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February 22, 2006

Danny Kermode  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504-7250

RECEIVED  
RECORDS MANAGEMENT  
06 FEB 23 AM 10:02  
STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

Re: Alderlake Water System - Assessment

Dear Danny:

Enclosed you will find documents related to the Alderlake assessment. You will see the invitation to bid; bid form with schedule; contractor's signed bid forms (there were three responses); recap sheet; cost summarization; and engineer's inspection/approval fees.

As I told you in our telephone conversation, the winning bidder from the original proposal refused to bid on the project. It was reported to me that the bidding company representatives felt that they were being jerked around by having to re-bid the project and so refused.

The financing for this submission is under the same arrangement that was included in the original bid package. If you need further information, please let me know.

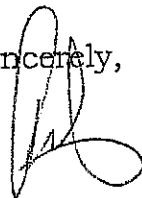
The Company (and I think the customers) think that this is important to get the project in place before the summer season. The Company will plan to file a tariff proposal on approximately March 1, 2006. The Company would

Danny Kermode  
February 22, 2006  
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appreciate all the attention that you can pay to this project. I know that you are very busy at the current time. However, this is an important project.

Sincerely,



RICHARD A. FINNIGAN

RAF/km  
Enclosures

cc: David Dorland (w/o encl., via e-mail)

**Alderlake Water Company**  
DBA/ Iliad Water Services Inc.  
P. O. Box 20429  
Seattle, WA 98102  
(800) 928-3750

## **INVITATION TO BID**

### **INSTRUCTIONS TO BIDDER**

December 2, 2005

Your firm is invited to submit a firm quotation for the following project: **ALDERLAKE WATER SYSTEM IMPROVEMENTS, INCLUDING INSTALLATION OF A CHLORINE DISINFECTION SYSTEM**

### **SCOPE OF WORK**

1. Clearing restoration water line well house easement area. Clear, grub, remove all debris material off-site within the new well house and pipe line easement from well house to existing storage tank. Restore area after construction, replace fences and any special landscape plantings.
2. Construct new 10' x 14' ft. wood frame well house for placement of the chlorine injection system work to include all required electrical. Construction per engineer's plans and specifications and per local codes including any required permits.
3. Re-pipe both well piping to new well house. Install all new piping in well house including meters, check valves, isolation valves, injector pumps and solution tanks. All per engineer's plan and specifications.
4. Install approximately 2060' feet of 3" HDPE DR-11 fused piping including isolation valves. Approximately 160 cu yd of excavated material from the ditch line is to be removed off-site; approximately 160 cu yd of bedding material to be installed below and above new 3" supply line, per trenching plan detail.
5. Install new 3" supply line into existing storage tank including core drilling storage tank, install link seal, check valve and isolation valve, all per engineer's plans and specifications.
6. All construction and installation work is to be inspected and approved by the project engineer. No backfilling of the pipe line will take place until approved by the engineer.
7. Water line chlorination and flush test, pressure test and bacteria test will be performed in the presents of the project engineer.

8. The pipe line chlorination water must be flushed into a tank truck and removed off-site.
9. Contractor is to be responsible for maintaining water and pressure to the existing customers during construction. Any temporary water system shut down the contractor is to notify the Water Company 24-hours in advance.
10. The Water Company will be responsible for all engineer inspection and approval costs.
11. The Water Company will stake construction areas and locate all utilities prior to construction.
12. All existing roads that are disturbed will be restored to original condition.

**BID DATE:** 12/16/2005

All bids will be sent to the attention of Sondra LeBaron  
Fax copies are acceptable: Fax 206-764-3848

**ALDERLAKE CONTACT:**

All correspondence and questions shall be addressed to J.C. McDonnell, Engineer, 425-338-9490  
Robert Overhus, Project Manager, 206-786-3409

**BID DOCUMENTS:**

Please review contract documents attached, Dated 12/13/01. Specifications are on drawings.

**PROJECT SCHEDULE:**

This is an expected summer project. All bids will be held until water system approval.

**SPECIAL BID REQUIREMENTS:**

Work hours are Monday through Fridays 8:00 A.M. to 5:00 P.M. (no weekend or holidays no exceptions).  
Parking will be contained to property.  
Deliveries will be scheduled with Project Manager 48 hours before delivery.

**STANDARD BID REQUIREMENTS:**

All bids shall be prepared and submitted in accordance with bid documents. The bidder shall agree to enter into a contract with the contractor per terms of the contractor's standard contract. (AIA subcontract).  
Copies are available upon request.

**BID FORM  
FOR  
ALDER LAKE WATER SYSTEM IMPROVEMENTS AND CHLORINE DISINFECTION  
SYSTEM**

DATE: \_\_\_\_\_

TO: Alder Lake Water Company  
P.O. Box 20098  
Seattle WA 98102

**BID**

Pursuant to and in compliance with instructions to bidders/Prime sub contractor Conditions, the undersigned certifies having carefully examined the contract documents and conditions affecting the work, and being familiar with the site; proposes to furnish all labor, materials, equipment and services necessary to complete the work as described below and by the contract documents as follows:

Adler Lake Bid Package No. 1

Bid package Title ALDER LAKE WATER SYSTEM IMPROVEMENTS AND CHLORINE  
DISINFECTION SYSTEM

- A) Total base bid amount Including Washington State Sale tax (includes layout and clean-up allowance) \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)
- B) Included in the base bid is the amount for major Specification Sections as provided for in Bid Schedule Form, Hereto attached.

**ADDENDA**

Receipt of Addenda numbered \_\_\_\_\_ is hereby acknowledged. (Each Addendum must be listed individually by number).

\_\_\_\_\_  
Legal Name of Bidder

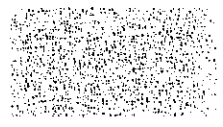
\_\_\_\_\_  
By (name or person with actual authority)

\_\_\_\_\_  
Title of person with actual authority

\_\_\_\_\_  
Signature of bidders representative

\_\_\_\_\_  
Contractors License Number

Contractor:  
Project Title:  
Alderlake water system



MAJOR SPECIFICATION SECTION		Units	Unit	Unit Price	TOTAL Unit Price
1	Mobilization	1EA	LS		
2	TESC	1EA	LS		
3	Clear and Grub	18,600	SQFT		
4	New Well House	LS	LS		
5	New Well House Piping / Apperatusus	LS	LS		
6	3" HDPE SDR -11 water pipe	2,060	lf		
7	Type 22 pipe Bedding	263	CY		
8	Export spoils	263	CY		
9	Storage tank Piping	LS	LS		
10	Flush and Testing water lines	2,060	LF		
11	Restoration	LS	LS		
				Sub Total	
				W.S.S.T	8.80%
TOTAL Bid VALUE				\$ -	\$ -
				\$ -	\$ -



**Contractor: Iliad Inc.**  
**Project Title:**  
**Alderlake water system**



MAJOR SPECIFICATION SECTION		Units	Unit	Unit Price	TOTAL Unit Price
1	Mobilization	1EA	LS		\$ 2,500.00
2	TESC	1EA	LS		\$ 3,745.00
3	Clear and Grub	18,600	SQFT	\$ 0.46	\$ 8,556.00
4	New Well House	LS	LS		\$ 13,500.00
5	New Well House Piping / Apperatusus	LS	LS		\$ 10,460.00
6	3" HDPE SDR -11 water pipe	2,060	lf	\$ 14.25	\$ 29,355.00
7	Type 22 pipe Bedding	263	CY	\$ 22.60	\$ 5,943.80
8	Export spoils	263	CY	\$ 22.60	\$ 5,943.80
9	Storage tank Piping	LS	LS		\$ 7,150.00
10	Flush and Testing water lines	2,060	LF	\$ 3.16	\$ 6,509.60
11	Restoration	LS	LS		\$ 5,751.80
				Sub Total	\$ 99,415.00
				W.S.S.T	8.80% \$ 8,748.52
<b>TOTAL Bid VALUE</b>				\$ -	\$ 108,163.52

\$ 108,163.52



BID FORM  
FOR  
ALDER LAKE WATER SYSTEM IMPROVEMENTS AND CHLORINE DISINFECTION  
SYSTEM

DATE: 12/16/05

TO: Alder Lake Water Company  
P.O. Box 20098  
Seattle WA 98102

BID

Pursuant to and in compliance with instructions to bidders/Prime sub contractor Conditions, the undersigned certifies having carefully examined the contract documents and conditions affecting the work, and being familiar with the site; proposes to furnish all labor, materials, equipment and services necessary to complete the work as described below and by the contract documents as follows:

Alder Lake Bid Package No. 1

Bid package Title ALDER LAKE WATER SYSTEM IMPROVEMENTS AND CHLORINE DISINFECTION SYSTEM

- A) Total base bid amount including Washington State Sale tax (includes layout and clean-up allowance) \$112,452.00 Dollars (\$ \_\_\_\_\_)
- B) Included in the base bid is the amount for major Specification Sections as provided for in Bid Schedule Form, Hereto attached.

ADDENDA

Receipt of Addenda numbered N/A is hereby acknowledged. (Each Addendum must be listed individually by number).

Blue Line Water, Inc  
Legal Name of Bidder

CHRISTOPHER LEE  
By (name or person with actual authority)

PRESIDENT  
Title of person with actual authority

[Signature]  
Signature of bidders representative

~~BE~~ BLUELWI 986 BH  
Contractors License Number

Contractor:  
Project Title:  
Alderwood water system

MAJOR SPECIFICATION SECTION		Units	Unit	Unit Price	TOTAL Unit Price
1	Mobilization	1EA	LS		2400
2	TESC	1EA	LS		4500
3	Clear and Grub	18,600	SQFT		10,360
4	New Well House	LS	LS		14,800
5	New Well House Piping / Apperatusus	LS	LS		9,065
6	3" HDPE SDR -11 water pipe	2,060	Lf		31,140
7	Type 22 pipe Bedding	253	CY		5,786
8	Export spoils	253	CY		5,786
9	Storage tank Piping	LS	LS		7,520
10	Flush and Testing water lines	2,060	LF		6,500
11	Restoration	LS	LS		55,400
				Sub Total	103,357
				W.S.S.T	8.80%
				\$ -	\$ -
					\$112,452

TOTAL Bid VALUE

112,452

BID FORM  
FOR  
ALDER LAKE WATER SYSTEM IMPROVEMENTS AND CHLORINE DISINFECTION  
SYSTEM

DATE: DEC 16 2005

TO: Alder Lake Water Company  
P.O. Box 20098  
Seattle WA 98102

BID

Pursuant to and in compliance with instructions to bidders/Prime sub contractor Conditions, the undersigned certifies having carefully examined the contract documents and conditions affecting the work, and being familiar with the site; proposes to furnish all labor, materials, equipment and services necessary to complete the work as described below and by the contract documents as follows:

Alder Lake Bid Package No. 1

Bid package Title ALDER LAKE WATER SYSTEM IMPROVEMENTS AND CHLORINE DISINFECTION SYSTEM

- A) Total base bid amount including Washington State Sale tax (includes layout and clean-up allowance) \$126,208.00 Dollars (\$                     )
- B) Included in the base bid is the amount for major Specification Sections as provided for in Bid Schedule Form, Hereto attached.

ADDENDA

Receipt of Addenda numbered                      is hereby acknowledged. (Each Addendum must be listed individually by number).

SOUND DESIGN & CONSTRUCTION, INC

Legal Name of Bidder

JAY SCHMALENBERG

By (name or person with actual authority)

PRESIDENT

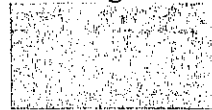
Title of person with actual authority

[Signature]  
Signature of bidders representative

SOUND0025B1

Contractors License Number

**Contractor:** Sound Design Construction, Inc.  
**Project Title:** Alder Lake Water Company Improvements  
**Alderlake water system**



MAJOR SPECIFICATION SECTION		Units	Unit	Unit Price	TOTAL Unit Price
1	Mobilization	1EA	LS		2,500.00
2	TESC	1EA	LS		6,000.00
3	Clear and Grub	18,600	SQFT	.75	13,950.00
4	New Well House	LS	LS		15,000.00
5	New Well House Piping / Apperatusus	LS	LS		9,500.00
6	3" HDPE SDR -11 water pipe	2,060	lf	15.00	30,900.00
7	Type 22 pipe Bedding	263	CY	25.00	6,575.00
8	Export spoils	263	CY	25.00	6,575.00
9	Storage tank Piping	LS	LS		10,000.00
10	Flush and Testing water lines	2,060	LF		10,000.00
11	Restoration	LS	LS		5,000.00
				Sub Total	116,000.00
				W.S.S.T	8.80%
					10,208.00
<b>TOTAL Bid VALUE</b>				\$ -	\$ -
					\$126,208 -00

**Alderlake Water Company  
Capital Improvements**

**A. Costs performed to date**

Approved as construction costs by the WUTC

<u>Description</u>	<u>Assessment Charge</u>
Engineering	7,384.40
DOH Review Fee	603.00
MPA Tests	3,909.00

**B. Uncompleted Work**

Contractor cost for construction chlorine disinfection system	99,415.00
W.S.S.T.	8,748.52
Engineer's inspection and approval fees	2,765.00
Financing and under writer fees	7,370.00
<b>TOTAL CAPITAL COSTS</b>	<b>\$130,195.52</b>

**Improvement assessment per customer**

Total capital cost of \$130,195.00 divided by 39 customers equal \$3,338.00 customer assessment.

**J.C. McDONNELL ENGINEERING PC**  
**CONSULTING CIVIL ENGINEERS**  
P.O. Box 13199  
Mill Creek, WA. 98082-1199

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**ENGINEERING SERVICES CONTRACT**

**JOB# 05738**

**CLIENT:** Iliad Water Service, Inc  
Seattle, WA. 98102

**DATE:** August 26, 2005  
**TEL.:** (206) 282-4200  
**(FAX):** (206) 764-3848

**WORK ORDERED;** Water Services.

**QUOTED FEE:** \$2750.00      **TERMS:** Hourly      **SCHEDULE;** 2005

**PROJECT SITE:** Alder Lake Water System

**DOH ID:** 26995H, Pierce County:

**TAX ID#**

**LEGAL DESCRIPTION:**

**DESCRIPTION OF SCOPE OF WORK:**

We have agreed to perform the following Consulting Engineering services to assist you in following requested activities:

A. Provide hourly Water System Construction inspection services to assist Alder Lake Water Company System upgrades to include the following:

1. Inspection of the Mainline Water Storage tank construction and the Water main Installation & Bedding

Estimated Cost = \$720.00

2. Observation of Operational Testing including:

- i. Water Main Pressure Test,
- ii. Flush Test,
- iii. Chlorine Residual test
- iv. and bacterial sampling.

Estimated Cost = \$840.00

3. Observation of the Start-up Operational test

Estimated Cost = \$720.00

B. Preparation of Certification and Record Drawing

1. Record Drawing Preparation

Estimated Cost = \$360.00

2. Certification to DOH

Estimated Cost = \$125.00

Engineer's Estimate for Inspection & Certification = \$2,765.00

(Office) (425) 338-9490

(Cell) (425) 359-2717

(Fax) (425) 358-4689

**J.C. McDONNELL ENGINEERING PC**  
**CONSULTING CIVIL ENGINEERS**  
P.O. Box 13199  
Mill Creek, WA. 98082-1199

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**CONTRACT NOTES & UNDERSTANDINGS:**

The Client agrees to provide to the Engineer all available Reports, Plans, Records, Elevations, Legal Descriptions, Water Quality test data and such additional information as is necessary to complete this Scope of Work and to pay reasonable Reproduction costs necessary for the Project. The Client also agrees to be responsible for Agency review or filing fees. All reproduction charges will be charges as noted on the following page.

**PAYMENT SCHEDULE/CONDITIONS:**

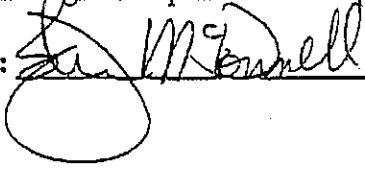
The Project Retainer of \$ 0.00 shall be paid to the Engineer prior to the start of Report Preparation. (Or pay Current Invoice) Invoices shall be presented at the end of the Scope or on the 1st of the month for services completed in the previous month if work drags on. Accounts shall be payable by the 10th. All invoices shall be due and payable with Final Certification submittal to the approving Agency.

The undersigned agrees to pay for this job or personally guarantees payment thereof.

**PROJECT OWNER/AUTHORIZED AGENT:**

\_\_\_\_\_ DATE: \_\_\_\_\_

The undersigned agrees to perform the required services for this project:

ENGINEER:  DATE: 8/26/05

**J.C. McDONNELL ENGINEERING PC**  
**CONSULTING CIVIL ENGINEERS**  
P.O. Box 13199  
Mill Creek, WA. 98082-1199

Exhibit No. \_\_\_\_\_ (DD-14)  
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**ADDITIONAL PROVISIONS OF AGREEMENT**

The Client and J.C. McDonnell Engineering, PC agree that the following provisions shall be part of their agreement.

1. Additional services and/or revisions of office and field work required due to change of policy by various governmental agencies after the date of this agreement shall be paid for by the Client as extra services unless otherwise agreed to in writing.
2. The Client shall pay the costs of checking and inspection fees, zoning and annexation application fees, assessment fees, surveying, soil engineering fees, soil testing fees, aerial topography, and all other fees, permits, bond premiums, title company charges, blueprint and reproductions and all other charges not specifically covered by the terms of this agreement.
3. All fees and other charges will be billed monthly as costs are incurred, and the net amount shall be due at the time of billing unless a lump sum payment schedule is attached to this contract.
4. The Client hereby agrees that the balance as stated on the billing form J.C. McDonnell Engineering, PC to Client is correct, conclusive and binding on the Client unless Client within ten (10) days from the date of billing invoice notifies J.C. McDonnell Engineering, PC in writing of the particular item that is alleged to be incorrect.
5. J.C. McDonnell Engineering, PC makes no warranty, either expressed or implied, as to its findings, recommendations, specifications, or professional advice except as these were promulgated after preparation in accordance with generally accepted practices and under the direction of registered professional engineers and/or surveyors.
6. J.C. McDonnell Engineering, PC makes no representation concerning soil conditions unless specifically included in writing in this agreement and is not responsible for any liability that may arise out of making or failing to make soil surveys, or sub-surface soil tests, or general soil testing.
7. In the event that any changes are made in the plans and specifications by the Client or persons other than J.C. McDonnell Engineering, PC which affects the engineer's work, any and all liability arising out of such changes is waived, as against J.C. McDonnell Engineering, PC, and the Client assumes full responsibility for such changes unless Client has given prior notice and has received from J.C. McDonnell Engineering, PC written consent for such changes.
8. J.C. McDonnell Engineering, PC shall incur no responsibility or liability for Clients use of plans or drawings which are not signed by engineer/surveyor in the employ of J.C. McDonnell Engineering, PC and which have not been approved and signed by the appropriate regulatory agency and/or having been altered or revised after signature or approval.
9. In the event Client fails to pay J.C. McDonnell Engineering, PC promptly or within thirty-one (31) days after invoices are rendered, the Client agrees that J.C. McDonnell Engineering, PC shall have the right to consider said default a total breach of this agreement and the duties of J.C. McDonnell Engineering, PC under this agreement may be terminated. In such event, Client shall then promptly pay J.C. McDonnell Engineering, PC for all fees, charges and services performed on a Time and Material basis. Lien rights may be exercised.
10. There are no understandings or agreements except as herein expressly stated.
11. Extra Services, upon request by Client, are to be provided on a Time and Material basis.
12. The fee as offered in this Contract remains in effect for a period of 30 days.
13. In the event any provision of this agreement shall be held invalid and unenforceable, the other provisions of this agreement When or if EXTRA SERVICES are required, they shall be billed at the following published rates:

- a. Principal Civil Engineer (PE) \$ 125.00/hour
- b. Design Civil Engineer (PE): \$ 110.00/hour
- c. Staff Engineer : \$ 100.00/hour
- d. Civil Technician: \$ 75.00/hour
- e. CAD/Civil Drafter: \$ 55-65.00/hour
- f. Original Bond Plot \$ 5.00/sheet
- g. Mylar Plots \$ 20.00/sheet
- h. Original Mylar Plot \$ 20.00/sheet

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(Fax) (425) 358-4689