



Planning • Management • Engineering
P.O. Box 123 • Port Orchard, WA 98366 • 1-888-881-0958
www.nwwatersystems.com

June 28, 2019

Lake Limerick Water Committee
c/o Don Bird
don.bird47@gmail.com
(360) 426-9931

Re: Lake Limerick Water System Plan Update

Dear Lake Limerick,

Thank you for meeting with WSDOH for a pre-plan meeting to discuss the Water System Plan (WSP) update. We understand that the WSP will be a more or less routine update and the system is not seeking to add connections, expand your service area beyond your water right place of use, or implement any major changes to the water system. We are happy to assist you in developing a plan that reflects the needs and values of your community.

We also understand the community is interested in having a rate study completed to ensure the water system is not only accounting for operational expenses, but is planning for long term replacement and improvement costs. The water rates have not increased annually since the 2012 WSP was completed. Completing a rate study concurrently with the WSP will allow several items to overlap between the two projects. This will include an evaluation of the longevity or replacement costs of water system infrastructure, as well as examination of operational costs, customer usage statistics, and planned improvements. While no one can predict exactly how long a component will last, an evaluation is a very good idea to ensure the community is able to take steps to ensure reserve funds are in place to accommodate a typical replacement schedule.

We are prepared to commence work on your project upon receipt of a signed copy of this proposal and the retainer. The proposal includes a signed copy of this cover letter, Exhibit A, Scope of Work, and Exhibit B, Standard Provisions, enclosed with this letter. Your signature on the Scope of Work as well as receipt of the retainer acknowledges receipt of those exhibits and your acceptance of the proposed Scope of Work.

We will diligently pursue completion of your project with the completion date being principally governed by review and approval times from government agencies, availability of information, and tests to be conducted by others or as specified in the Scope of Work.

Please let us know if you have any additional questions or need more information.

Sincerely
NORTHWEST WATER SYSTEMS, INC.

Lydia Bower

Lydia Bower, EIT
Design Engineer
Cc: Projects\Pending\Lake Limerick WSP Update and Rate Study

SCOPE OF WORK

Prepared for:
Lake Limerick Water System

June 28, 2019

Northwest Water Systems is prepared to provide design services for the purpose of providing you with an optimal engineering approach. We estimate that the following scope of work will be required:

Introduction

The following scope of work delineates tasks to be performed as part of the agreement between Northwest Water Systems, Inc. (Firm) and Lake Limerick (Client). The Client desires to obtain a Water System Plan (WSP). This will require completion of a WSP in accordance with the Washington State Department of Health WAC 246-290, with submittal and review by WSDOH and Mason County Planning. The system also desires to have a rate study completed. The rate study report is not intended for submission to DOH or to the UTC.

Project Assumptions:

- This is a straight forward project with no unusual features.
- The owners of the system are willing to cooperate with Northwest Water Systems and provide accurate information
- Design work for any system upgrades will be included under a separate proposal or addendum
- Neither DOH nor the client will substantially change the Scope of Work from that listed below

WSP specific assumptions

- The WSP is a planning document; design for any water system additions or modifications will be completed under a separate scope of work
- No waivers will be required for approval of the water system plans and specifications
- Basic information is available
- The following Scope of Work does not include bid documents or construction oversight
- Water treatment will not be necessary
- Pump tests and water quality tests are not included in the base fee, but these services can be provided on a time and material basis if needed
- Does not include a site visit for evaluation of existing facility condition, and does not include contractor estimates

Rate Study specific assumptions

- This is not a UTC rate case
- Information about the system is available, or can be estimated (age, location, type of components)
- No coordination of agency review process, WSDOH review comments, or revisions based on agency requests are expected
- NWS will not solicit replacement bids or estimates; estimated replacement costs based on past projects
- Hours estimated assumed Rate Study is completed concurrently with the WSP

If any of the above assumptions are incorrect, Northwest Water Systems can provide the necessary services to remedy the discrepancy on a time and materials basis as an addendum to the proposal.

Water System Plan

- Pre-plan meeting with WSDOH
- 10 Chapters as required by WSDOH
- Development of System Demands
- Existing and Projected Water Use
- Definition of Service Area
- Water Rights Assessment
- Municipal Water Law Consistency
- Water Use Efficiency Program
- Reliability Analysis
- Address WSDOH comments

Asset Inventory and Rate Study

- Update to inventory of major system components (included in WSP)
- Estimate age and condition of components
- Estimate useful life
- Estimate replacement costs
- Summary of operating costs (included in WSP)
- Develop sustainable rate options
- Provide infrastructure funding options
- Provide rate study report to Client

Deliverables

- 4 paper copy of report(s)
- 1 electronic copy of report(s)

Fees

WSP **\$ 20,000**

The above WSP flat fee covers up to 150 hours of effort. In the event that additional effort is required, it will be billed on a time and materials basis at our current hourly rate, which is set at \$145/hr for project engineers and \$190/hr for senior/project managing engineers for 2019, only upon written authorization of the Client. A \$5,000.00 retainer will be required to commence work. Effort spent developing or researching any significant unusual features of the above elements will commence upon receipt of a signed change order to the contract and billed on a time and materials basis at the rate at our current hourly rate.

Rate Study	Rate	Hours	Cost
	Engineer	45	\$ 6,525
	Sr. Engineer	5	\$ 950
	Total		\$ 7,475
	Not-to-exceed		\$ 8,500

The above Rate Study will be billed on an hourly basis at the current hourly rates and will not exceed \$8,500 without approval. In the event that additional effort is required, it will be billed on a time and materials basis at our current hourly rate, which is set at \$145/hr for project engineers and \$190/hr for senior/project managing engineers for 2019, only upon written authorization of the Client. Effort spent developing or researching any significant unusual features of the above elements will commence upon receipt of a signed change order to the contract and billed on a time and materials basis at the rate at our current hourly rate.

All terms of this contract are subject to the terms of the attached Standard Provisions. This proposal will be honored for ninety days from the date of preparation, after which time the fees may be adjusted to account for inflation, new regulations, or other factors resulting in greater effort or expense.

The design fees are due before delivery of report(s). Fees payable to government agencies and other services, such as surveying, water sampling, pump tests, and recording documents, are the client's responsibility. NWS can provide some of these services on a time and materials basis at the above hourly rate. The design fee includes normal copying, blueprinting and document preparation costs. Additional copying, blueprinting or other reimbursable expenses such as lab fees will be invoiced at cost plus 15% to cover taxes and handling. Payment of the retainer and of invoices can be made by check, debit, or credit. Checks may be mailed to Northwest Water Systems Inc, P.O. Box 123, Port Orchard WA 98366; please reference the project name as it appears on your contract. Payments by credit or debit card can be made over the phone 8:30 am – 4:30 pm Monday through Friday at 360.876.0958, extension 101 or 106. Please note that there is a 4% fee for payment by credit card, however there is no fee for payment by debit card.

We look forward to working with you on your project.

Prepared By: Lydia Bower
Prepared on behalf of NWS as Title: Design Engineer

Date: 6/21/19

Accepted By: _____

Date: _____

Please provide billing contact information below for financially responsible party:

Company Name: _____

Authorized Individual: _____

Address: _____

Phone Number: _____

Email: _____

END SCOPE OF WORK

STANDARD PROVISIONS

A. Payment

Payment is due as specified in the Contract to which these Standard Provisions are attached. Signing of the Contract by all parties signifies agreement with the payment schedule.

Northwest Water Systems, Inc. expenses related to those costs incurred for the client's project including, but not limited to, necessary transportation costs, laboratory tests and analyses, sub-consultant services, printing, copying and binding charges shall be invoiced as reimbursable expenses. Reimbursement for these expenses shall be on the basis of 1.15 times actual charges when furnished by commercial sources and on the basis of usual commercial charges when furnished by Northwest Water Systems, Inc. Unless otherwise provided for in the contract, Reimbursable Expenses are in addition to the estimated fee.

The parties acknowledge and agree that any estimate of a total fee may not reflect the ultimate charges of Northwest Water Systems, Inc. Each party recognizes the inherent difficulty in any predetermination of the amount of services required for a particular project. All changes to the Scope of Work or to the Fee shall be accomplished through numbered Change Orders signed by all parties. If a retainer is received, it will be credited to the final invoice unless prior arrangement has been made between client and Northwest Water Systems, Inc.

All past due invoices are subject to a 3% per month late charge calculated and applied the day following the due date. Subsequent late charges are calculated based on the invoice amount plus any previous late charges.

B. Time of Beginning

Signing of the Contract is authorization by the client for Northwest Water Systems, Inc., to proceed with the scope of work.

C. Professional Standards

Northwest Water Systems, Inc., shall be responsible to the level of competency presently maintained by other practicing professionals in the same type of work in the community, for the professional and technical soundness, accuracy and adequacy of all designs, drawings, specifications, and other work and materials furnished under the attached Contract.

D. Governing Law

Unless otherwise provided, the attached Contract shall be governed by the laws of the State of Washington. Unless otherwise agreed, venue by any action shall be Kitsap County, Washington.

E. Safety and Construction

Northwest Water Systems, Inc., shall not be responsible for construction means, methods, techniques, sequences of procedures, or for safety precautions and programs in connection with the work performed by the Contractor(s) and any sub-Contractors.

F. Legal Relations

Any dispute, controversy or claim arising out of or relating to the attached Contract, or the breach, termination or invalidity thereof, shall be submitted for mediation prior to the commencement of other adjudicatory procedures. The dispute resolution procedure shall be implemented in any matter by written notice given by any party to the other party or parties to the attached Contract. The notice shall contain a statement of the nature of the dispute and the remedy sought. The parties shall make their principals available for a period of two (2) consecutive days during the thirty (30) days following the giving of notice of intent to mediate with the other parties on the dispute.

Unless agreed upon otherwise by the parties signatory to the attached Contract, the location of the mediation shall be Port Orchard, Washington.

If settlement is agreed upon through mediation, the parties may agree that the settlement be reduced to writing and that the mediator shall be deemed to be arbitrator for the sole purpose of signing that written settlement agreement which shall then have the same force and effect as an arbitral award.

In the event mediation fails, and legal action is brought by the client or Northwest Water Systems, Inc., against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, then the prevailing party shall be entitled to reasonable attorney's fees, costs and expenses incurred in any action brought by either party under the terms of the attached Contract.

The client agrees to limit Northwest Water Systems, Inc., liability to the client and his assigns due to Northwest Water Systems, Inc., professional negligent acts, errors or omissions such that the total aggregate liability of Northwest Water Systems, Inc., to all those named shall not exceed 50 percent of Northwest Water Systems, Inc.'s total fee for services rendered on this project, or Two Thousand (\$2,000) whichever is greater.

G. Cost Estimates

Any cost estimates provided by Northwest Water Systems, Inc., will be on a basis of experience and judgement, but since it has no control over market conditions or bidding procedures, Northwest Water Systems, Inc., cannot warrant that bids or ultimate construction costs will not vary from these cost estimates.

H. Deliverables

All deliverables, such as reports, construction documents, plans, etc., become the property of the Client and may not be released to any third parties without the express approval of the Client. All templates, "boilerplate", standard details, and automated processes used in, or developed during, the production of deliverables remain the property of Northwest Water Systems, Inc.

I. Termination

Contract may be terminated by mutual agreement between both parties. Contract may be terminated by Client if Northwest Water Systems, Inc. deliverables do not meet the standards required for approval by the Washington State Department of Health or if contract schedule is exceeded. Northwest Water Systems, Inc. may terminate the contract for non-payment of issued invoices in accordance with these Standard Provisions or the provisions of the contract, if Client is unable or unwilling to provide necessary information or access to facilities, or if Client is unable or unwilling to conform to the rules and regulations of the Washington State Department of Health or other agencies of jurisdiction.

J. Severability

If any term, condition or provision of the attached Contract or these Standard Provisions, or the application to any circumstances is determined to be invalid or unenforceable to any extent, the remaining provisions of the attached Contract and these Standard Provisions shall not be affected but shall remain valid and enforceable.

K. Complete Agreement

The attached Contract and these Standard Provisions supersede all verbal and other written understandings and agreements and constitutes the complete and final understanding between client and Northwest Water Systems, Inc.