



WASHINGTON WATER SERVICE COMPANY

June 14, 2016

Scott Gallacher
Key Peninsula Metropolitan Park District
PO Box 70
Lakeway, WA 98349

Re: Minterbrook Water System, DOH ID# 54740B, Pierce County
Water Main Extension Agreement for 10405 SR 302 NW
Parcel No. 0122164700 – 1 Commercial Connection

Dear Mr. Gallacher:

This Water Main Extension Agreement (the "Agreement") is between Washington Water Service Company (the "Washington Water") and Key Peninsula Metropolitan Park District (the "Owner") to construction/engineer the extension of the current water main line and provide water utility service to parcel 0122164700. This Agreement sets forth the terms and conditions as well as our engineers projected costs to complete the distribution system extension and install one service connection to the Minterbrook Water System. The final cost for completing this project will be billed based on actual costs of engineering, materials, labor and other variables needed to complete the project. The final amount billed may vary from the projected costs provided, due to unforeseen issues during the installation of the distribution system that are beyond the control of Washington Water.

Our projected costs to engineer and complete the water main extension, including taxes and other non-construction costs to extend the water main to the parcel(s) listed above are \$25,370. For your records, a detailed breakdown of the projected costs for this project is enclosed as "Exhibit A".

Terms & Conditions

The projected costs are for engineering, construction materials and labor only, unless otherwise specified on the attached Exhibit A. Upon execution of this Agreement and prior to commencement of construction, Washington Water requires a deposit payment of fifty percent (50%) of the total projected costs to complete the distribution system extension and installation of the service connection(s). The service installation does not include the hook up fee of \$543.60 (per service connection), nor the issuance of Certificates of Water Availability; these fees are billed separately from this Agreement. All past due accounts will be charged 1.5% per month (18% per annum). The projected costs as set forth in this Agreement are subject to change after 30-days of the above written date.

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 (the "DOH") for their approval. Once all necessary approvals have been obtained and the required deposit received, Washington Water will schedule and cause construction to commence.

Once all construction has been completed, a certification of completion signed by a licensed engineer and all approvals received, the Owner is to provide Washington Water with a 5-foot Utility Easement at all property corners on approved development plans, and a Bill of Sale transferring the ownership of these contributed facilities to Washington Water.

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Washington Water will not issue a final Certificate(s) of Water Availability until all mains have been installed, pressure tested and certified complete by a licensed engineer; and the final payment for the work completed as outlined in this Agreement has been received. Prior to commencement of domestic water service, Washington Water requires all remaining amounts and hookup fees be paid in full. Hookup fees for each dwelling unit as listed in Washington Water's approved tariff are billed separately from this Agreement and must be paid prior to installation of individual meters.

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-days to coordinate with Washington Water for the engineering and construction to commence. In the event that the engineering and construction as outlined in this Agreement has not commenced within 180-days after execution of this Agreement, the Agreement shall automatically become invalid. 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 any deposit paid minus any billable work completed and non-refundable fees.

I agree to have, Washington Water complete this installation under the conditions listed below:

- Remit deposit payment of fifty-percent (50%) of the total projected costs to complete the distribution system extension and installing service connection, this includes the engineering, construction materials and labor, and Washington State permits and bonds as listed in Exhibit A. The total projected cost to complete this project is \$20,922.77, plus 15% Contingency of \$3,308.29 and Washington State Sales Tax (W.S.S.T) of \$1,132.14, for a total projected cost of \$25,370.00, for a total deposit due of \$12,685.

If the terms and conditions are acceptable, please sign the signature line below and return this Agreement and the required deposit back to our office. 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-days of the date of this Agreement.

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,

Accepted

By: 
 Scott A. Bailey
 General Manager

By: _____
 Print Name:

Phone: _____

Date Accepted: _____

Enclosure(s)

cc: Charlene Pratt, Accounting Manager
 Matt Brown, Engineering Manager
 Sue Hull, Customer Service Manager
 File: Water System

EXHIBIT A
(Projected Costs)

WASHINGTON WATER SERVICE COMPANY

14519 Peacock Hill Ave NW • PO Box 336 • Gig Harbor, WA 98335
Phone: (253) 851-4060 • Toll Free: (877) 408-4060 • Fax: (253) 857-4001

Water Main Line Extension-Gateway Park Phase 1

Minterbrook Water System, ID# 54740B, Pierce County

Date Issued: June 14, 2016

CONSTRUCTION COSTS

ITEM	DESCRIPTION	QTY	UNIT	UNIT COST	TOTAL
1	Single Service on 2"	1	EA	\$ 7,937.00	\$ 7,937.00
2	Unidirectional Casing Bore - Wiseman	1	EA	\$ 6,398.00	\$ 6,398.00
Subtotal Construction Costs*					\$ 14,335.00
<i>Sales Tax (7.90%)</i>					<i>\$ 1,132.47</i>
TOTAL Construction Costs					\$ 15,467.47

NON CONSTRUCTION COSTS

ITEM	DESCRIPTION	UNIT	UNIT COST	TOTAL
1	Permits-WSDOT Category 3 Permit (Enviro., Arch., Bldg., Etc.)	LS	\$ 150.00	\$ 150.00
2	Engineering Project Reports & Const. Documents	LS	\$ 4,729.00	\$ 4,729.00
3	Land Cost	LS	\$ -	\$ -
4	Overhead	LS	\$ 508.77	\$ 508.77
5	Bonding (WSDOT Surety Bond)	LS	\$ 1,200.00	\$ 1,200.00
TOTAL NON Construction Costs				\$ 6,587.77

TOTAL Construction & Non Construction Costs **\$ 22,055.24** **\$ 22,055.30**
(Actual) (Rounded Up Value)

NON HARD COSTS

ITEM	DESCRIPTION	UNIT	UNIT COST	TOTAL
1	Contingency (Based on Construction & Non Construction Costs)	LS	15%	\$ 3,308.29
2	Non-Refundable Evaluation & Design Deposit	LS	\$ -	\$ -
TOTAL NON Hard Costs				\$ 3,308.29

PROBABLE PROJECT COST¹ **\$ 25,370.00**

Deposit (If Required): 50% **\$12,685.00**

1) This document is intended to forecast approximate construction and engineering costs based upon current information and similar projects, and is not intended to accurately represent actual design or construction components or prices. The final project costs will be billed based on actual hours and materials used to complete the project.

2) Totals are rounded to nearest \$1,000.

3) Costs in this estimate are good for 30-days from the date the estimate is issued.

4) A deposit maybe required to be paid prior to commencement of construction.