

September 28, 2022

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 9421 Graham, LLC and Washington Water Service Company (WWSC) to complete the tap and extension of the water main on 204th Street E including the installation of two hydrants. This site is in Pierce County, which is serviced by Southwood Water System, DOH ID# 82844H, Parcel #0418044021, 0418044022 and 0418044023. This agreement has been signed by Michael Avila and countersigned by Matthew D. Brown, the General Manager of WWSC.

Estimated costs identified on attachment "A" are \$71,600.00 (Project Costs Summary on June 2,2022). To this, a half payment of \$135,800.00 and deposit of \$4,333.00 has been received for the total projected engineering costs, as attached.

A vicinity 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,

Thu Hoang

Accounting Analyst

Customer Service: Toll Free (877) 408-4060

Gig Harbor: 14519 PEACOCK HILL AVE NW • PO BOX 336 • GIG HARBOR, WA 98335

Olympia: 6800 MERIDIAN RD SE • OLYMPIA, WA 98513

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WASHINGTON WATER SERVICE

14519 Peacock Hill Avenue • P.O. Box 336 Gig Harbor, WA 98335 *Tel*: (877) 408-4060

June 21, 2021

Mike Avila Managing Member 9421 Graham, LLC P.O. Box 1927 Eatonville, WA 98328

Re:

Southwood Water System, DOH ID# 82844H, Pierce County Water Main Extension Agreement for Kimberly Estates Parcel No. 0418044021, 0418044022 and 0418044023

Dear Mr. Avila:

This Water Main Extension Agreement (the "Agreement") is between Washington Water Service Company (the "Washington Water") and 9421 Graham, LLC (the "Owner") to extend the existing water main line and installation of any other facilities needed to provide water utility service to the parcel(s) referenced above.

This Agreement sets forth the terms and conditions as well as our engineer's projected costs, enclosed as "Attachment A", to complete the tap and extension of the water main on 204th Street E as indicated on the preliminary plan set by Contour Engineering, LLC, including the installation of two hydrants capable to meet the minimum fire flow requirements of 750 gallons per minute for a 45 minute duration.

The projected cost of \$103,054 is exclusive to the time and materials necessary as estimated by Washington Water Engineering, based on the submitted preliminary site plan. The estimated water utility scope includes, a water main extension, 31 domestic service connections, tie-in of the new construction to the distribution system, 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 during the installation/tie-in of the extended water main and service line that are beyond the control of Washington Water.

Washington Water will review the provided engineered construction plan and will allow the parcel owner to hire their own underground contractor to install the watermain, appurtenances and service for the intended propose of installing water service to the parcel listed above. This contractor must be approved by Washington Water, prior to beginning any underground work (a list of approved contractors can be provided upon request).

The improvements stated herein qualify as Contributed In Aid of Construction (CIAC). Pursuant to Section 118(b) of the Tax Cuts and Job Act (TCJA) of 2017, federal tax laws require CIAC funds to be federally taxed ensuring that

MEA



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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 the estimated design costs for this project, which is \$4,333 as outlined in this Agreement. Before construction begins, the remaining project costs will be reevaluated and a 50% down payment of the remaining costs will be due. All past due accounts will be charged 1.5% per month (18% per annum). The projected costs 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.

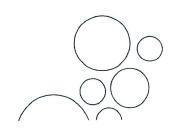
Upon completion of the project an Easement is necessary for Washington Water to maintain our water system facilities on an on-going basis. The Owner's surveyor or engineering firm will need to prepare an easement description and drawing exhibit for the on-site water system mains and appurtenances using the Washington Water easement form. Washington Water requires that Washington Water is explicitly identified in the utility easement language of your plat record. The Owner is responsible for contacting all property owners of all affected properties, signatures notarized and recorded with the Pierce County Auditor's office.

Upon completion of the main extension and 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; the Owner is to provide Washington Water with a Bill of Sale transferring the ownership of these contributed facilities to Washington Water.

Washington Water requires all remaining amounts be paid in full with an active billing account established prior to commencement of residential 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 charge a monthly Ready-to-Serve fee as listed in Washington Water's approved tariff, until a meter installation has occurred. Washington Water will provide the Owner with a Certificate of Water Availability.

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.

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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 pre-paid amounts received by Washington Water minus any billable work completed and non-refundable fees.

elect to hire my own qualified contractor to complete the installation under the conditions listed below:

- Remit a deposit payment of \$4,333 (100%) of the projected engineering costs as outlined in Attachment A. This deposit payment includes contingency and TCJA tax. Actual costs for engineering, construction labor, materials and County permits will be bill separately by Washington Water at the end of construction.
- Once a final utility plan is submitted to Washington Water Engineering for review, the projected costs will reevaluate for the completion of this project. A 50% down payment of the estimated project costs will be due before construction can begin.
- Prior to any underground work being started, the hired contractor must be pre-approved by Washington Water. A list of approved contractors can be provided upon request.
- Provide installing contractor's name and contact information, along with copies of their Contractor's License, and Certificate of Insurance (contractor must have a minimum insurance coverage of \$1,000,000 per occurrence, \$2,000,000 annual aggregate naming Washington Water Service Company as Additional Insured and Certificate Holder).
- 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:

- The signed Agreement and the required payments must be received by Washington Water before any work will be scheduled, including the purchasing of materials.
- 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.
- Underground contractor will be responsible for traffic control, excavation of the main to be tapped along with any road repairs necessary during and after installation. Any contractor purchased materials must be on-site and inspected by Washington Water prior to installation.
- Washington Water will tap the existing watermain on 204th Street E indicated on the plan set and will install a tapping sleeve, AWWA gate valve and valve blocking will be provided by Washington Water for your contractor to connect to.

DURING CONSTRUCTION:

- The installation of all on-site piping, services, water service lines, valves, fittings and other appurtenances will be the responsibility of the Owner.
- 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)

MXA

BEFORE TIE-IN/ACTIVATION OF NEW FACILITIES:

- Once construction is completed, Washington Water will be witness a pressure test of all new water mains and appurtenances.
- A final inspection must be scheduled with the Construction Superintendent or Construction Foreman to review installed facilities and that the installed facilities have been installed in accordance with the specifications provided in the engineering plans.
- Upon completion of the fire hydrant is installation, Washington Water will be responsible for fire flow testing and county submittal.
- Washington Water will take bacteriological samples. The results from the samples taken are required to meet all Washington State Department of Health Drinking Water Regulations and Standards. Unsatisfactory results will delay the tie-in of the new 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-portable 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.
- Final payment for the work completed as outlined in this Agreement has been received, and any remaining amounts due be paid in full

If the terms of this letter are acceptable, please initial your election to hire your own contractor to 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,

Bv:

Matthew D. Brown, P.E.

General Manager

Accepted

By:

MicHAEL L

Printed Name

360 832 2304

Phone

06/28/202/

Date Accepted

Enclosure(s)

cc: Accounting Manager

Eric Williams, Construction Superintendent Sarah Castro, Customer Service Manager

John Puccinelli, Engineering Manager

Shawn O'Dell, Operations Manager (Gig Harbor/Olympia)

Local Manager (East Pierce)

File1: Water System

File2: EngFile# 3913

W:\Systems\Southwood ID82844H Pierce\Projects_Work Orders\SWS.21 MainExt_9708 204th StE (KimberlyEstates)\Contract\Southwood, ID82844H-MainExt.Tap_9708 204th StE (KimberlyEst).docx



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Washington Water Service Co.

Engineering Department 6800 Meridian Road SE Olympia, WA 98513

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

Southwood Water System Kimberly Estates PDD

June 17, 2021 (Projected Cost Good for 30-Days)

Engineering File # 3913

*** Construction Materials ***

| Unit of | Description | Quantity | Unit of Measure | Unit Cost | Total |
|----------|---|---------------|--------------------|-------------|----------------|
| Property | | | | | |
| 103240 | Construction Materials, Pipe, Valves, Fittings, Etc | 1 | LS | \$ 2,828.29 | \$ 2,828.29 |
| 103450 | Construction Materials for Services | 1 | LS | \$ - | \$ - |
| 103480 | Construction Materials for Hydrants | 1 | LS | | \$ - |
| | | | | | \$ - |
| | | | | | \$ - |
| | | Sub-Total | | | \$ 2,828.29 |
| | | Contingency | | 10% | \$ 282.83 |
| | | Sales Tax | | 9.00% | \$ 280.00 |
| | | SUB Total - N | laterials | | \$ 3,391.12 |
| | | Rounded Up | Value | | \$3,400.00 |

*** Construction Labor ***

| Unit of | | | Unit of | | |
|----------|--------------------------------|----------------|---------------|-------------|----------------|
| Property | Description | Quantity | Measure | Unit Cost | Total |
| | Construction Labor - Watermain | 1 | LS | \$ 3,537.00 | \$ 3,537.00 |
| 103450 | Construction Labor - Services | 1 | LS | \$ 786.00 | \$ 786.00 |
| | Construction Labor - Hydrants | 1 | LS | \$ 786.00 | \$ 786.00 |
| | | | | | \$ - |
| | WWSC Engineering | 1 | LS | \$ 3,111.25 | \$ 3,111.25 |
| | <u> </u> | | | | \$ - |
| | | | | | \$ - |
| | | | | | \$ 8,220.25 |
| | | Contingency | | 10% | \$ 822.03 |
| | | Sub-Total - Ca | onstruction L | abor | \$ 9,042.28 |
| | | Rounded Up | Value | | \$9,100.00 |

*** Outside Contractor ***

| | | | 0410140 | Contract | , | |
|---------------------|--|-----------|----------------|--------------------|-----------|-----------------|
| Unit of Property | Description | | Quantity | Unit of Measure | Unit Cost | Total |
| rioporty | County Permits (Encroachment) | | 1 | LS | \$ 396.00 | \$ 396.00 |
| | DOH Review Fees | | 1 | LS | | \$ - |
| | Hydrogeologist | | 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 | \$ - | \$ - |
| | Tranic Control Contractor Traggers | | | | | \$ - |
| | | | | | | \$ |
| | | | | | | \$ - |
| | | | | | | \$ - |
| | | | SUB TOTAL | | | \$ 396.00 |
| | | | Contingency | | 10% | \$ 39.60 |
| | | | Sub-Total - O | utside Contr | actor | \$ 435.60 |
| | | | Rounded Up | Value | | \$500.0 |
| | | | Project Subto | tal = | | \$ 13,000.00 |
| | | | East Pierce F | | irge = | \$ 48,019.00 |
| | | | Federal Tax p | | | \$ 16,220.24 |
| | | | State B&O Ta | | | \$ 1,176.2 |
| | Anticiapted Developer (onsite) Costs | 92 687 19 | Anticipated To | CJA Tax = | | \$ 24,638.3 |

Projected Funds Required = \$103,054

- 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



RECEIVED SEP. 28, 2022 WA. UT. & TRANS COMM. ORIGINAL UW-220746 1070 **COLUMBIA BANK** 9421 GRAHAM LLC P.O. Box 1927 Eatonville, WA 98328 34-827/1251 6/18/2021 PAY TO THE Washington Water Service **3,449.00 ORDER OF DOLLARS Washington Water Service 14519 Peacock Hill Ave NW Gig Harbor, WA 98332

MEMO

Deposit

Deposit on DOH ID #82844H

MP

ACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER AND ORIGINAL DOCUMENT SECURITY SCREEN ON BACK WITH PADLOCK SECURITY ICON. 1071 **COLUMBIA BANK** 9421 GRAHAM LLC P.O. Box 1927 Eatonville, WA 98328 34-827/1251 6/28/2021 Becurity features included. Details on back PAY TO THE **884.00 Washington Water Service ORDER OF Eight Hundred Eighty-Four and 00/100** **DOLLARS** Washington Water Service 14519 Peacock Hill Ave NW Void after 90 days Gig Harbor, WA 98332 MEMO



WASHINGTON WATER SERVICE

Water Availability Department • Gig Harbor Office 14519 Peacock Hill Avenue • P.O. Box 336 Gig Harbor, WA 98335 *Tel*: (877) 408-4060

June 2, 2022

Mike Avila Managing Member 9421 Graham, LLC Eatonville, WA 98328

Re: Southwood Water System; DOH ID# 82844H; Pierce County, WA

Water Main Extension Agreement for Kimberly Estates Parcel No: 0418044021, 0418044022 & 0418044023

Dear Mike Avila,

Washington Water Service Company (Washington Water), Engineering Department has completed the reevaluation of the project cost estimate for the Kimberly Estates water main extension project, per our Construction Agreement, signed June 28, 2021.

Washington Water Engineering Department has provided you with an Opinion of Projected Costs, shown on Attachment A. The attached Opinion of Projected Costs is \$71,600. Before construction begins, Washington Water requires a deposit payment of fifty percent (50%) of the projected costs of this project which is \$35,800.

The improvements stated herein qualify as Contributions In Aid of Construction (CIAC). Pursuant to Section 118(b) of the Tax Cuts and Jobs Act of 2017, federal tax law requires 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.

For payment arrangements please contact Irene Murakami at (253) 537-6634 x71259.

If you have any questions regarding this estimate, please do not hesitate to contact me. I can be reached at our Olympia office at 360-810-8346 or rhaseman@wawater.com.

Regards,

Ryan Haseman PE Project Engineer

Enclosure

cc: Matt Brown PE, General Manager John Puccinelli PE, Engineering Manager James Jensen, East Pierce Manager File # 3913

Quality. Service. Value. wawater.com

Washington Water Service Co.

Engineering Department 6800 Meridian Road SE Olympia, WA 98513

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

Southwood Water System Kimberly Estates PDD

June 2, 2022 (Projected Cost Good for 30-Days)

Engineering File # 3913

*** Construction Materials ***

| Unit of Property | Description | Quantity | Unit of Measure | ι | Jnit Cost | Total |
|---------------------|---|---------------|--------------------|----|-----------|----------------|
| 103430 | Construction Materials, Pipe, Valves, Fittings, Etc | 1 | LS | \$ | 3,300.00 | \$ 3,300.00 |
| 103450 | Construction Materials for Services | 1 | LS | \$ | - | \$ - |
| 103480 | Construction Materials for Hydrants | 1 | LS | \$ | - | \$ - |
| | | | | | | \$ - |
| | | | | | | \$ - |
| | | Sub-Total | | | | \$ 3,300.00 |
| | | Contingency | | | 10% | \$ 330.00 |
| | | SUB Total - M | laterials | | | \$ 3,630.00 |

Rounded Up Value

\$3,700.00

*** Construction Labor ***

| Unit of | | | Unit of | | | |
|----------|--------------------------------|----------------|---------------|-----|------------|------------------|
| Property | Description | Quantity | Measure | | Unit Cost | Total |
| 103430 | Construction Labor - Watermain | 1 | LS | \$ | 3,700.00 | \$ 3,700.00 |
| 103450 | Construction Labor - Services | 1 | LS | \$ | 800.00 | \$ 800.00 |
| 103480 | Construction Labor - Hydrants | 1 | LS | \$ | 800.00 | \$ 800.00 |
| | | | | | | \$ - |
| | WWSC Engineering | 1 | LS | \$ | 4,333.00 | \$ 4,333.00 |
| | Initial Project Down Payment | 1 | LS | \$ | (4,333.00) | \$ (4,333.00) |
| | | | | | | \$ - |
| | | Sub-Total | | | | \$ 5,300.00 |
| | | Contingency | | | 10% | \$ 530.00 |
| | | Sub-Total - Co | onstruction L | abo | r | \$ 5,830.00 |
| | | Rounded Up | Value | | | \$5,900.00 |

*** Outside Contractor ***

Projected Funds Required =

| Unit of | 5 | 0 | Unit of | ļ | | | T. (.) |
|----------|--|----------------|--------------|---------|------------|----------------|-----------|
| Property | Description | Quantity | Measure | \$ | nit Cost | Φ. | Total |
| | County Permits (Encroachment) DOH Review Fees | 1 | LS LS | Ф | 400.00 | \$ | 400.00 |
| | | | | | | \$ | - |
| | Tapping Services | | LS | | | | - |
| | Geotechnical Engineer | | LS | | | \$ | - |
| | Engineering Consultant | | LS | | | \$ | - |
| | Land Surveyor | | LS | | | \$ | - |
| | Land Cost | | LS | | | \$ | - |
| | Additional Insurance | | LS | | | \$ | - |
| | Bonding | | LS | | | \$ | - |
| | Sanitary Facility Rental (Portable Toilet) | 1 | LS | \$ | - | \$ | - |
| | Paving Contractor - Pavement Restoration | 1 | LS | | | \$ | - |
| | Traffic Control Contractor - Flaggers | 1 | LS | \$ | - | \$ | - |
| | | | | | | \$ | - |
| | | | | | | \$ | - |
| | | | | | | \$ | - |
| | | | | | | \$ | - |
| | | SUB TOTAL | | | | \$ | 400.00 |
| | | Contingency | • | | 10% | \$ | 40.00 |
| | | Sub-Total - Ou | tside Contr | actor | | \$ | 440.00 |
| | | Rounded Up | Value | | | | \$500.00 |
| | | Project Subtot | al = | | | \$ | 10,100.00 |
| | | East Pierce Fa | | rge = | | \$ | 48,100.00 |
| | | Estimated TC | JA tax for W | wsc (| Costs | \$ \$ \$ | 700.00 |
| | | State B&O Ta | x | | | \$ | 1,100.00 |
| | Anticipated Developer Costs for Taxable Services | | | | | • | , |
| | \$ 43,600.00 | Estimated TC | JA Tax for E | Develop | er Costs = | \$ | 11,600.00 |

Assumptions:

\$71,600

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

| PAY TO THE Washington Water Service ORDER OF | \$ **35,800.00 |
|---|--------------------|
| | |
| Washington Water Service 14519 Peacock Hill Ave NW Gig Harbor, WA 98332 | Void after 90 days |

