



WASHINGTON WATER SERVICE COMPANY

March 13, 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 KB Homes PNW LLC, a Delaware Limited Liability Company and Washington Water Service Company (WWSC) to complete the tap and extension of the water main on 208th St E, including the installation of hydrants. This site is in Pierce County, which is serviced by Southwood Water System, DOH ID# 82844H and Parcel #0318023053 & 0318023054. This agreement has been signed by Ryan Kemp and countersigned by Matthew D. Brown, the General Manager of WWSC.

Estimated costs identified in the attachment are \$211,700. To this, a deposit payment of \$9,000 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



WASHINGTON WATER SERVICE

Engineering Department: 4531 Intelco Loop SE
Lacey, WA 98513 Tel: (877) 408-4060

1/19/2024

KBHPNW LLC
320 120th Ave Ne
Suite 202
Bellevue, WA 98005

Re: Southwood Water System, DOH ID# 82844H, Pierce County
Water Main Extension Agreement for The Heights Plat
Parcel No. 0318023053 & 0318023054

Dear KB Homes PNW LLC:

This Water Main Extension Agreement (the "Agreement") is between Washington Water Service Company ("Washington Water"), a Washington corporation, and KB Homes PNW LLC (the "Owner"), a Delaware Limited Liability Company to extend the existing water main line and facilitate 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 208th St E as indicated on the preliminary plan set by D.R. Strong Consulting Engineers, including the installation of hydrants. The available fire flow is 1000 gpm for 60 min.

For the Southwood system, Owner shall enter into a separate agreement with Apex for the modeling, inspection, and testing of the main extension. Apex is Washington Water's master consultant for this system and has the assigned responsibility to maintain system growth through hydraulic modeling. Washington Water reserves the right to review and edit the project design and system capabilities. Water Certificates will not be issued until Apex's invoices are paid in full.

The projected cost of \$211,700 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: witnessing the tapping of the main in 208th, inspection of the installation of 69 domestic service connections, testing of the new mains, testing of new fire hydrants, final tie-in of the new construction to the distribution system, bacteriological sampling, and engineer inspections. The final amount billed will be based on actual costs for engineering, materials, labor and other costs incurred to complete the project. The final amount may 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 require the parcel owner to hire his/her own underground contractor to install the water main, appurtenances and service for the intended purpose of installing water service to the parcel listed above. This contractor must be pre-approved by Washington Water, prior to beginning any underground work (a list of pre-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 of 2017, federal tax laws require CIAC funds to be federally taxed. To ensure that the expansion of water service to new customers does not unfairly burden a utility's existing customers, Washington Water will collect the applicable tax from the Owner. Applicants should consult their tax advisors concerning the application of tax laws to their particular situations.

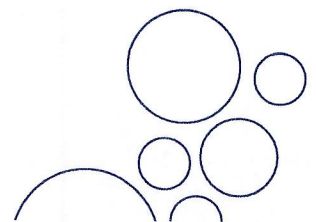
Terms & Conditions

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 in the amount of the estimated engineering fees of the projected costs outlined in this Agreement. Before construction begins, the remaining project costs will be reevaluated and a deposit payment of 50% 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. The effective date is 75 days after Washington Water's receipt of a signed agreement and down deposit. 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 and ensuring signatures are notarized and recorded with the Pierce County Auditor's office.


Upon completion of the main extension and after any other requested facilities have been installed and pressure tested; bacteriological samples taken and tested with satisfactory results; 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 charged 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 its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

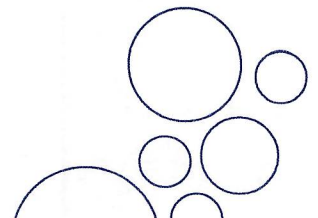
Upon execution of this Agreement, the Owner has 180 days to coordinate with Washington Water for the engineering and construction to complete this project. This Agreement shall automatically become invalid unless the work authorized in this Agreement has commenced within 360 days after execution. Once 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 understand that I am required to hire my own qualified contractor to complete the installation
(Initial) under the conditions listed below:

- Remit a deposit payment of \$9,000 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 billed 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 be reevaluated for the completion of this project.
- 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.
- A 50% down payment of the estimated project costs will be due before construction can begin.
- If required, Washington Water will be responsible for obtaining all necessary regulatory agency approvals, county/state permits and schedules with outside contractors.



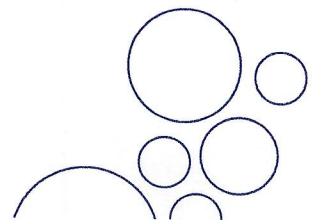
- Provide names of any contractor(s) that may be working on-site.
- Schedule a pre-con meeting to review detailed plans and specifications with Washington Water's Engineer, and the Construction Superintendent or Construction Foreman.
- Underground contractor will be responsible for traffic control, excavation of the main to be tapped, and 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 208th St E. 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).


BEFORE TIE-IN/ACTIVATION OF NEW FACILITIES:

- Once construction is completed, Washington Water will be witness to 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 verify that the facilities have been installed in accordance with the specifications provided in the engineering plans.
- 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-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 Agreement are acceptable, please initial page 3 stating you understand the requirement to hire your own contractor to complete the extension project under the terms listed in the Agreement and sign below. Return both this Agreement and the agreed payment to our East Pierce Office at (P.O. Box 44168 Tacoma, WA 98448), or drop off at 5410 189th St E, Puyallup, WA. 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: 
Ryan Kemp
Printed Name

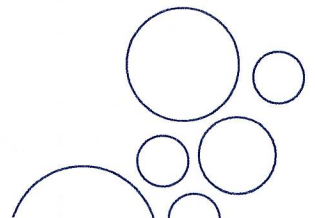
Effective Date: 4/14/2024

(509) 679-1755
Phone:

1/23/2024
Date Accepted

Enclosure(s)

- cc: Jim Morrison, Accounting Manager
- Bob Bell, Construction Superintendent
- John Puccinelli, Engineering Manager
- James Jensen, Operations Manager (East Pierce)
- File2: EngFile# 3965



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"
Southwood

The Heights Plat Main Ext.

January 22, 2024
 (Projected Cost Good for 30-Days)

Engineering File # 3965

*** Construction Materials ***

Unit of Property	Description	Quantity	Unit of Measure	Unit Cost	Total
103430	Construction Materials, Pipe, Valves, Fittings, Etc	1	LS	\$ -	\$ -
103450	Construction Materials for Services	1	LS	\$ -	\$ -
103480	Construction Materials for Hydrants	1	LS	\$ -	\$ -
				\$ -	\$ -
Sub-Total				\$ -	\$ -
Contingency				10%	\$ -
SUB Total - Materials				\$ -	\$ -
Rounded Up Value					\$0.00

*** Construction Labor ***

Unit of Property	Description	Quantity	Unit of Measure	Unit Cost	Total
103430	Construction Labor - Watermain	1	LS	\$ 8,300.00	\$ 8,300.00
103450	Construction Labor - Services	1	LS	\$ 2,500.00	\$ 2,500.00
103480	Construction Labor - Hydrants	1	LS	\$ 7,500.00	\$ 7,500.00
				\$ -	\$ -
	WWSC Engineering	1	LS	\$ 9,000.00	\$ 9,000.00
				\$ -	\$ -
				\$ -	\$ -
Sub-Total				\$ 27,300.00	\$ 27,300.00
Contingency				10%	\$ 2,730.00
Sub-Total - Construction Labor				\$ 30,030.00	\$ 30,030.00
Rounded Up Value					\$30,100.00

*** Outside Contractor ***

Unit of Property	Description	Quantity	Unit of Measure	Unit Cost	Total
	County Permits (Encroachment)	1	LS	\$ 1,000.00	\$ 1,000.00
	DOH Review Fees	1	LS	\$ -	\$ -
	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				\$ 1,000.00	\$ 1,000.00
Contingency				10%	\$ 100.00
Sub-Total - Outside Contractor				\$ 1,100.00	\$ 1,100.00
Rounded Up Value					\$1,100.00

Project Subtotal =	\$ 31,200.00
East Pierce Facilities Charge =	\$ 106,881.00
Estimated TCJA tax for WWSC Costs	\$ 1,400.00
Slate B&O Tax	\$ 26,400.00

Anticipated Developer Costs for Taxable Services

	\$ 172,200.00
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Estimated TCJA Tax for Developer Costs =	\$ 45,800.00
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Projected Funds Required =	\$211,700
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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

Vendor : 10027264, Washington Water Service						
Invoice number	Work order	Invoice date	Gross amount	Wrap deduction	Payment amount	Description
CRS-254934		1/26/2024	9,000.00	0.00	9,000.00	Water Main Ext Agreement
Total					9,000.00	

KBHPNW LLC Account #: 38978717 Date: 1/26/2024 Check #: 11112404

Vendor : 10027264, Washington Water Service						
Invoice number	Work order	Invoice date	Gross amount	Wrap deduction	Payment amount	Description
CRS-254934		1/26/2024	9,000.00	0.00	9,000.00	Water Main Ext Agreement
Total					9,000.00	

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW



KBHPNW LLC
 320 120th Ave NE Ste 202
 Bellevue, WA 98005
 USA
 425-519-8085

62-20/311
 CitiBank, N.A.
 One Penn's Way
 New Castle, DE 19720

Check Number 11112404

38978717

Vendor	Date	Amount
10027264	01/26/2024	\$9,000.00

PAY Nine Thousand and 00/100***** US Dollars

Void if not cashed in 90 days

PAY TO THE ORDER OF Washington Water Service
 4531 Intelco Loop SE
 Lacey, WA 98513

[Signature]

 Authorized Signatures

THE HEIGHTS PLAT
ENG FILE# 3965

EX. 12" DI MAIN

Received Mar 13, 2024 WA. UT. & TRANS. COMM. ORIGINAL UW-240174

1680 FT 12" DI
PIPE

EAST ENTRANCE
TO PLAT

68 CONN PLAT
33 DOUBLES
2 SINGLES

SOUTH
ENTRANCE TO
PLAT

1920 FT