

JAN 17 2021

**WASHINGTON WATER SERVICE**

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

January 6, 2021

Kenneth Ritter Jr.
Northridge Contractors Inc.
P.O. Box 39512
Lakewood, WA 98496

Re: Southwood Water System, DOH ID# 82844H, Pierce County
Water Main Extension Agreement for 4908 208th St E, Spanaway, WA 98387
Parcel No. 5002130991 & 5002130992

Dear Mr. Ritter:

This Water Main Extension Agreement (the "Agreement") is between Washington Water Service Company (the "Washington Water") and Northridge Contractors Inc. (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.

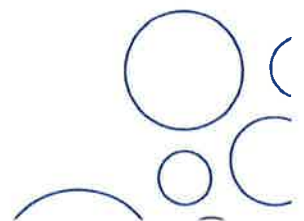
This Agreement sets forth the terms and conditions as well as our engineer's projected costs, enclosed as "Attachment A", to complete the tap of the extended watermain on 208th Street East for the proposed Classic Enclave Plat Development. The projected cost of \$85,115 is exclusive to the time and materials necessary to provide domestic and fire flow service to your property. 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 allow the Owner to provide an engineered construction plan and hire his/her own underground contractor to install the watermain, and appurtenances for the intended propose of installing water service to the parcels 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 main extension is to be within the designated easement.

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.

Quality. Service. Value.

wawater.com



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 projected costs outlined in this Agreement. 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.

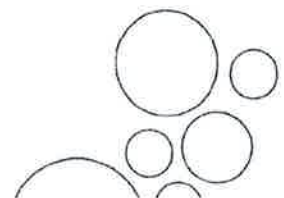
The Owner's land surveyor, or engineering firm will need to prepare a 20 foot wide easement description for the on-site water system mains and appurtenances using the Washington Water easement form after construction is complete. Once all signatures have been notarized on the easement document, it must be recorded with the Pierce County Auditor's office. This is necessary for Washington Water to maintain the on-site facilities on an on-going basis.

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 that all construction be completed and remaining amounts be paid in full prior to the issuance 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.

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.



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

(Initial)

- Remit a deposit of \$42,557 (50%) of the projected costs (\$85,115) for engineering, construction labor, materials, and county permits provided by Washington Water, as outlined in Attachment A.
- 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:

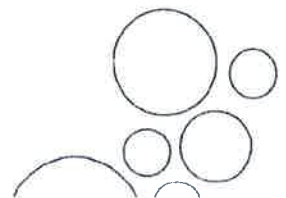
- The signed Agreement and the required payment must be received by Washington Water before any work will be scheduled, including the purchasing of materials.
- Washington Water Engineering to review and approve the final construction plan set as it pertains to water system assets.
- If an encroachment permit is required, Washington Water will be responsible for obtaining all necessary regulatory agency approvals, county/state permits and schedule with outside contractors. Washington Water will be responsible for Department of Health's Construction Completion Report and obtaining final Fire Marshal approval.
- 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.
- All contractor purchased materials must be on-site and inspected by Washington Water prior to installation.
- Washington Water will operate and lock-out existing gate valves to isolate the project site from the system.

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 witness the pressure test for the installed facilities, to be carried out by the Owner.
- 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.
- As-built drawings in accordance with Washington Water standards are required to be submitted and approved by the Engineering Department.
- If a fire hydrant is installed, 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 must be received, and any remaining amounts due be paid in full prior to issuance of Certificate of Completion and Water Availability.

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,
 By: 

 Matthew D. Brown, P.E.
 General Manager

Accepted
 By: 

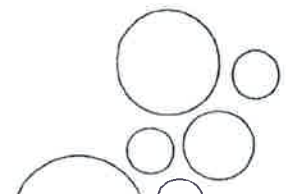
 Ken Ritter
 Printed Name

 253-221-2828
 Phone:

 1.11.21
 Date Accepted

Enclosure(s)
 cc: Kanosi Chakweva, Accounting Manager
 Eric Williams, Construction Superintendent
 Sarah Castro, Customer Service Manager
 John Puccinelli, Engineering Manager
 Shawn O'Dell, Operations Manager (Gig Harbor/Olympia)
 Bob Blackman, Local Manager (East Pierce)
 File1: Southwood Water System
 File2: EngFile# 3917

S:\Engineering\Project Report 3500\3917 - SWS.4908 208th St E (5002130911 & 5002130992) Northridge Contractors\Contract\SWS.4908 208th St E (5002130911) Northridge Contractors - Construction Agreement-DRAFT.docx



Washington Water Service Co.

Engineering Department
6800 Meridian Road SE
Olympia, WA 98513

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

SOUTHWOOD Classic Enclave Watermain Extension

January 6, 2021
(Projected Cost Good for 30-Days)

Engineering File # 3917

*** Construction Materials ***

Unit of Property	Description	Quantity	Unit of Measure	Unit Cost	Total
103165	Construction Materials, Pipe, Valves, Fittings, Etc	1	LS	\$ 2,783.88	\$ 2,783.88
103450	Construction Materials for Services	1	LS	\$ -	\$ -
103480	Construction Materials for Hydrants	1	LS	\$ -	\$ -
					\$ -
					\$ -
Sub-Total					\$ 2,783.88
Contingency				10%	\$ 278.39
Sales Tax				9.00%	\$ 275.60
SUB Total - Materials					\$ 3,337.87
Rounded Up Value					\$3,400.00

*** Construction Labor ***

Unit of Property	Description	Quantity	Unit of Measure	Unit Cost	Total
103240	Construction Labor - Watermain	1	LS	\$ 3,168.00	\$ 3,168.00
103450	Construction Labor - Services	1	LS	\$ 792.00	\$ 792.00
103480	Construction Labor - Hydrants	1	LS	\$ 792.00	\$ 792.00
					\$ -
					\$ -
	WWSC Engineering	1	LS	\$ 2,415.60	\$ 2,415.60
					\$ -
					\$ -
Sub-Total - Construction Labor					\$ 7,167.60
Contingency				10%	\$ 716.76
Sub-Total - Construction Labor					\$ 7,884.36
Rounded Up Value					\$7,900.00

*** Outside Contractor ***

Unit of Property	Description	Quantity	Unit of Measure	Unit Cost	Total
	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	\$ -	\$ -
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
SUB TOTAL					\$ 396.00
Contingency				10%	\$ 39.60
Sub-Total - Outside Contractor					\$ 435.60
Rounded Up Value					\$500.00

Project Subtotal =	\$	11,800.00
East Pierce Facilities Charge =	\$	37,176.00
Federal Tax per the TCJA =	\$	13,018.94
State B&O Tax =	\$	944.09
Anticipated TCJA Tax =	\$	22,175.82
Projected Funds Required =	\$	85,115

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

SECURITY FEATURES INCLUDE TRUE WATERMARK PAPER, HEAT SENSITIVE ICON AND FOIL HOLOGRAM



NORTHRIDGE HOMES
Division of Northridge Contractors Inc
P.O. Box 39512
Lakewood, WA 98496

CHASE
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19-7076/3250
19-7076/3250

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PAY TO THE
ORDER OF

1/14/21

\$42,557.00

Washington Water
Forty Two Thousand Five Hundred Fifty Seven and no/100

DOLLARS

MEMO

CLASSICS

VOID VOID
VOID VOID
VOID VOID
VOID VOID

AUTHORIZED SIGNATURE

RECEIVED
JAN 15 2021