

Water System Management and Services Agreement *Water of Bethel, LLC*

This agreement is made and entered into as of January 1, 2022, by and between Loncar Construction, LLC (LC), a Washington company and **Water of Bethel, LLC ID#(05948 M)**, hereinafter referred to as the "Customer". In consideration of the mutual covenants and representations contained in this Agreement, the parties hereby agree as follows:

- I. **Agreement Period.** The term of this Agreement is for a period of one year from January 1st, 2022 through December 31st, 2022, which will automatically be renewed unless terminated by either party as set out in paragraph VII. There shall be a semi-annual review of fees.
- II. **Purpose.** The purpose of this Agreement is to set out the intent of LC and Customer to enter into a relationship whereby LC provides water system management, or other services, to Customer.
- III. **Scope of Work.** The work to be performed by LC under this Agreement is described in Exhibit A.
- IV. **Changes/Modifications to Agreement.** LC shall make a good faith effort to implement any changes or modification to this Agreement that may be requested by Customer. Customer recognizes, however, that any changes or modifications to the Agreement may cause LC difficulties and delays in the fulfillment of its obligations pursuant to this Agreement. LC reserves the right, therefore, in its sole discretion, to refuse to incorporate such changes and modifications, or to charge Customer at the current hourly rate published for such services.
- V. **Acceptance of Work.** LC shall deliver certain portions of the work in accordance with the schedules attached as Exhibits, and hereby incorporated into this Agreement, or as required by Washington State Department of Health regulations.
- VI. **Payment.** In consideration for the services and work described above Customer shall pay to LC an amount in U.S. funds as set out in Exhibit B. The monthly contract amount will be due the 10th day of the month following the month of service. For example, for services provided in May, the payment is due June 10th. Payment for services provided outside the scope of the contract is due within 10 days of receipt of invoice. A late charge of eighteen percent (18%) annually will be applied to past due amounts.
- VII. **Termination.** Effective each anniversary date, upon sixty (60) days prior written notice, either party may terminate this Agreement for any reason in its sole discretion. Upon termination, each party shall be fully and forever released and discharged from any and all obligations, covenants or liabilities of whatsoever kind or nature in law, or equity, or otherwise, arising out of, or in connection with, the Agreement, or any

other agreements by and between LC and Customer, except for any obligation or liability accrued before the date of termination.

VIII. **Warranties and Representations.** Each party hereby represents and warrants as follows:

- a. **Corporate Power.** Each party is duly organized and validly existing under the laws of the state of its incorporation and has full corporate power and authority to enter into this Agreement and to carry out the provisions hereof.
- b. **Due Authorization.** Such party is duly authorized to execute and deliver this Agreement and to perform its obligation hereunder.

The representations and warranties and covenants in this Section are continuous in nature and shall be deemed to have been given by each party at execution of this Agreement and at each stage of performance hereunder.

IX. **Binding Agreement.** This Agreement is a legal and valid obligation binding upon it and enforceable with its terms. The execution, delivery and performance of this Agreement by such party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it may be bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it.

X. **Compliance with Law.** Each party's operations will be conducted in compliance with all applicable laws and regulations of the State of Washington.

XI. **Hold Harmless and Indemnification.** Both LC and Customer shall mutually save, keep and hold harmless the other's officers, agents, employees and volunteers from all damages, costs or expenses in law or equity, including attorney's fees, costs and expenses, that may at any time, arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work, which may be occasioned by any willful or negligent act or omissions.

XII. **Applicable Law; Jurisdiction; Venue.** The Agreement shall be governed and construed in accordance with the laws of the State of Washington. The parties agree that Island County in the State of Washington shall be the proper venue for any action brought under the Agreement.

XIII. **Modifications, Amendments or Waivers.** No modifications or amendments to the Agreement, and no waiver of any provisions hereof shall be valid unless in writing signed by duly authorized representative of the parties. The failure of either party to this Agreement to insist upon performance of any of the terms and conditions of this agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

- XIV. **Force Majeure.** LC shall not be responsible for any failure to perform due to unforeseen circumstances or due to a cause beyond LC's control, including but not limited to acts of God, war, riot, embargoes, acts of civil or military authorities, fire, floods, accidents, strikes, or shortages of transportation facilities, fuel, energy, labor or materials.
- XV. **Independent Contractor Relationship.** Nothing contained herein shall be construed to imply a joint venture, partnership, or employer and employee relationship between the parties. Neither party shall have any right, power or authority to create any obligation, expressed or implied, on behalf of the other except as defined in the Agreement or as mutually agreed to under the terms of the Agreement. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- XVI. **Non-Compete.** The Bethel of Water, LLC agrees to not solicit nor offer employment to the staff of **Loncar Construction LLC**, without the approval in writing from the Human Resource Department of LC.
- XVII. **Vehicles.** LC will supply a vehicle used for routine operation and maintenance during the contract period.
- XVIII. **Binding Effect.** Subject to the limitations herein before expressed, this Agreement will inure to the benefit of, and be binding on, the parties, their successors, administrators, heirs, and permitted assigns.
- XIX. **Compliance/Government Approvals.** LC and Customer will, at its own expense, obtain and arrange for the maintenance in full force and effect of all government approval, consents, licenses, authorizations, declarations, filings and registrations as may be necessary or advisable for the performance by such party of all of the terms and conditions of the Agreement.
- XX. **Entire Agreement; Modification; No Offer.** The parties hereto agree that this Agreement constitutes the entire Agreement between the parties with the respect to the subject matter hereof. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only by a written agreement dated subsequent hereto signed on behalf of LC and Customer by their duly authorized representatives. Neither this Agreement nor any written or oral statements related hereto constitute an offer, and this Agreement shall not be legally binding until executed by both parties hereto.
- XXI. **Insurance.** LC agrees to obtain liability insurance in an amount not less than \$1,000,000.00 to cover all work performed under the terms of this contract. The insurance policy shall expressly include the Customer as a named insured and loss payee. Upon request, LC shall provide the customer with evidence of such insurance.
- XXII. **Attorney Fees.** In the event that any action is filed in relation to this Agreement, the unsuccessful party shall pay to the successful party, all sums that may be called on to

be paid, together with the costs and fees associated with the arbitration or legal action, including reasonable attorney fees.

XXIII. **Damages.** The Customer hereby grants to LC a license to go onto the property, with reasonable prior notice, and to have LC' agents go onto the property to complete any and all work under the terms of this contract. LC hereby agrees to leave the property in the condition in which it finds it and to defend, indemnify and hold the Customer harmless from any and all liens and liability that may attach to the property by reason of LC' activities. LC shall be responsible for all damages resulting from any and all activities on the property performed by LC or LC agents.

Signed _____

Cole Loncar, Owner
Loncar Construction, LLC
2820 Benjamin CT SE
Olympia, WA 98501

Date _____

12/15/21

Signed _____

Water of Bethel, LLC
Cole Loncar, Owner
2820 Benjamin CT SE
Olympia, WA 98501

Date _____

12/15/21

Description of Services Provided

Water System Management and Services

Daily:

1. Provide 24 hours, 7 days per week emergency paging service along with an emergency operator phone contact list.

Weekly:

1. Inspect the distribution system
2. Monitor and record chlorination
3. Check pumps
4. Check chlorine pumps
5. Clean pump building
6. Maintenance of grounds

Monthly:

1. Read source meter, maintain log
2. Inspect distribution system
3. Keep well & tank site clean and orderly
4. Measure static well depths (all wells)
5. Collect WA State required routine water samples (testing fee not included)

Bi-Monthly:

1. Read Meters

Quarterly:

1. Written report of system operation

Annually:

1. Exercise all distribution system valves
2. Flush distribution system

As Needed:

1. System would be required to join Underground Utility Location Center; approx. cost \$25.00 per year.

Utility Billing Services

Bi-Monthly

1. Utility billing to customers.
2. Late notices.
3. Bank deposits.
4. Shut off notices (during normal monthly visits)
5. Service shut offs (during normal monthly visit)

Department Of Health Requirements To Be Provided By LC On An As Needed Basis:*

1. Ensure all of the water system's daily operational and maintenance activities are completed according to acceptable public health practices and water industry standards.
2. Perform water quality monitoring, maintain adequate records and take follow-up action, if necessary, to comply with state and federal drinking water regulations.
3. Implement preventative maintenance programs; and inspect treatment and other system components for malfunctions; keep adequate records; and make needed repairs.
4. Analyze and review recording-instrument readings and laboratory tests; determine sites and causes of any malfunctions; adjust various treatment processes or other components accordingly; and maintain a record of these.
5. Implement a cross-connection control program.
6. Determine and implement remedial actions in emergencies. This includes following directives DOH issues to address the situation.
7. Participate during a special purpose investigation or sanitary survey as required by the Department of Health.
8. Provide written notification thirty (30) days prior to beginning or ending operations of a public water system.

*Please note since these are requirements from the Department Of Health there may be additional charges to implement these requirements.

Fees

Maintenance & Management Services

The contract fee for Maintenance & Management Services shall be at the annual fee of **\$70,200.00** paid in monthly installments of **\$5,850.00**.

Labor Rates

Any additional labor charges for services performed outside of the scope of work as described in Exhibit A shall be charged at the rate of \$65.00 per hour per person plus sales tax for work performed Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. Work done after hours or on weekends will be billed at \$100.00 per hour. Work done on holidays will be billed at \$130.00 per hour. There will be a minimum 1-hour charge for any call-out work.

- Clerical work will be charged at \$65.00 per hour.
- Project Management will be charged at \$100.00 per hour.
- Any supplies necessary for the execution of the services listed in Exhibit A and any subcontractor's/contractor's fees will be billed at invoice plus twenty percent (20%).

Labor rates and contract fees will be subject to semi-annual reviews. Price increases from independent third parties, such as certified laboratories and supplies, will be passed on as and when incurred.