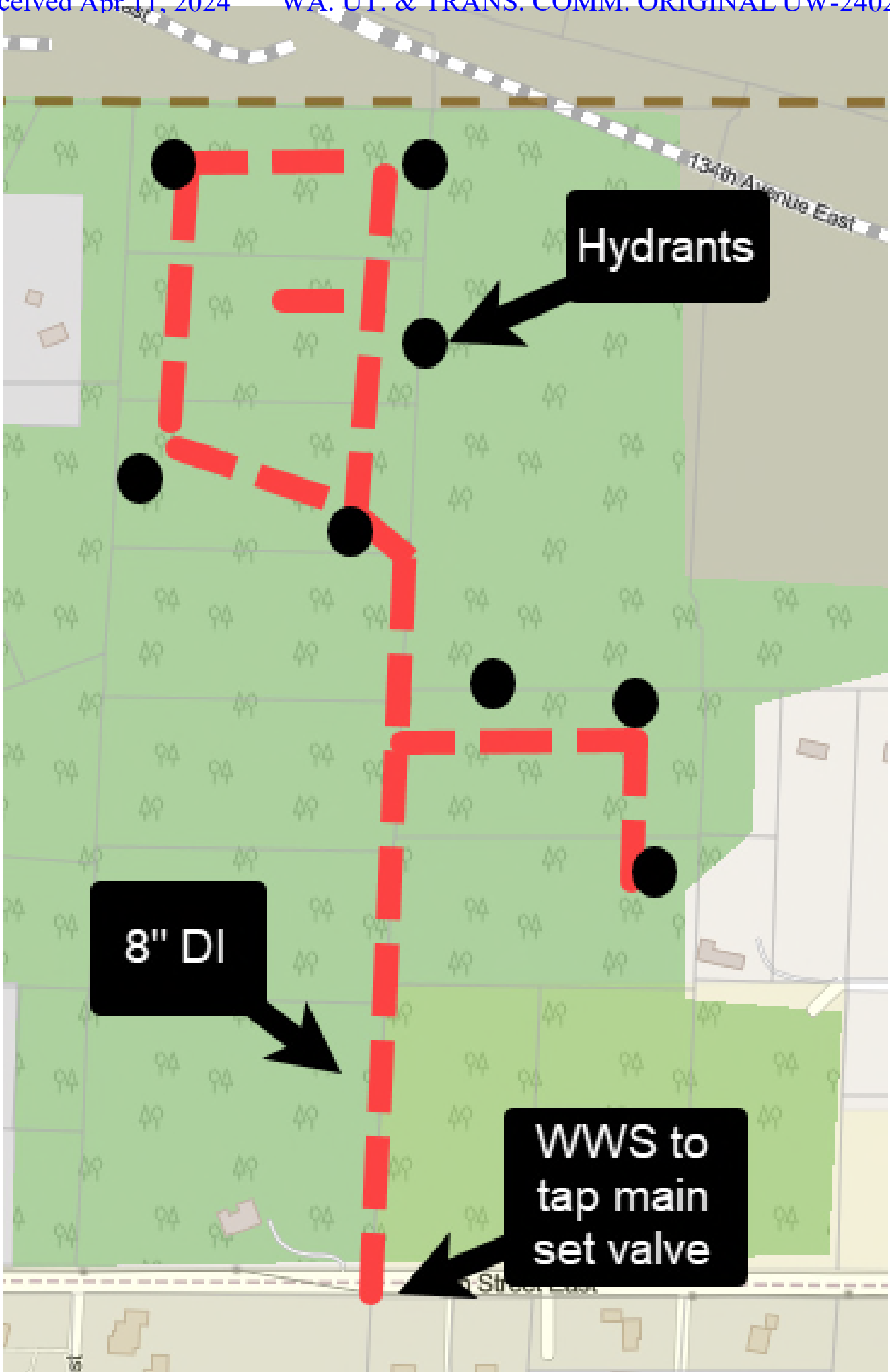
POTENTIAL PLAT OPTION



NOTE

Plat option of 89 single-family lots derived by GeoDatum, Inc. using Pierce County GIS mapping of potential wetlands and factoring in likely buffers and potential locations for storm water management. A formal wetland delineation will need to be completed to understand the exact parameters of wetlands, actual buffers, and the best-suited areas for storm water management.

Howe Rd



Hydrants

8" DI

WWS to tap main set valve

134th Avenue East

Street East