

**WEST SOUND UTILITY DISTRICT
RESOLUTION 807-19**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
AUTHORIZING THE AWARD OF CONTRACT FOR REHABILITATION
OF WELL NUMBER 1B TO HOKKAIDO DRILLING, INC.**

WHEREAS, the District's 2019 water capital improvement budget contains \$60,000 in funding for well rehabilitation work in order to improve well production and efficiency; and

WHEREAS, the District's hydrogeologist has identified well Number 1B has priority need of well rehabilitation; and


WHEREAS, District staff has sought bids for such well rehabilitation services from three drilling service companies and was able to secure quotes from Hokkaido Drilling, Inc. and Holt Services, Inc. with Hokkaido Drilling, Inc. providing the lowest responsible bid; NOW, THEREFORE,

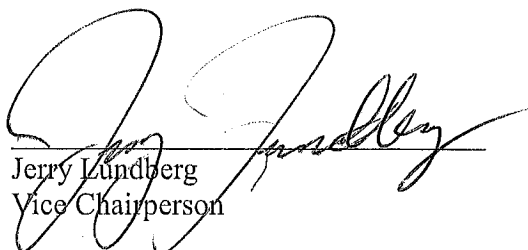
THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT HEREBY RESOLVES:

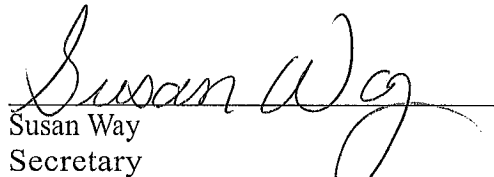
Section 1. The Board approves the attached contract (Exhibit "A") for the Well Number 1B rehabilitation services with Hokkaido Drilling, Inc. in the amount of \$37,150.00, plus state sales tax. The Board further authorizes the General Manager, on behalf of the District, to execute a contract with Hokkaido Drilling, Inc.; and to approve amendments to the Contract or change orders in an amount not to exceed 15% of the Contract amount provided the changes are: a) within the scope of the project, b) consistent with the bid process; and c) executed in writing. to execute such contract with Holt Services, Inc.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a Board meeting scheduled on February 4, 2019.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington


James J. Hart
Chairperson


Jerry Lundberg
Vice Chairperson


Susan Way
Secretary

SMALL WORKS CONTRACT

Parties: WEST SOUND UTILITY DISTRICT
And HOKKAIDO DRILLING, INC.

THIS IS AN AGREEMENT entered into between West Sound Utility District, a Washington State Municipal Corporations, hereinafter called "District," and Hokkaido Drilling, Inc., hereinafter called "Contractor."

Contractor is currently listed on the District's Small Works Roster pursuant to RCW 57.08.050. Pursuant to its resolutions and procedures, the District has determined the Contractor to be the lowest responsible bidder to perform the services hereinafter described. The purpose of this document is to set forth the specific terms of the parties' agreement in writing.

NOW, THEREFORE, in consideration of the foregoing recitals and the promises and covenants of the parties hereinafter set forth, they agree as follows:

1. Services to be performed by Contractor. The services to be performed are identified in the attached plans and specifications, referred to as Attachment "A" which by this reference is incorporated herein. In performing its work, the Contractor shall supply all necessary labor and materials to fully and completely finish the work called for herein.

2. Payment for Services. The total payment from the District to the Contractor for the work to be performed by the Contractor as described herein shall be **the total sum of \$37,150.00 plus applicable Washington State sales tax**. Payment of this said amount shall be due and owing within forty-five days of the completion of the work by the Contractor and acceptance by the District. Acceptance shall not be unreasonably withheld.

3. Commencement/Completion of Work. **The contractor shall commence its work for the District on or before March 4. All work called for herein shall be fully completed by the Contractor on or before March 29, 2019.**

4. Contractor Representations. The Contractor hereby represents and warrants to the District as follows:

A. Bonding Company and License No. The Contractor is fully licensed, bonded, and in good standing with the State of Washington.

- 1) It's Contractor License Number. with Washington State is HOKKADI017M8
- 2) It is currently bonded with the following bonding company to do business in the State of Washington
 - a) Bond No. LC0464.
 - b) This bond was issued on the 24th, day of January, 2019.
- 3) In addition to the above, the Contractor is required to provide a Performance Bond and Payment in accordance with the Prevailing Wage regulations prior to the commencement of work.

B. Evidence of Insurance. Prior to performing its construction work, the Contractor shall provide the District with written evidence of insurance covering public liability and property damage concerning the work to be performed. If the total amount of services to be performed by the Contractor exceeds five thousand and 00/100 dollars (\$5,000.00) the coverage limits for liability shall be not less than as set forth on Attachment "B" entitled "Minimum Requirements for Certificates of Insurance" which by this reference is incorporated herein and made a part hereof. In the event Attachment "B" is applicable hereto, the Contractor shall be obligated to comply with all terms and specifications set forth therein.

C. Hold Harmless Provision. The Contractor shall indemnify, defend, and hold harmless the District, its engineer, agents, and employees from any and all claims, demands, actions, and/or liabilities of every kind and nature as may be made and/or entered against the Districts, its engineer, their agents, and employees by reason of, or arising out of, the acts or omissions of the Contractor, its agents, or employees, including costs and attorney's fees incurred by the Districts and its agents and representatives in investigating and defending against any such claims in the event of failure of the Contractor to so defend as herein required.

D. Prevailing Wages. Concerning the work called for herein, the Contractor agrees to pay hourly wages to its laborers and workers in accordance with Washington law and specifically in accordance with RCW 39.12.020 dealing with the prevailing rates to be paid on public-works projects. The Contractor represents it is fully knowledgeable concerning the terms of RCW 39.12.020. The first invoice cannot be paid until the District has received the approved Intent to Pay

Prevailing Wages. Retainage shall be 5% of each invoice. Retainage cannot be released until the Affidavit of Wages Paid is approved by the State and the Department of Revenue has approved the release of funds.

E. Performance of Work. The Contractor shall perform all work in a good, workmanlike and timely fashion. All materials used by the Contractor in its work shall be of a good or superior quality. In performing its work, the Contractor shall also act in accordance with all applicable local, state, and federal laws and regulations.

F. Warranty. The Contractor represents and warrants that all services and materials used by it in its services for the District shall be completely free of defects for a period of time lasting two (2) years from the date of completion. In the event any defects are discovered within the warranty time concerning the Contractor's services or materials used by it, the Contractor shall promptly cure any said defects.

G. Non-assignment of Obligations. The contractor is hereby prohibited from assigning or in any manner transferring its obligations under this contract to any third party or entity. The Contractor shall be personally responsible for performance of all work and obligations placed upon it hereunder. The person in charge of the Contractor's work hereunder shall be Billy A. Dodge, and he shall make him available to the District representative at all reasonable time for consultation.

H. District Inspection. Prior to commencing its work, the Contractor shall meet with the District representative(s) and these parties shall set forth an inspection schedule to be followed by the District in inspecting the Contractor's work while it is in progress. The contractor shall promptly report to the District, in writing, all errors and omissions it commits in performing the work.

5. Risk of Loss. Until the Contractor's work for the District has been fully completed and accepted by the District, all risk of loss concerning the project shall be borne by the Contractor.

6. Cooperation of Parties. The parties shall strive at all times to cooperate with one another in good faith so the terms and spirit of this agreement may be carried out in a good and timely manner.

7. Legal Action. In the event either party employs an attorney to enforce or defend any claim or cause of action arising out of or relating to this agreement, or any appeal therefrom, then

and in any such event, the prevailing party shall be entitled to recover from the losing party, and the losing party shall pay, all of the prevailing parties reasonable costs and attorney fees therein incurred. The venue and jurisdiction for any such action shall lie with the appropriate court in Kitsap County, Washington.

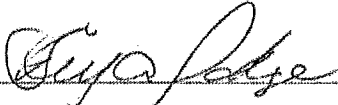
8. Complete Agreement. This agreement constitutes the full and complete agreement between the parties concerning the matters set forth herein. There are no other agreements, either written or verbal, in existence.

DATED this 30th day of January, 2019.

WEST SOUND UTILITY DISTRICT:

Michael Wilson, General Manager

CONTRACTOR:



Billy A. Dodge, President

Estimated Time and Cost

The following table is an estimate of the time required to complete the scope of work described above.

**West Sound Utility District - Well 1B
2019 - Rehabilitation Cost Estimate**

Task #	Task Description	Estimated Hours	Hourly Rate	Mark-up	Estimated Cost
Task 1	Remove Existing Pump	12	\$325 /hr.	-	\$ 3,900 ⁰²
Task 2	Video Inspection	0	by District	-	\$
Task 3	Shock Chlorination	6	325	-	1,950 ⁰²
Task 4	Scrub 12-inch Casing	8	\$325 /hr.	-	\$ 2,600 ⁰²
Task 5	Scrub 9-inch Screen	4	\$325 /hr.	-	\$ 1,300 ⁰²
Task 6	Surge Development	8	\$325 /hr.	-	\$ 2,600 ⁰²
Task 7	Install Temporary Pump	4	\$325 /hr.	-	\$ 1,300 ⁰²
Task 8	Pump & Surge	32	\$325 /hr.	-	\$ 10,400 ⁰²
Task 9	Backflush and Pump	8	\$325 /hr.	-	\$ 2,600 ⁰²
Task 10	Remove Temporary Pump	4	\$325 /hr.	-	\$ 1,300 ⁰²
Task 11	Video Inspection	0	by District	-	\$
Task 12	Reinstall Remnant Pump	12	\$325 /hr.	-	\$ 3,900 ⁰²
Misc.	Chemicals and Supplies	-	-	%	\$ 300
Misc.	Est. Mob./Demob.	-	-	-	\$ 5,000 ⁰²
	Subtotal	98			37,150⁰²
	WA Sales Tax	-	-	-	\$ 3,348 ⁰²
	Totals	98			\$ 40,498⁰²

Estimated Start Date Feb. 11, 2019

Estimated Completion Date March 1, 2019

If you have any questions or need additional information, please contact the District or CR at your convenience.

Sincerely,

West Sound Utility District
Randy Screws, Manager
2924 SE Lund Avenue
Port Orchard, WA 98366
(360) 876-2545

CR Hydrogeologic Consulting
Craig A. Russell, LG, LHG
10403 122nd Avenue NW
Gig Harbor, Washington 98329
(253) 691-2529

PERFORMANCE AND PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS: THAT whereas West Sound Utility District, Port Orchard, Washington a municipal corporation has awarded to:

Hokkaido Drilling, Inc.
(Contractor)

hereinafter designated as the "Principal", a contract for work items, which contract consists of the Proposal/Agreement, together with the Contract Documents, Specifications, Addenda and Plans, all as hereto attached and made a part hereof, and more particularly described as:

Well 1B 2019 Rehabilitation

and whereas said principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract:

NOW, THEREFORE, we the Principal and Merchants Bonding Company (Mutual), a corporation, organized and existing under and by virtue of the laws of the State of ~~Washington~~,* and duly authorized to do business in the State of Washington as surety, are firmly bound unto West Sound Utility District in the sum of Forty Thousand Four ** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. *Iowa
**Hundred Ninety-Three and 50/100 Dollars (\$40,493.50)

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bonded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in said contract, and shall faithfully perform all the provisions of such contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said contract that may hereafter be made, at the time and in the manner therein specified; and shall pay all laborers, mechanics, subcontractors and materialmen, and all persons who shall supply such person or persons, or subcontractors, with provisions and supplies for the carrying on of such work on his or their parts; and shall indemnify and save harmless the Owner's Engineer, its officers and agents, from any loss or damage

occasioned to any person or property by reason of any careless or negligence on the part of said principal, or any subcontractor, in the performance of said contract or any modifications thereof; and shall further indemnify and save harmless West Sound Utility District, its officers and agents, from any damage or expense by reason of failure of performance as required by said contract, or any modifications thereof, or from defects appearing or developing in the material or workmanship provided or performed under said contract within a period of two years after acceptance thereof by West Sound Utility District, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

And the said surety, for value received, hereby further stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any change, extension of time, alternations or additions to the terms of the contract or the work or to the specifications.

IN WITNESS THEREOF, the said Principal and the said surety caused this bond and three (3) counterparts thereof to be signed and sealed by their duly authorized officers, this 29th day of January, 2019.

Hokkaido Drilling, Inc.
Principal

By [Signature]
Title President

ATTEST (If Corporation)

WITNESSES (If Individual or Partnership)

CORPORATE SEAL
Merchants Bonding Company (Mutual)

By [Signature]
Title Christopher Kinyon, Attorney-in-Fact

Address of local office and agent of Surety Company is:

Propel Insurance
PO Box 2940
Tacoma, WA 98401

MERCHANTS
BONDING COMPANY
POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa (herein collectively called the "Companies") do hereby make, constitute and appoint, individually,

Aliceon A Keltner; Annelies M Richie; Brandon K Bush; Brent E Heilesen; Carley Espiritu; Christopher Kinyon; Cynthia L Jay; Eric A Zimmerman; Heather L Allen; Holli Abers; James B Binder; Jamie L Marques; Karen C Swanson; Kyle Joseph Howat; Tamara A Ringeisen

their true and lawful Attorney(s)-in-Fact, to sign its name as surety(ies) and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

This Power-of-Attorney is granted and is signed and sealed by facsimile under and by authority of the following By-Laws adopted by the Board of Directors of Merchants Bonding Company (Mutual) on April 23, 2011 and amended August 14, 2015 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 16, 2015.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner-Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 5th day of November, 2018.

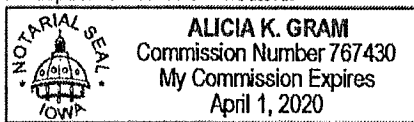


MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

By *Larry Taylor*
President

STATE OF IOWA
COUNTY OF DALLAS ss.

On this this 5th day of November 2018, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument are the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.



Alicia K. Gram
Notary Public

(Expiration of notary's commission
does not invalidate this instrument)

I, William Warner, Jr., Secretary of MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 29th day of January, 2019.



William Warner Jr.
Secretary



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/30/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Liberty Mutual Insurance PO Box 188065 Fairfield, OH 45018	CONTACT NAME: PHONE (A/C, Nr, Ex): 800-962-7132 FAX (A/C, No): 800-845-3666 E-MAIL ADDRESS: BusinessService@LibertyMutual.com	
	INSURER(S) AFFORDING COVERAGE	
INSURED Hokkaido Drilling Inc. PO Box 100 Graham WA 98338	INSURER A: Ohio Security Insurance Company NAIC # 24082	
	INSURER B: West American Insurance Company 44393	
	INSURER C: Ohio Casualty Insurance Company 24074	
	INSURER D:	
	INSURER E:	
	INSURER F:	

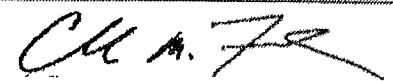
COVERAGES **CERTIFICATE NUMBER: 46825482** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	BKS56049215	6/1/2018	6/1/2019	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY		BAW56049215	6/1/2018	6/1/2019	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10,000		USO56049215	6/1/2018	6/1/2019	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	BKS56049215 Stop Gap	6/1/2018	6/1/2019	PER STATUTE OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

West Sound Utilities District, its engineer, agents and employees are Additional Insured if required by written contract or written agreement subject to General Liability Blanket Additional Insured Provision.
 Waiver of Subrogation applies.
 This Policy is Primary and we will not ask for contribution of the Policy issued to the Additional Insured.

CERTIFICATE HOLDER West Sound Utilities District 2924 SE Lund Ave Port Orchard WA 98366	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  Chad Fowler
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ACORD 25 (2016/03)

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