

**WEST SOUND UTILITY DISTRICT
RESOLUTION 571-15**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
AUTHORIZING A PROFESSIONAL SERVICES CONTRACT
WITH BHC ENGINEERING FIRM TO DESIGN
WELL #1 RESERVOIR AND WELL #2 PUMP HOUSE**

WHEREAS, the District selected from the MRSC list of engineering firms two qualified firms to interview for engineering services for the development of a new Well#1 reservoir and installation of Well#2 pump house; and

WHEREAS, the District has concluded that the firm of BHC Engineers was best suited to meet the District's professional service needs for this project; NOW, THEREFORE,


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

Section 1. The Board of Commissioners hereby approves the attached professional services contract (Exhibit "A") and scope of work from BHC Engineers, Inc. for the preparation of preliminary engineering plans for the Well #1 Reservoir and Well #22 Pump House.


Section 2. The General Manager is hereby authorized to execute the professional service contract with BHC Engineers, Inc. in an amount not to exceed \$55,260 and the General Manager is further authorized to approve amendments to the Contract in an amount not to exceed 10% of the Contract amount, provided the changes are: a) within the scope of the project and b) executed in writing.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a Board meeting scheduled on September 21, 2015.

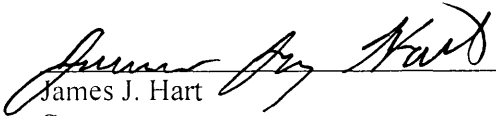
WEST SOUND UTILITY DISTRICT
Kitsap County, Washington



Jerry Lundberg
Chairperson



Susan Way
Vice Chairperson



James J. Hart
Secretary

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT, which is referred to hereinafter as "this Agreement", is made and entered by and between BHC Consultants, LLC ("BHC") and West Sound Utility District ("CLIENT") and is effective as of the last date written below.

Scope of Services

The scope of services to be performed, and the schedule and compensation for performing those services, shall be as described on Exhibits "A" and "B", attached, and hereby incorporated into this Agreement. Services shall be performed on a Time and Materials, Not-To-Exceed (NTE) basis, with the NTE amount as shown in Attachment B.

In witness whereof, the parties have made and executed this Agreement.

BHC Consultants, LLC

West Sound Utility District

(Client)

By: _____

By: _____

Title: _____

Title: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

GENERAL CONDITIONS

Independent Contractor: BHC is an independent contractor and is not an agent or employee of CLIENT.

Assignment: Neither party may assign this Agreement or any rights or responsibilities under it, whether during performance or after performance, without first obtaining the other party's written consent.

Compliance with Laws, Permits and Licenses: BHC shall comply with responsible interpretations of applicable laws, regulations, ordinances and permits that are in effect at the time of performance.

Taxes: BHC shall comply with federal, state, and local tax laws, Social Security Acts, Unemployment Compensation and Workers' Compensation Acts in so far as applicable to the performance of this Agreement.

Provision of Documents: CLIENT shall provide BHC with pertinent information concerning the Client's requirements for the Project. This includes providing drawings, specifications, schedules and other information prepared by or available to CLIENT pertinent to the services.

Authorization: BHC shall begin performance upon receipt of a copy of this Agreement bearing the CLIENT's signature unless stated otherwise in writing.

Changes and Additional Services: CLIENT and BHC may agree to modify the scope of services and may agree to the performance of additional services for additional compensation. All changes shall be in writing and shall take effect only when signed by both parties.

Invoicing: BHC shall submit monthly progress billings to CLIENT. If services are performed on a lump sum fee basis, progress billings shall be on a percent-complete basis. If services are performed on a time-and-materials basis, progress billings shall itemize actual hours worked, equipment, outside services and a brief description of the services provided; hourly rates shall be in accordance with the current BHC Rate Schedule.

Payment: Payment to BHC for services performed and reimbursable costs incurred shall be made within 30 days of receipt of invoice. All payments shall be delivered to: BHC Consultants, LLC, 1601 Fifth Avenue Suite 500, Seattle WA 98101.

Termination for Convenience: CLIENT, for its convenience, may terminate the services of BHC in whole or in part at any time by written notice, which shall state the extent and effective date of such termination. CLIENT shall reimburse BHC for reasonable costs necessarily incurred by BHC following receipt of the notice of termination.

PROFESSIONAL SERVICES AGREEMENT

Termination for Default: Either party may terminate this Agreement if the other party substantially fails to meet its obligations under this Agreement. Said termination will become effective upon five (5) business days' written notice unless the defaulting party cures the default or provides satisfactory evidence to the non-defaulting party that such default will be cured within a satisfactory time.

Records: BHC shall maintain all records (fiscal and other) pertaining to the Project for a period of not less than two years.. These shall be available to CLIENT for its review upon reasonable notice.

Confidentiality: BHC will not disclose any documents, reports, disclosures, plans or other information that CLIENT identifies as proprietary or confidential to any third party except as necessary to perform services pursuant to this Agreement or except as required by law.

Ownership of Documents: All documents prepared by BHC pursuant to this Agreement are instruments of service intended for use solely with respect to this Project. These instruments of service shall become the property of CLIENT upon CLIENT's performance of its payment obligations under this Agreement. Any reuse or modification of such instruments of service by CLIENT or others without BHC's written consent shall be without liability on the part of BHC or its employees or subconsultants.

Insurance: BHC shall maintain continuously during the life of this Agreement the following minimum insurance requirements:

- A. Worker's Compensation Insurance with statutory limits
- B. Comprehensive General Liability with limits of not less than \$1,000,000 applicable to bodily injury, sickness, or death in any one occurrence or in the aggregate and not less than \$1,000,000 for loss of, or damage to, property in any one occurrence or in the aggregate. This coverage shall include the following: (1) Comprehensive form; (2) Premises operations; (3) Contractual liability; (4) Broad form property damage; (5) Personal injury.
- C. Automobile Liability covering all owned, non-owned, or hired vehicles used by BHC with limits of not less than \$1,000,000 applicable to bodily injury, sickness, or death of any one person per occurrence and \$10,000 for loss of or damage to property in any one occurrence.
- D. Professional Liability Insurance in the amount of \$2,000,000 per claim and annual aggregate covering BHC's negligent acts, errors, or omissions.

BHC will provide CLIENT with evidence of the above-stated coverages upon written request received.

Except to the extent that it impairs coverage, each party waives all claims for recovery of costs, losses and damages from the other to the extent covered by insurance carried by or for the benefit of the party incurring the costs, losses or damages.

Construction: Only CLIENT has the right to reject or stop work of its contractors or agents. BHC will notify CLIENT of non-conforming work performed by the CLIENT's contractor(s) coming to the attention of BHC, but BHC is not responsible for inspecting the construction work or for performing exhaustive observations of the construction work. BHC is not responsible for, and does not have control or charge of, the specific means, methods, techniques, sequences or procedures employed by the CLIENT's contractor(s) or for jobsite safety or jobsite safety programs. BHC is not responsible for any failure on the part of the contractor(s) to perform work in accordance with the plans and specifications.

Laws: This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Washington.

Force Majeure: BHC shall not be liable for failure to perform when its performance is hindered or prevented by an occurrence beyond the reasonable control of BHC.

No Third Party Rights: All duties and responsibilities undertaken pursuant to this Agreement are for the sole and exclusive benefit of the parties hereto. There shall be no third party beneficiaries of this Agreement.

Dispute Resolution: Client and BHC agree that all disputes between them arising out of or related to this Agreement, or the breach or alleged breach of this Agreement, that cannot be resolved by direct discussions shall be submitted to and considered in nonbinding mediation before either party may commence litigation. Unless the parties subsequently agree otherwise, the mediation shall be administered by the American Arbitration Association in Seattle acting under its Construction Industry Mediation Rules.

Entire Agreement: This Agreement, including attachments incorporated herein by reference, states all of the terms of the agreement between the parties and supersedes all prior and contemporaneous written and unwritten negotiations, proposals, representations, commitments and agreements. This Agreement may be modified only by way of an instrument signed by authorized representatives of both parties.

ATTACHMENT A

West Sound Utility District Well #22 Well House and Well #1/#5 200,000 Gallon Reservoir Scope of Work Engineering Services

Project Understanding

West Sound Utility District (the District) is requesting engineering services for two projects: the Well #22 Well House and the Well #1/#5 200,000 Gallon Reservoir. Each project is described briefly below.

Well #22 Well House

Well #22 was installed in 2011 to a depth of 1,525 ft, and the well has the potential to produce 500 gallons per minute (gpm). The well contains levels of hydrogen sulfide that will require treatment.

The Well #22 site also contains Well #9R which was installed in 2011 to a depth of 744 ft and has the potential to produce 200 gpm. Well #9R contains levels of manganese and hydrogen sulfide that will require treatment.

Both wells are located on a District owned parcel east of Lund Ave SE, near the intersection with SE Greenbriar Place. The property is bordered by single family homes which may be sensitive to noise and odor. This property has a history of vandalism and illegal dumping.

This project consists of installing a well pump and constructing a new pump house and treatment facilities to perfect the water right for Well #22. At this time, it is the District's intent that only Well #22 will be operational. Provisions to accommodate future operation of Well #9R should be included in the design.

The District desires to begin construction of the Well #22 Well House in early spring 2016.

Well #1/#5 200,000 Gallon Reservoir

This project consists of replacing the existing reservoir that serves Well #1/#5 with a new 200,000 gallon reservoir that will provide additional storage capacity and replace aging facilities with significant corrosion issues. Aeration treatment to strip hydrogen sulfide from the well water is also required. The above ground portion of the existing reservoir will be demolished. The foundation of the existing reservoir and below ground utilities may or may not be demolished, depending on District preferences.

The District prefers to keep the existing reservoir in service during construction of the new reservoir. The project site is located east of Retsil Road behind Veterans Memorial Park. The District has identified a potential location for the new reservoir west of and in close proximity to the existing reservoir.

Existing infrastructure at the site includes a tray aerator that feeds into the reservoir, a pump station and gas chlorination facility. The existing infrastructure is located on property owned by the

Kitsap County Parks with an easement benefitting the District. The existing pump station and gas chlorination facility will remain in place and will need to be coordinated with the new reservoir.

A landslide near the south side of the existing reservoir occurred in 1998. The existing reservoir was constructed in April 1966, is of welded steel construction, and serves pressure zone 314. The reservoir is 47 ft in diameter and 8 ft high, for a total capacity of 103,820 gallons. The base elevation is 111 ft and the overflow elevation is 119 ft. The reservoir may contain lead paint beneath the most current re-coating which was done in November 2000.

The District desires to begin construction of the Well #1/#5 Reservoir in early summer 2016.

This scope of work is for Phase I of the project, which includes the Preliminary Design and an evaluation of treatment options for the well house and reservoir sites. Phase II, which will be scoped at a later date, will include permitting and design services for the well house and reservoir.

Scope of Work

Task 1: Project Management, Coordination and QA/QC

- a. Coordinate with District staff and project team.
- b. Prepare and submit monthly invoices and monthly status reports.
- c. Coordinate and meet with District staff on a monthly basis.
- d. A senior level principal will review all documents before they are submitted to the District as part of the BHC QA/QC Program. The review will include a document review to ensure the documents meet industry standards of care. This will occur at the Preliminary Design (30%) stage of design.

Task 1 – District Responsibilities:

- a. Review monthly status reports and meeting minutes.

Task 1 – Assumptions:

- a. Meetings will include one BHC team member and will be held at District, County or DOH offices, as appropriate.

Task 1 – Deliverables:

- a. Monthly invoices and monthly status reports.
- b. Meeting minutes.

Task 2: Preliminary Design

- a. Data Review – Obtain and review available information from the District regarding the project, such as:
 - Water quality data for Wells #1, #5 and #22.
 - Record drawings and/or design drawings of existing infrastructure.
 - Easement and property documents.
- b. Water Quality and Treatment – The purpose of this task is to establish baseline water quality, water treatment needs and performance goals at each of the sites. This task includes

evaluating water quality, evaluating treatment options, and making a recommendation for treatment at both sites. The intent of this task is to evaluate treatment of hydrogen sulfide. This task does not include a pilot test for hydrogen sulfide treatment since the scope of that pilot test is difficult to determine at this time. If pilot testing for hydrogen sulfide treatment is needed, that work can be performed in later phases of the project or under an on-call services task. Other contaminants that may be present, including manganese and iron, are assumed to occur at levels that will not require treatment; therefore, pilot testing and iron and manganese treatment will not be required for this project.

- **Well #1/#5 Reservoir Site:** At the reservoir site, the primary question is how will hydrogen sulfide treatment be performed, while not significantly increasing reservoir complexity, pumping requirements, or construction costs. It is anticipated that a replacement tray aeration system, similar to others in the District's system, or an in-reservoir spray cascade aeration of the well discharge, similar to the existing reservoir, will be used for treatment. BHC will evaluate up to three options for hydrogen sulfide treatment. These options may include a treatment system located upgradient from the new reservoir location that can flow by gravity into the reservoir, a treatment structure mounted above or beside the new reservoir, or a treatment structure above and integral to the new reservoir. Planning level cost estimates will be performed, and a recommendation of the preferred alternative will be made.
- **Well #22 Well House Site:** At Well #22, the primary questions are whether the concentration of hydrogen sulfide requires treatment, and if so, how will that treatment be performed while not significantly increasing pumping or construction costs. To address these questions, BHC will gather additional hydrogen sulfide water quality information from the well.

In order to obtain a representative sample from the well, a temporary well pump will need to be installed in the well and then pumped at a reasonable rate (at least 100 gpm) for a period of time, possibly 6 hours or more. Samples will be collected from the well and analyzed onsite using a test kit or at an off-site laboratory.

The sample results will provide a concentration of hydrogen sulfide that can then be used as a guide for treatment requirements. If treatment is recommended, up to three options will be evaluated. The options may include aeration, chlorine oxidation, and chlorine oxidation and filtration. Both tray aeration and in-reservoir spray cascade aeration would require construction of a small reservoir and booster pump station. Planning level cost estimates will be performed, and a recommendation of the preferred alternative will be made.

- c. **Field Surveying** – The District will contract directly with West Sound Engineering (WSE) for surveying services. BHC's scope includes coordination with WSE to address site questions and request follow-up information from the surveyor, as needed. The survey should include the following:
 1. Provide Horizontal and Vertical control for rights-of-way (ROWs) and easements areas and topographic mapping for the Well #1/#5 and Well #22 sites.
 2. Contact utility location company for identification of underground utilities.
 3. Survey should include available utility information, property lines, structures, site features, etc.

4. Mapping should be 1 inch equals 20 feet with 2-foot contours. All features and known utilities should be mapped based on record information and utility locates prior to survey so this information can be surveyed on the base mappings.
 5. Where applicable, identify the 200-foot Shorelines Jurisdiction Line. The Well #1/#5 site may be located within the Shorelines Jurisdiction.
- d. Geotechnical Investigation and Report – Geotechnical investigation will be performed by Terracon as a subconsultant to BHC. BHC will coordinate Terracon’s work and incorporate their recommendations into the design. Terracon’s geotechnical scope of work is summarized below and Terracon’s detailed scope is attached to this scope.
1. Conduct a subsurface investigation program consisting of borings at the proposed facility sites. Laboratory analysis of representative soil samples acquired during the subsurface investigation will be obtained. A geotechnical report will be prepared and will provide the results of the investigation. The report will present investigation findings and will provide conclusions and recommendations. Parameters that may be used for design and construction will be provided. The investigation and report will include the following areas within the project as noted:
 - a) Well #1/#5 Site: Provide an estimated one boring up to 50 feet deep. Provide design recommendation for the site and reservoir foundation design. Assess slope stability, including mitigation recommendations if required. Tailings from borings will be disposed of on-site in areas appropriate for this means of disposal.
 - b) Well #22 Site: Provide an estimated one boring up to 15 feet deep. Provide recommendation for design and construction of site improvements and building foundations. Tailings from the boring will be disposed of on-site in areas appropriate for this means of disposal.
- e. Hydrogeologist Coordination - Coordinate with Craig Russell, the District’s hydrogeologist for development of Well #22. Craig Russell will address pumping capacity, well pump requirements, well head specifications, and other design elements related to the well. The primary purpose of this task in Phase I is to coordinate with the hydrogeologist on water quality and flow issues. Design elements for the well pump and well head will be addressed in Phase II.
- f. Well #1/#5 Reservoir Site - Define the major components for the reservoir site, and prepare a preliminary site layout for the reservoir, including size, elevations, overflow information, treatment facilities, instrumentation and control, site piping, site security, fencing, landscaping, drainage, and standby power. The new reservoir will connect to the existing pump station and chlorination facilities at the Well #1/#5 site. Modifications to the pump station and chlorination facilities, other than connecting piping to the pump station, are not included in this scope.
- g. Well #22 Well House Site - Define the major components for the well house site, and prepare a preliminary site layout, including well house dimensions, treatment facilities, chlorination facilities, fluoridation system, site piping, site security, fencing, landscaping, drainage, primary power and standby power. The layout will also include a preliminary layout of the well house interior. The District has indicated that a bulk sodium hypochlorite system is preferred for chlorination.

- h. Meet with County and DOH – BHC will meet with County and DOH representatives to determine the permitting requirements and DOH design requirements.
- i. DOH Project Report including Preliminary Design (30% Design) - Prepare and deliver a Project Report to include project description, alternatives analysis, basis of design criteria, opinion of probable construction cost, preliminary drawings and list of specifications. The project report will contain the alternatives analysis and recommendations from the water quality and treatment evaluation. It is BHC's understanding that Craig Russell has already prepared some information related to well capacities and water rights, and has provided this to the District. BHC will supplement this with engineering information.

Task 2 – District Responsibilities:

- a. Provide background information, water quality data, record drawings, design drawings, and property and easement information.
- b. Provide previous reports and the hydrogeologist's reports (as applicable).
- c. Contract with the hydrogeologist for his services, the surveyor to provide site surveying at both sites, and the well driller to provide temporary pumping services for Well #22.
- d. Meet with project team to review findings and layouts from preliminary design effort.
- e. Provide access to sites and notify County and/or nearby residents as needed for site activities.
- f. Provide property descriptions and copies of any easements or agreements for land use on both sites.
- g. Provide District details and specifications to be included in the design package.
- h. Attend County and DOH meetings.

Task 2 – Assumptions:

- a. The District is primarily responsible for public outreach related to the project. BHC can provide technical support (preliminary layouts, treatment description, etc.) for the outreach, as needed.
- b. Iron and manganese treatment is not required at either site. Chlorination at the Well #22 well house will be with a bulk hypochlorite system. The chlorination system and pump station at Well #1/#5 will remain in place and do not need to be altered.
- c. The District is primarily responsible for coordination with the County on property, siting, and easement issues. This scope assumes that the Well #1/#5 reservoir site located west of the existing reservoir (also referred to as the "pocket" site) is acceptable to the County. The investigation or preliminary layout of multiple reservoir site locations is not included in this scope.
- d. The hydrogeologist will address issues related to the well itself, including specifying the well pump and well head design. BHC will address providing power and controls to the well pump. Standby power at both the Well #1/#5 and Well #22 sites will consist of provisions for connection to the District's portable generator.
- e. Reservoir and pump station structural design shall conform to the Kitsap County Building Code.

Task 2 – Deliverables:

- a. Draft and final survey base maps and survey data (from WSE, under contract to the District).
- b. Draft and final Geotechnical Report
- c. Draft and final meeting minutes from meetings with the County and DOH.
- d. DOH Project Report, including Preliminary Design (30%).



September 15, 2015

BHC Consultants
1601 5th Avenue, Suite 500
Seattle, WA 98101

Attn: Jim Lutz, PE, SE
P: 206-505-3406
E: jim.lutz@bhccconsultants.com

Re: Proposal for Geotechnical Design Study
Proposed West Sound Utility District Well and Reservoir Project
Kitsap County, Washington
Terracon Proposal No: P81150295

Dear Mr. Lutz:

Terracon Consultants, Inc. (Terracon) appreciates the opportunity to submit this proposal to BHC Consultants to provide geotechnical engineering services for the proposed West Sound Utility District Well and Reservoir Project located in Kitsap County, Washington. The purpose of this study will be to evaluate subsurface conditions at the site and to provide geotechnical design and construction recommendations for the proposed facilities. This proposal outlines our understanding of the project, describes our scope of services, and provides a time and expenses cost for our services.

A. PROJECT INFORMATION

The proposed project will include design and construction of a replacement water reservoir (Well #1/5 Reservoir) and a well house at Well Site #22. The new #5 Reservoir will be located adjacent to the existing infrastructure. The 200,000 gallon reservoir will be approximately 8 feet high, 50 to 75 feet in diameter, and supported with a ring wall foundation about 3 feet deep. The well house will be a relatively small (20-foot by 20-foot) CMU block structure. The foundation for the well house is also anticipated to be about 3 feet deep.

Based on geologic mapping, both sites are underlain by glacially consolidated soils (i.e., glacial till and / or advance outwash sand) that should provide relatively high strength and low compressibility foundation support. Recessional outwash sand of moderate strength and compressibility may also be present. We understand that a small landslide event occurred in 1998 on the south side of the existing reservoir at Well Site #1.



Environmental

Facilities

Geotechnical

Materials

Should any of the above information be inconsistent with the proposed project, please let us know so we may make any necessary modifications to this proposal.

B. SCOPE OF SERVICES

We recommend a scope of services consisting of field explorations, laboratory testing, engineering analysis, and preparation of two geotechnical design reports as described below.

Field Exploration Program

We recommend that the field exploration program include a boring for each structure, including a 50-foot deep boring for the proposed reservoir. A 10- to 15-foot deep boring should be sufficient for well house. We would collect soil samples at roughly 2½-foot intervals in the upper 20 feet and 5-foot intervals for the remainder of the deep boring. A subcontracted driller would advance the boring using hollow-stem auger methods. A geotechnical engineer or geologist from Terracon would log the borings and collect the soil samples in general accordance with the Standard Penetration Test method of sampling. Samples obtained from the drilling process will be stored in moisture tight containers, and sent to our laboratory for further analyses.

We understand that drill rig access is good at all locations and that any clearing that may be required will be completed by West Sound Utility District. Therefore, we propose to use a truck-mounted drill rig to advance the borings. Excess drill cuttings will be dispersed in vegetated portions of the site. The borings will be backfilled in general accordance with State regulations prior to leaving the site. Our scope of work does not include sampling, testing, and / or disposing of regulated environmental contaminants.

We will contact the public Utility Location Service (ULS) prior to performing the field exploration in order to have documented, underground service utilities located per Washington State law. Before contacting the ULS, we recommend that a Terracon representative meet with a representative from West Sound Utility District to discuss exploration locations and clearing requirements given the existing infrastructure and vegetation. We will also complete a visual reconnaissance of the 1998 landslide area during the site visit. Terracon will not be responsible for damaging utilities that are not brought to our attention by West Sound Utility District or are not able to be located by the ULS.

Laboratory Testing

Select samples will be tested in our laboratory to determine index properties of the soil. Depending on conditions encountered in the borings, laboratory testing may include visual classification, water content determination, and grain size analysis.

Engineering Analysis and Geotechnical Report

The results of our field and laboratory programs will be evaluated by a professional geotechnical engineer licensed in the State of Washington. Given the type of structures and anticipated subsurface conditions, engineering analyses will likely be limited to shallow foundation bearing capacity and settlement. Based on the results of our evaluation, a geotechnical design report will be prepared for each site (i.e., two separate reports) that includes the following:

- Boring logs with soil stratification based on visual soil classification;
- Boring location plan based on a client-provided site plan;
- Subsurface exploration procedures;
- Soil laboratory testing procedures and results;
- A summary of soil and groundwater conditions encountered and how they may impact design and construction;
- Earthwork construction recommendations (e.g., site preparation including wet weather considerations, and structural fill placement and compaction including reuse of site soils);
- Design and construction recommendations for shallow foundations including allowable bearing capacity, settlement, and passive earth pressures;
- Seismic design considerations per the 2012 International Building Code; and
- Recommendations for post-report and construction observation services.

Schedule

We anticipate meeting at the site with the West Sound Utility District representative within two weeks of acceptance of our proposal. Drilling could commence within two weeks of the site meeting and should take one day to complete. Laboratory testing and engineering services will require an additional two to three weeks. We estimate the geotechnical design reports will be available the following week.

C. COMPENSATION

We estimate the cost for the proposed scope of services would not exceed \$9,200. Our approximate cost breakdown for the geotechnical study is as follows:

Scope Item	Cost
Subcontract drilling	\$3,200
Laboratory testing	\$700
Field engineering, including site visit with West Sound Utility District	\$2,700
Analysis and report preparation	\$2,600
Total	\$9,200

We propose to complete this study on a time and expenses basis in accordance with the rate schedule outlined below.

Professional Services Rates			
Clerical / Administrative	\$ 60/hour	Senior Project Engineer / Geologist	\$190/hour
Laboratory Technician	\$ 60/hour	Principal	\$215/hour
Geotechnical Technician	\$ 80/hour	Senior Principal / Senior Consultant	\$240/hour
Field Engineer / Geologist	\$ 90/hour	Expert Witness (4-hr min), multiple of	175%
CAD Operator	\$100/hour	Mileage	IRS Rate
Staff Engineer / Geologist	\$100/hour	Outside Copies	Cost +15%
Senior Staff Engineer / Geologist	\$115/hour	Transportation by Public Carrier	Cost +15%
Project Engineer I / Geologist I	\$130/hour	Outside Services or Subcontractors	Cost +15%
Project Engineer II / Geologist II	\$150/hour	Materials and Supplies	Cost +15%

If unusual or unanticipated conditions are encountered, we would notify you immediately, and no work would be performed beyond the proposed scope without your prior authorization. Should it be necessary to expand our services beyond those outlined in this proposal, we will notify you, then send a supplemental proposal stating the additional services and fee. We will not proceed without your authorization, as evidenced by your signature on a Supplement Agreement form.

D. AUTHORIZATION

This proposal may be accepted by signing and returning one copy of the attached terms and conditions along with this proposal to Terracon. This proposal is valid only if authorized within sixty days from the listed proposal date.

We appreciate the opportunity to provide this proposal and look forward to working with you on this project.

Sincerely,
Terracon Consultants, Inc.

Tristan T. Anderson, E.I.T.
 Staff Engineer

David A. Baska, Ph.D., P.E.
 Geotechnical Department Manager

Attachment: Agreement for Services

AGREEMENT FOR SERVICES

This **AGREEMENT** is between BHC Consultants ("Client") and Terracon Consultants, Inc. ("Consultant") for Services to be provided by Consultant for Client on the Proposed West Sound Utility District Well and Reservoir Project project ("Project"), as described in the Project Information section of Consultant's Proposal dated 09/11/2015 ("Proposal") unless the Project is otherwise described in Exhibit A to this Agreement (which section or Exhibit is incorporated into this Agreement).

- 1. Scope of Services.** The scope of Consultant's services is described in the Scope of Services section of the Proposal ("Services"), unless Services are otherwise described in Exhibit B to this Agreement (which section or exhibit is incorporated into this Agreement). Portions of the Services may be subcontracted. Consultant's Services do not include the investigation or detection of, nor do recommendations in Consultant's reports address the presence or prevention of biological pollutants (e.g., mold, fungi, bacteria, viruses, or their byproducts) or occupant safety issues, such as vulnerability to natural disasters, terrorism, or violence. If Services include purchase of software, Client will execute a separate software license agreement. Consultant's findings, opinions, and recommendations are based solely upon data and information obtained by and furnished to Consultant at the time of the Services.
- 2. Acceptance/ Termination.** Client agrees that execution of this Agreement is a material element of the consideration Consultant requires to execute the Services, and if Services are initiated by Consultant prior to execution of this Agreement as an accommodation for Client at Client's request, both parties shall consider that commencement of Services constitutes formal acceptance of all terms and conditions of this Agreement. Additional terms and conditions may be added or changed only by written amendment to this Agreement signed by both parties. In the event Client uses a purchase order or other form to administer this Agreement, the use of such form shall be for convenience purposes only and any additional or conflicting terms it contains are stricken. This Agreement shall not be assigned by either party without prior written consent of the other party. Either party may terminate this Agreement or the Services upon written notice to the other. In such case, Consultant shall be paid costs incurred and fees earned to the date of termination plus reasonable costs of closing the project.
- 3. Change Orders.** Client may request changes to the scope of Services by altering or adding to the Services to be performed. If Client so requests, Consultant will return to Client a statement (or supplemental proposal) of the change setting forth an adjustment to the Services and fees for the requested changes. Following Client's review, Client shall provide written acceptance. If Client does not follow these procedures, but instead directs, authorizes, or permits Consultant to perform changed or additional work, the Services are changed accordingly and Consultant will be paid for this work according to the fees stated or its current fee schedule. If project conditions change materially from those observed at the site or described to Consultant at the time of proposal, Consultant is entitled to a change order equitably adjusting its Services and fee.
- 4. Compensation and Terms of Payment.** Client shall pay compensation for the Services performed at the fees stated in the Compensation section of the Proposal unless fees are otherwise stated in Exhibit C to this Agreement (which section or Exhibit is incorporated into this Agreement). If not stated in either, fees will be according to Consultant's current fee schedule. Fee schedules are valid for the calendar year in which they are issued. Fees do not include sales tax. Client will pay applicable sales tax as required by law. Consultant may invoice Client at least monthly and payment is due upon receipt of invoice. Client shall notify Consultant in writing, at the address below, within 15 days of the date of the invoice if Client objects to any portion of the charges on the invoice, and shall promptly pay the undisputed portion. Client shall pay a finance fee of 1.5% per month, but not exceeding the maximum rate allowed by law, for all unpaid amounts 30 days or older. Client agrees to pay all collection-related costs that Consultant incurs, including attorney fees. Consultant may suspend Services for lack of timely payment. It is the responsibility of Client to determine whether federal, state, or local prevailing wage requirements apply and to notify Consultant if prevailing wages apply. If it is later determined that prevailing wages apply, and Consultant was not previously notified by Client, Client agrees to pay the prevailing wage from that point forward, as well as a retroactive payment adjustment to bring previously paid amounts in line with prevailing wages. Client also agrees to defend, indemnify, and hold harmless Consultant from any alleged violations made by any governmental agency regulating prevailing wage activity for failing to pay prevailing wages, including the payment of any fines or penalties.
- 5. Third Party Reliance.** This Agreement and the Services provided are for Consultant and Client's sole benefit and exclusive use with no third party beneficiaries intended. Reliance upon the Services and any work product is limited to Client, and is not intended for third parties. For a limited time period not to exceed three months from the date of the report, Consultant will issue additional reports to others agreed upon with Client, however Client understands that such reliance will not be granted until those parties sign and return Consultant's reliance agreement and Consultant receives the agreed-upon reliance fee.
- 6. LIMITATION OF LIABILITY.** CLIENT AND CONSULTANT HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING CONSULTANT'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE ASSOCIATED RISKS. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF CONSULTANT (AND ITS RELATED CORPORATIONS AND EMPLOYEES) TO CLIENT AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE GREATER OF \$50,000 OR CONSULTANT'S FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF CONSULTANT'S SERVICES OR THIS AGREEMENT. PRIOR TO ACCEPTANCE OF THIS AGREEMENT AND UPON WRITTEN REQUEST FROM CLIENT, CONSULTANT MAY NEGOTIATE A HIGHER LIMITATION FOR ADDITIONAL CONSIDERATION. THIS LIMITATION SHALL APPLY REGARDLESS OF AVAILABLE PROFESSIONAL LIABILITY INSURANCE COVERAGE, CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT THE DAMAGE IS PAID UNDER CONSULTANT'S COMMERCIAL GENERAL LIABILITY POLICY.
- 7. Indemnity/Statute of Limitations.** Consultant and Client shall indemnify and hold harmless the other and their respective employees from and against legal liability for claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are legally determined to be caused by their negligent acts, errors, or omissions. In the event such claims, losses, damages, or expenses are legally determined to be caused by the joint or concurrent negligence of Consultant and Client, they shall be borne by each party in proportion to its own negligence under comparative fault principles. Neither party shall have a duty to defend the other party, and no duty to defend is hereby created by this indemnity provision and such duty is explicitly waived under this Agreement. Causes of action arising out of Consultant's services or this Agreement regardless of cause(s) or the theory of liability, including negligence, indemnity or other recovery shall be deemed to have accrued and the applicable statute of limitations shall commence to run not later than the date of Consultant's substantial completion of services on the project.
- 8. Warranty.** Consultant will perform the Services in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the same locale. **EXCEPT FOR THE STANDARD OF CARE PREVIOUSLY STATED, CONSULTANT MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, RELATING TO CONSULTANT'S SERVICES AND CONSULTANT DISCLAIMS ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
- 9. Insurance.** Consultant represents that it now carries, and will continue to carry: (i) workers' compensation insurance in accordance with the laws of the states having jurisdiction over Consultant's employees who are engaged in the Services, and employer's liability insurance (\$1,000,000); (ii) commercial general liability insurance (\$1,000,000 occ / \$2,000,000 agg); (iii) automobile liability insurance (\$1,000,000 B.I. and P.D. combined single

limit); and (iv) professional liability insurance (\$1,000,000 claim / agg). Certificates of insurance will be provided upon request. Client and Consultant shall waive subrogation against the other party on all general liability and property coverage.

- 10. CONSEQUENTIAL DAMAGES. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR LOSS OF PROFITS OR REVENUE; LOSS OF USE OR OPPORTUNITY; LOSS OF GOOD WILL; COST OF SUBSTITUTE FACILITIES, GOODS, OR SERVICES; COST OF CAPITAL; OR FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR EXEMPLARY DAMAGES.**
- 11. Dispute Resolution.** Client shall not be entitled to assert a Claim against Consultant based on any theory of professional negligence unless and until Client has obtained the written opinion from a registered, independent, and reputable engineer, architect, or geologist that Consultant has violated the standard of care applicable to Consultant's performance of the Services. Client shall provide this opinion to Consultant and the parties shall endeavor to resolve the dispute within 30 days, after which Client may pursue its remedies at law. This Agreement shall be governed by and construed according to Washington law.
- 12. Subsurface Explorations.** Subsurface conditions throughout the site may vary from those depicted on logs of discrete borings, test pits, or other exploratory services. Client understands Consultant's layout of boring and test locations is approximate and that Consultant may deviate a reasonable distance from those locations. Consultant will take reasonable precautions to reduce damage to the site when performing Services; however, Client accepts that invasive services such as drilling or sampling may damage or alter the site. Site restoration is not provided unless specifically included in the Services.
- 13. Testing and Observations.** Client understands that testing and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. Consultant will provide test results and opinions based on tests and field observations only for the work tested. Client understands that testing and observation are not continuous or exhaustive, and are conducted to reduce - not eliminate - project risk. Client agrees to the level or amount of testing performed and the associated risk. Client is responsible (even if delegated to contractor) for requesting services, and notifying and scheduling Consultant so Consultant can perform these Services. Consultant is not responsible for damages caused by services not performed due to a failure to request or schedule Consultant's services. Consultant shall not be responsible for the quality and completeness of Client's contractor's work or their adherence to the project documents, and Consultant's performance of testing and observation services shall not relieve Client's contractor in any way from its responsibility for defects discovered in its work, or create a warranty or guarantee. Consultant will not supervise or direct the work performed by Client's contractor or its subcontractors and is not responsible for their means and methods.
- 14. Sample Disposition, Affected Materials, and Indemnity.** Samples are consumed in testing or disposed of upon completion of tests (unless stated otherwise in the Services). Client shall furnish or cause to be furnished to Consultant all documents and information known or available to Client that relate to the identity, location, quantity, nature, or characteristic of any hazardous waste, toxic, radioactive, or contaminated materials ("Affected Materials") at or near the site, and shall immediately transmit new, updated, or revised information as it becomes available. Client agrees that Consultant is not responsible for the disposition of Affected Material unless specifically provided in the Services, and that Client is responsible for directing such disposition. In the event that test samples obtained during the performance of Services (i) contain substances hazardous to health, safety, or the environment, or (ii) equipment used during the Services cannot reasonably be decontaminated, Client shall sign documentation (if necessary) required to ensure the equipment and/or samples are transported and disposed of properly, and agrees to pay Consultant the fair market value of this equipment and reasonable disposal costs. In no event shall Consultant be required to sign a hazardous waste manifest or take title to any Affected Materials. Client shall have the obligation to make all spill or release notifications to appropriate governmental agencies. The Client agrees that Consultant neither created nor contributed to the creation or existence of any Affected Materials conditions at the site. Accordingly, Client waives any claim against Consultant and agrees to indemnify and save Consultant, its agents, employees, and related companies harmless from any claim, liability or defense cost, including attorney and expert fees, for injury or loss sustained by any party from such exposures allegedly arising out of Consultant's non-negligent performance of services hereunder, or for any claims against Consultant as a generator, disposer, or arranger of Affected Materials under federal, state, or local law or ordinance.
- 15. Ownership of Documents.** Work product, such as reports, logs, data, notes, or calculations, prepared by Consultant shall remain Consultant's property. Proprietary concepts, systems, and ideas developed during performance of the Services shall remain the sole property of Consultant. Files shall be maintained in general accordance with Consultant's document retention policies and practices.
- 16. Utilities.** Client shall provide the location and/or arrange for the marking of private utilities and subterranean structures. Consultant shall take reasonable precautions to avoid damage or injury to subterranean structures or utilities. Consultant shall not be responsible for damage to subterranean structures or utilities that are not called to Consultant's attention, are not correctly marked, including by a utility locate service, or are incorrectly shown on the plans furnished to Consultant.
- 17. Site Access and Safety.** Client shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the Services and will execute any necessary site access agreement. Consultant will be responsible for supervision and site safety measures for its own employees, but shall not be responsible for the supervision or health and safety precautions for any other parties, including Client, Client's contractors, subcontractors, or other parties present at the site.

Consultant: **Terracon Consultants, Inc.**
By: *David A Baska* Date: **9/15/2015**
Name/Title: **David A Baska / Principal/Department Manager**
Address: **21905 64th Ave W Suite 100
Mountlake Terrace, WA 98043**
Phone: **(425) 771-3304** Fax: **(425) 771-3549**
Email: **Dave.Baska@terracon.com**

Client: **BHC Consultants**
By: _____ Date: _____
Name/Title: **Jim Lutz, PE, SE / Project Manager**
Address: **1604 Fifth Ave Ste 500
Seattle, WA 98101**
Phone: **(206) 505-3400** Fax: **(206) 505-3406**
Email: **jim.lutz@bhccconsultants.com**

Reference Number: P81150295

West Sound Utility District
Well #22 Well House and Well #1/#5 200,000 Gallon Reservoir

Fee Proposal

September 17, 2015

Task Description	Principal in Charge	Project Manager	Structural Engineer	Electrical Engineer	Staff Engineer	CADD	Admin/Clerical	BHC	BHC	BHC	BHC	
	Dom	Gross	Lutz, Dahl	Gibson	Whitehouse		Pierson, Sifferman	Labor	Expenses	Task Labor	Sub-Task	
Estimated Engineering Costs	\$221	\$188	\$198	\$189	\$126	\$101	\$0	Hours	(% labor)	Cost	Cost	
TASK 1 - Project Management, Coordination and Quality Assurance/Quality Control												
1.1 Coordinate with District and project team	2	12					8	22		\$3,343	\$3,636	
1.2 Monthly invoices and status reports	2	4					8	14		\$1,836	\$1,836	
1.3 Meet on monthly basis		15						15		\$2,826	\$2,826	
1.4 QA/QC of deliverables	8							8		\$1,769	\$1,769	
Task Total Hours	12	31	0	0	0	0	16	59		\$0	\$0	
Task Total Cost	\$2,653	\$5,840	\$0	\$0	\$0	\$0	\$1,280	HR SUMS OK		\$9,774	\$10,067	
								COST SUMS OK			\$10,067	
TASK 2 - Preliminary Design												
2.1 Data collection and review		4	4		4			12		\$2,050	\$3,071	
2.2 Water quality and treatment		8	8		60			76		\$10,651	\$10,651	
2.3 Field surveying		1			2			3		\$440	\$440	
2.4 Geotechnical Investigation and Report		2	2					3		\$584	\$584	
2.5 Hydrogeologist coordination		2			4			6		\$881	\$881	
2.6 Well # 1/#5 Reservoir Site		2	4	2	24	20		52		\$6,599	\$6,599	
2.7 Well #22 Well House Site		2	4	2	24	20		52		\$6,599	\$6,599	
2.8 County and DOH Meetings		12			4			16		\$2,765	\$2,765	
2.9 DOH Project Report including Preliminary Design		1	2	2	20			25		\$3,482	\$3,482	
Task Total Hours	0	33	24	6	142	40	0	245		\$34,051	\$35,073	
Task Total Cost	\$0	\$6,217	\$4,752	\$1,134	\$17,892	\$4,056	\$0	HR SUMS OK		\$10,120	\$10,120	
								COST SUMS OK			\$35,073	
SUBCONSULTANT (with 10% mark-up)												
	12	64	24	6	142	40	16	304		\$43,825	\$55,260	
TOTAL PROJECT COSTS	\$2,653	\$12,058	\$4,752	\$1,134	\$17,892	\$4,056	\$1,280	\$0	\$1,022	\$45,193	\$55,260	