

Operation Support and Management Services Agreement

This Operations Support and Management Services Agreement ("Agreement") by and between North Beach Water District ("NBWD"), a Washington municipal corporation and Oysterville Water, a Washington State non-profit corporation ("Owner"). NBWD and the Owner shall be individually referred to as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, the Owner owns and is responsible for the operation of a water supply, water treatment, and, distribution system, and related facilities and equipment, as more particularly described in Exhibit A, (collectively, "Facilities"); and

WHEREAS, the Owner has determined that it is beneficial to procure professional services to manage, operate and maintain the Facilities; and

WHEREAS, the Washington State Department of Health Division of Environmental Health Office of Drinking Water ("ODW") requires, at a minimum, a Certified Waterworks Operator level WDM-2 and WTPO-1 adequately operate the Facilities; and

WHEREAS, NBWD has the ability and the capacity to provide the required level of Certified operations, maintenance, and professional management services at the Facilities; and

WHEREAS, the Owner and NBWD wish to enter into an agreement for operational support and management of the Facilities and the Parties have agreed upon the terms and conditions under which NBWD will provide the services to the Owner.

NOW, THEREFORE, in consideration of the mutual rights, duties, agreements, and covenants contained herein, and agreeing to be legally bound thereby, the Owner and NBWD agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the following definitions shall apply:

- 1.1. "After Hours" means any time outside of the normally scheduled hours that NBWD Waterworks Operators work.
- 1.2. "Agreement Price" means the sum of (1) the Base Monthly Fee and (2) any additional fees or costs payable to NBWD under this Agreement.
- 1.3. "Applicable Law" means any federal, state or local statute, local charter provision, regulation, ordinance, rule, mandate,

order, decree, permit, code, or license requirement or other governmental requirement or restriction, or any interpretation or administration of any of the foregoing by any governmental authority, which applies to the services or obligations of either Party under this Agreement.

- 1.4. "Base Monthly Fee" means the agreed amount to be paid each month to NBWD for performing the Basic Services.
- 1.5. "Basic Services" means the agreed management, operation, and preventative maintenance services that will be performed by NBWD each month.
- 1.6. "Capital Improvement" means the purchase and installation of new equipment, Facilities structures, or other Facilities components, or rehabilitation of equipment, existing Facilities structures or other Facilities components, which are planned and non-routine.
- 1.7. "Change in Law" means the enactment, adoption, amendment, promulgation, issuance, modification, repeal, or change of any Applicable Law that takes effect after the Effective Date of this Agreement.
- 1.8. "Commencement Date" means the date NBWD begins providing Operations Support and Management Services as identified in the Agreement.
- 1.9. "Consumables" means oil, grease, hardware and repair parts, fuel, air filters, belts, paper products, hand soap, counter and floor cleaners, log books, batteries, flow charts, pens, gloves, laboratory testing reagents, and pH buffer solutions used in connection with the operation of the Facilities.
- 1.10. "Emergency" means any situation or condition that would disrupt the supply of potable water to the users of the water system, place the health or safety of the public at risk, or, in not corrected immediately, cause extensive damage to the System's infrastructure, personal property, or the environment.
- 1.11. "Emergency Call-Out" means services provided by NBWD pursuant to this Agreement outside of the Basic Services as established in Exhibit B.
- 1.12. "Maintenance" means those routine or repetitive activities, including preventive and predictive activities required by the equipment guidelines or manuals and those activities recommended by NBWD to maximize the service life and performance of the Facilities' equipment and the components thereof, which includes replenishment of Consumables.

- 1.13. "Mileage Reimbursement" means the amount of reimbursement NBWD will assess the Owner each month for miles booked on vehicles owned by the District while performing services under this agreement for the Owner. The rate will be the current business standard mileage rate as set by the Internal Revenue Service.
- 1.14. "Repair" means those unplanned, non-routine and non-repetitive activities required for operational continuity, safety, and performance, generally due to failure, or to avert a failure of, equipment, vehicles, structures, and the Facilities or a component thereof.
- 1.15. "Replacement" means the complete substitution of a piece of equipment, a component of a piece of equipment, vehicles, structures, or a component of the Facilities due to wear, breakage, or other failure in order to return the equipment, vehicle, structure, Facilities or some component thereof to designed functionality.
- 1.16. "Uncontrollable Circumstance" means any act, event, condition, or circumstance that (1) is beyond the reasonable control of NBWD, (2) by itself or in combination with other acts, events, conditions, or circumstances adversely affects, interferes with or delays NBWD's ability to perform its obligations under this Agreement, expands the scope of NBWD's obligations under this Agreement, or increases NBWD's cost of performing its obligations under this Agreement, and (3) is not the direct result of the willful or negligent act, intentional misconduct, failure to exercise proper due diligence, or breach of this Agreement by NBWD. Subject to clauses (2) "TERM OF AGREEMENT" and (3) "SCOPE OF SERVICES", an Uncontrollable Circumstance shall include, but not be limited to, the following:
- a) a Change in Law;
 - b) any change that takes place between the Effective Date and the date that NBWD commences performance of the services under the Agreement, which impacts NBWD's performance of the services;
 - c) any injunction or similar order issued by a governmental or regulatory body;
 - d) delays or denials of any licenses, permits and approvals that are required to be maintained by NBWD in order to perform the services;
 - e) the existence of a concealed or latent environmental condition at the Facilities or adjoining sites;

- f) contamination of the Facilities' site from groundwater, soil or airborne substances migrating from sources outside of the Facilities;
- g) naturally-occurring events such as earthquakes, hurricanes, tornadoes, floods, fires, landslides, underground movement, lightning, epidemics and other acts of nature;
- h) war, terrorism, explosion, sabotage, extortion, blockade, insurrection, riot, civil disturbance, or acts of a declared public enemy;
- i) labor disputes or strikes, except labor disputes involving employees of NBWD;
- j) the failure of any vendor or third party to furnish services, materials, chemicals, equipment or otherwise perform its contractual obligations;
- k) the result of any act, error or omission of any other contractor engaged by the Owner to perform services at the Facilities;
- l) the failure of any governmental body or private utility having operational jurisdiction in the area in which the Facilities is located to provide and maintain utilities, or telephone and telecommunication services;
- m) a defect in title or placement of any encumbrance on the Facilities;
- n) the receipt of influent at the Facilities other than Acceptable Influent;
- o) the presence of hazardous substances or biological toxic substances in the influent (i.e. Cross-Connection Contamination);
- p) any breach by a Party, other than the Party claiming the occurrence of an Uncontrollable Circumstance, of its representations, warranties and covenants as set forth in this Agreement;
- q) any failure, non-performance or non-compliance by a Party, other than the Party claiming the occurrence of an Uncontrollable Circumstance, with respect to its obligations and responsibilities under this Agreement;
- r) the failure of the Owner to proceed with a Replacement or Capital Improvement, after notification to the Owner by NBWD, that NBWD determines is necessary to provide the services in this Agreement;

- s) any Replacement or Capital Improvement that interferes with NBWD's obligations and responsibilities under this Agreement;
- t) the action of any third party; or
- u) without prejudice to the generality, any other circumstance, cause or occurrence of any kind whatsoever beyond the reasonable control of a Party.

2. TERM OF AGREEMENT

- 2.1. This Agreement shall commence on _____, 2015 ("**Commencement Date**") and shall and shall continue until _____, 2016, unless this Agreement is terminated earlier as herein provided.
- 2.2. This Agreement will automatically renew for successive one (1) year terms on the anniversary of the Commencement Date unless either of the Parties initiates an amendment to the Agreement at least thirty (30) days prior to the expiration of the term.

3. SCOPE OF SERVICES

- 3.1. Throughout the Term of this Agreement, NBWD shall, in accordance with Applicable Law, provide the services outlined in Exhibit B attached hereto, and as may be amended from time to time by mutual agreement of the Parties (the "**Basic Services**"). NBWD shall provide the Basic Services at its cost and expense, in consideration for which the Owner shall pay NBWD the "**Agreement Price**" as set forth in Exhibit D attached hereto. NBWD shall not be required to perform any services necessary to operate or manage the Facilities other than the Basic Services, or pay any costs relating to services other than the Basic Services, including, without limitation, those services, costs and expenses set out in Exhibit C attached hereto (collectively, the "**Owner's Responsibilities**"). The Owner shall be responsible for providing all Owner's Responsibilities at its sole cost and expense.
- 3.2. NBWD shall provide the Basic Services under the direct supervision of NBWD personnel who possess valid water operator certifications as required by Applicable Law; or if no such certification is required, by personnel NBWD deems qualified to perform the Basic Services. The Owner acknowledges and agrees that NBWD may retain subcontractors to assist NBWD in the performance of the Basic Services, who will be bound to the same duties and obligations for performance of the services as NBWD. The utilization of subcontractors shall be approved by the Owner, for which approval shall not be unreasonably withheld. The use

of subcontractors shall not relieve NBWD of its responsibility or obligations under this Agreement.

4. CAPITAL IMPROVEMENTS

4.1. During the term of this Agreement, NBWD may, without obligation, provide the Owner with a listing of recommended Capital Improvements, identifying the Capital Improvements that are necessary to improve the performance or increase the capacity of the Facilities, to address or anticipate the obsolescence of portions of the Facilities, to reduce the cost to NBWD of performing this Agreement, to produce cost savings or efficiency innovations to the Facilities, or are necessary to comply with existing or anticipated changes to Applicable Law (each, "Capital Improvement Project" and collectively, "Capital Improvement Projects"). The decision to proceed with construction and implementation of any such Capital Improvement Project shall be at the sole discretion and decision of the Owner. If the Owner decides not to proceed with construction and implementation of a Capital Improvement Project recommended by NBWD that is necessary to address or anticipate the obsolescence of portions of the Facilities or comply with existing or anticipated changes to Applicable Law, then that decision may be considered an Uncontrollable Circumstance as defined herein. If the Owner implements a Capital Improvement Project, such implementation may be considered or lead to an Uncontrollable Circumstance, as more particularly set forth hereunder.

5. COMPENSATION

- 5.1. The Owner shall pay NBWD an initial set-up fee of Two thousand Five Hundred dollars (\$2,500.00) to offset the administrative and legal costs associated with initiating this Agreement.
- 5.2. During the Term of this agreement, NBWD will deliver Monthly Invoices to the Owner on or about the 10th day of each month for the Agreement Price of all services rendered during the preceding month. Monthly Invoices are due when rendered and will be Past Due if not paid by the last business day of the month delivered.
- 5.3. The Agreement Price shall include the Base Monthly Fee, as set forth in Exhibit D;
- 5.3.1. All regular-hours or after-hours due per Exhibit B sections 8 and 9;
- 5.3.2. All Consumables used and mileage incurred in connection with the operation of the facilities;

- 5.3.3. All Repairs, Replacements, or incurred expenses due to Uncontrollable Circumstances in connection with the operation of the facilities as invoiced by NBWD per section 5.2 above. NBWD will not perform any Repair or Replacement, other than in an emergency, which exceeds five hundred dollars (\$500.00) without prior authorization from the Owner.
- 5.4. All undisputed portions of an invoice not paid before becoming Past Due shall bear interest at the rate of one percent (1.5%) per month. Such interest shall be calculated and added to any unpaid amounts on a monthly basis.
- 5.5. Notwithstanding any default provision contained hereunder, if the Owner fails to pay any undisputed sum to NBWD before becoming Past Due, then NBWD may, without limiting any other remedies that it may have under this Agreement or Applicable Law, upon five (5) days written notice to the Owner, and provided the Owner does not remedy such failure within such five (5) day period, immediately suspend performance of its obligations under this Agreement until any and all amounts due to NBWD, including interest, are paid in full by the Owner.
- 5.6. Notwithstanding any dispute resolution provisions contained hereunder, in the event of a disputed amount on an invoice, the Owner will take the following steps:
- a) Pay the undisputed portion of the invoice before the invoice is Past Due.
 - b) Provide NBWD a written notification of the disputed amount and a reasonably detailed reason for nonpayment within five (5) business days of receipt of the invoice.
 - c) Agree to meet with NBWD to resolve the disputed amount with a timely manner but not more than fifteen (15) business days after formal request.
 - d) If on resolution of the invoice dispute, an amount is due to NBWD, the Owner will pay that amount to NBWD within five business days of resolution of the dispute.

6. REPRESENTATIONS AND WARRANTIES

Except as set forth in Exhibit E, the Owner hereby warrants, represents, and covenants as follows:

- a) That the Owner has valid, legal title to the Facilities, clear of all encumbrances, and has authority to provide NBWD access to the Facilities; and

- b) That the Facilities has been designed and constructed in accordance with all Applicable Law, governmental permits, and all approvals issued therefore; and
- c) That the Facilities has the capacity to process and treat potable water in accordance with Applicable Law, and all governmental statutes, regulations, permits, and approvals required for same; and
- d) That the Facilities is in good working order, operating within the parameters required by Applicable Law and its intended use, and is without any known defect or damage;
- e) That there are presently no citations, summons, complaints, penalties, actions, suits, investigations, or other proceedings pending or threatened against the Owner in connection with the operation or maintenance of the Facilities that may adversely affect the Owner's or NBWD's ability to perform its obligations under this Agreement; and
- f) That all licenses, permits, certificates, approvals, registrations, and authorizations necessary for NBWD's operation of the Facilities as set forth hereunder will be obtained and maintained by the Owner and provided by the Owner to NBWD; and
- g) That, as of the Effective Date of this Agreement, the operation and maintenance of the Facilities is currently in compliance with all licenses, permits, certificates, approvals, registrations, and authorizations necessary for the operation of the Facilities, as well as all provisions of Applicable Law.
- h) That Owner has or will create a reserve account for capital improvements or repairs in an amount no less than twenty thousand dollars (\$20,000.00).

7. PERMITS, APPROVALS, AND LICENSE

- 7.1. Application for the renewal, modification, and payment of charges and fees in connection with any governmental permit, approval, or certification for the Facilities required by Applicable Law are the sole responsibility of the Owner. Any such governmental permits, approvals, or certifications are to be held in the Owner's name.
- 7.2. For the duration of this Agreement, Owner hereby grants NBWD license to enter onto all premises, easements, and properties of Owner to perform NBWD's duties and responsibilities under this Agreement. This license is limited NBWD employees approved by

Owner and limited to easements and premises directly related to the Facilities.

8. SAFETY

- 8.1. During the term of this Agreement, NBWD will be responsible for the safe operation and maintenance of the Facilities.
- 8.2. During the term of this Agreement, the Owner will be responsible to provide a safe environment for NBWD at the Facility.
- 8.3. NBWD will inform the Owner, in writing, of any unsafe conditions or infrastructure at the Facility. The Owner will make corrective actions without delay on all unsafe conditions or infrastructure at the Facility reported by NBWD.

9. UNCONTROLLABLE CIRCUMSTANCES

- 9.1. If an Uncontrollable Circumstance occurs, NBWD shall be entitled to: (1) relief from its performance obligations under this Agreement to the extent that the occurrence of the Uncontrollable Circumstance prevents NBWD's performance of such obligations; (2) an extension of time to perform its obligations under this Agreement to the extent that the occurrence of the Uncontrollable Circumstance prevents NBWD's ability to perform such obligations in the time specified in this Agreement; and (3) an increase in the Agreement Price or other fee to be paid under this Agreement to the extent that the occurrence of the Uncontrollable Circumstance increases NBWD's costs of performance of its obligations under this Agreement. The occurrence of an Uncontrollable Circumstance shall not, however, excuse or delay the Owner's obligation to pay monies previously accrued and owing to NBWD under this Agreement, or for NBWD to perform any obligation under this Agreement not affected by the occurrence of the Uncontrollable Circumstance. The Owner shall continue to pay the Agreement Price to NBWD during the continuance of any Uncontrollable Circumstance, except to the extent that the occurrence of the Uncontrollable Circumstance decreases NBWD's costs of performance of its obligations under this Agreement; in which case any decrease in expense shall be passed onto the Owner in the form of a temporarily reduced Agreement Price.
- 9.2. If an Uncontrollable Circumstance occurs, NBWD shall notify the Owner of the occurrence without delay. Upon NBWD learning of the Uncontrollable Circumstance, NBWD shall provide the Owner, as soon as reasonably feasible, with a written description of the Uncontrollable Circumstance, the cause thereof (to the extent known), the date the Uncontrollable Circumstance began, its

expected duration and an estimate of the specific relief requested or to be requested by NBWD.

- 9.3. NBWD shall use reasonable efforts to reduce costs resulting from the occurrence of the Uncontrollable Circumstance, fulfill its performance obligations under the Agreement, and otherwise mitigate the adverse effects of the Uncontrollable Circumstance. While the Uncontrollable Circumstance continues, NBWD shall give the Owner regular updates of the information previously submitted. NBWD shall also provide written notice to the Owner of the cessation of the Uncontrollable Circumstance.

10. DEFAULT

10.1. The following shall constitute an "Event of Default" hereunder:

- a) The failure of the Owner to make any undisputed payment before payment is Past Due; and
- b) The failure of either Party to perform any material term, covenant, or condition of this Agreement ("Defaulting Party") and the default continues for more than thirty (30) days following the other Party ("Non-Defaulting Party") giving notice of such default to the Defaulting Party; provided, however, that if the default cannot reasonably be cured within such thirty (30) day period and the Defaulting Party has attempted to cure the default within such thirty (30) day period and thereafter continues to diligently attempt to cure the default, then the cure period provided for herein shall be extended. Failure of the Owner to make any undisputed payment before the payment is Past Due must be cured within the thirty (30) day period.

10.2. If an Event of Default occurs, the Non-Defaulting Party may terminate this Agreement upon written notice to the Defaulting Party. The Non-Defaulting Party may enforce any and all rights and remedies it may have against the Defaulting Party under Applicable Law.

11. INDEMNIFICATION

10.3. Each party will defend, indemnify and hold harmless the other party, its officers, agents and employees, from and against any and all claims, including third party claims, costs, judgments or damages, including attorney's fees, arising out of the negligent acts or omissions of the party, its officers, agents and employees, in connection with this Agreement. The parties hereby waive, but only as to each other, their immunity from suit under industrial insurance, Title 51 RCW. This waiver of immunity was

mutually negotiated by the parties. This paragraph will survive any termination or expiration of this Agreement.

- 11.1. NBWD shall not be responsible or liable for any casualty loss to the Facilities unless the casualty loss is due to NBWD's or its employees', officers', directors', agents', consultants', subcontractors' and representatives' fault, failure, or negligence, but only to the extent of and in proportion to the degree of fault, failure, error, omission, negligent, or wrongful act of NBWD, its employees, officers, directors, agents, consultants, subcontractors, and representatives.

12. **CONSEQUENTIAL DAMAGES**

- 12.1. In no event shall the Parties be liable to each other, and each Party specifically waives as against the other, any and all claims for consequential, incidental, indirect, special, or punitive damages resulting in any way from performance or non-performance of this Agreement, whether such damages are characterized as arising under breach of contract or warranty, tort (including negligence), fault, strict liability, indemnity, or any other theory of legal liability.

13. **INSURANCE**

- 13.1. NBWD will provide Workers Compensation Insurance for its employees.
- 13.2. NBWD and its subcontractors will procure and maintain, in full force and effect during the term of this Agreement, Commercial General Liability Insurance with limits of liability of \$1,000,000 each occurrence and in the aggregate, along with an excess liability umbrella policy with limits of liability of \$5,000,000 each occurrence and in the aggregate, protecting NBWD and its subcontractors from liability resulting from bodily injury, death and property damage arising out of the acts of NBWD or its subcontractors. Such acquired insurance shall extend to liability risks relating to this Agreement.
- 13.3. In addition, NBWD will procure and maintain, in full force and effect during the term of this Agreement, Automobile Liability Insurance with a combined single limit in the amount of \$1,000,000 each occurrence.
- 13.4. NBWD shall not be required to carry, and will not carry, any property insurance covering the Facilities and such property insurance shall be the responsibility of the Owner at its expense.

14. DISPUTE RESOLUTION

- 14.1. If a dispute between the Parties arises out of, or relates to this Agreement, which does not involve claims made by or asserted against third parties, and if the dispute cannot be settled through negotiation, the Parties will try to resolve the dispute by non-binding mediation, through a mutually agreed upon dispute resolution agency.
- 14.2. If a dispute as contemplated by Section 15.1 cannot be resolved through non-binding mediation, the Parties will submit the dispute to binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any Pacific County Superior Court of Washington State.

15. GENERAL PROVISIONS

- 15.1. Ownership of Records. All regulatory and operational records relating to the Facilities are the property of the Owner; however, NBWD shall be entitled to copies of such records and reasonable use thereof.
- 15.2. Governing Law. This Agreement and its interpretation shall be governed by the laws of the State of Washington.
- 15.3. Entire Agreement. No oral agreement or conversation with any officer, agent, or employee of the Owner or NBWD, either before or after the Effective Date of this Agreement, shall affect or modify any of its terms or obligations herein contained. This Agreement constitutes the entire agreement between the Parties hereto and supersedes all previous or contemporaneous communications, representations or agreements. The terms and conditions of this Agreement may be amended by and between NBWD and the Owner; however, no changes, alternations, or modifications to this Agreement shall be effective unless in writing and signed by both Parties hereto. Any changes, alternations, or modifications to this Agreement, including agreed upon interpretation of meaning and other mutually agreed upon conditions provided for in this Agreement, shall be covered by a written amendment signed by both Parties.
- 15.4. Successors and Assigns. The terms of this Agreement shall be binding upon the successors, assigns, and legal representatives in privacy of contract with NBWD or the Owner.
- 15.5. Assignment. NBWD may assign this Agreement with the prior written consent of the Owner, which consent shall not be

unreasonably withheld by the Owner; provided, however, that NBWD shall not require the consent of the Owner if assignment of this Agreement is to an affiliate, subsidiary, or related entity of NBWD. The Owner may assign this Agreement with the prior written consent of NBWD or its assignee, which consent shall not be unreasonably withheld by NBWD.

- 15.6. Waiver. The failure on the part of either Party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provision in the future.
- 15.7. Conflicts. To the extent there are any conflicts, inconsistencies or discrepancies between the terms and conditions contained in the main body of this Agreement and the Exhibits attached hereto, the terms and conditions of the main body of this Agreement shall govern.
- 15.8. Recitals. The Recitals set forth above are hereby incorporated into and made part of this Agreement.
- 15.9. Non-Solicitation. The Owner agrees that it will not directly or indirectly solicit employees of NBWD during the Term of this Agreement and for a two (2) year period after the expiration of this Agreement.
- 15.10. Notices. All notices or other communications required or permitted hereunder shall be given in writing and delivered personally or mailed, by certified or registered mail, postage prepaid and return receipt requested, or by a nationally recognized priority delivery service, such as Federal Express, and addressed to the Party or Parties at the following address:

To Owner: _____

To NBWD: PO Box 618
Ocean Park, WA 98640

- 15.11. Addresses may be changed or supplemented by written notice given as above provided. Any such notice sent by mail shall be deemed to have been received by the addressee on the third (3rd) business day after posting in the United States mail, or if by a priority service, on the first (1st) business day after transmittal, or, if delivered personally, on the date of such delivery.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Owner and NBWD have hereto executed this Agreement under their respective corporate seals, and by the hands of their proper officers duly authorized as of this _____ day of _____, 20_____.

OYSTERVILLE WATER:

By: _____

Name: _____

Title: _____

NORTH BEACH WATER DISTRICT:

By: _____

Name: _____

Title: _____

EXHIBIT A

FACILITIES DESCRIPTION

Oysterville Water owns and operates a group "A" Community public water system in Pacific County Washington. The Washington State Department of Health Division of Environmental Health Office of Drinking Water (ODW) has designated the public water system as number 29240X.

Operating Permit Status: Green

Active Connections: 69 (metered)

Approved Connections: 99

Approved Water System Plan: Yes

Source Water: Groundwater

Number of sources: 1 (S01 - Well #2)

Well #2 Details:

Location: SW $\frac{1}{4}$ of SW $\frac{1}{4}$ SEC. 10 TWN 12N RAN 11

Date Drilled: Not Known

Depth of completed Well: 69 ft.

Capacity (GPM) 40

Metered: Yes

Water Quality:

MCL/SMCL Exceedances: Manganese: (about 250% above SMCL)

Total Coliform: 26 Present (1997-2011)

E Coli: 7 Present (2011)

Treatment Plant:

Manganese Filtration System (Water Right IMLC 1465-B/Sybron Chemicals Ionac[®] 249 media)

Post Treatment chlorine feed system (30 gallon solution tank and Stenner 85MHP-5 Chemical Feed Pump Controlled by PCM-150-R via Hays Pulse Meter)

Reservoir:

26' diameter x 15' tall Mt Baker Silo Concrete.

Booster System:

Four Booster Pumps:

BP1: Aerometer DMC-2-150

BP2: Aerometer DMC-2-150

BP3: Berkeley B1-1/2TPM W/5.5 Trim Impeller

BP4: Berkely B1-1/2TPM W/5.63 Trim Impeller

Water Mains:

6" Water Main: 5,000' +/-

4" Water Main: 3,800' +/-

2" Water Main: 1,700' +/-

Fire Hydrants: 1

High Capacity Blow-Off: 3

Low Capacity Blow-Off: 1

Isolated automated free chlorine monitoring station: 1

Miscellaneous Equipment:

Hach CL-17 Free & Total Chlorine Analyzer (2)

Sensaphone® Cell682 Autodialer

Datalogger

10 KW 60 Hz Standby Generator (General Model 006051-1 Steel)

Buildings:

Booster Pump BLDG.

Well house & Treatment Plant BLDG.

EXHIBIT "B"

BASIC SERVICES

1. **Provide the services and obligations of a Contract Operator** as defined in WAC 246-292-055 which is incorporated herein by reference.
2. **Provide a Certified Operator in Responsible Charge** as required in WAC 246-292-020, which is incorporated herein by reference, for the Oysterville Water System ID # 29240X to perform and manage the public water system's daily operational and maintenance activities in accordance with Chapter 246-292 WAC and Chapter 246-290 WAC, which are incorporated herein by reference, and according to acceptable public health practices and water industry standards.
3. The Certified Operator in Responsible Charge will be, until further notified:
 - a. William Neal Certification #012803 WDM II WTPO I, CCS
4. **Provide additional Certified Operators** assigned to perform duties as defined in WAC 246-292-031, WAC 246-292-033 which are incorporated herein by reference. Additional Certified Operators assigned to Facilities are:
 - a. Dennis Schweizer Certification #012695 WDM II, WTPO II
 - b. Robert Hunt Certification #011715 WDM II, WTPO II, CCS
 - c. Jonathan Fleming Certification #013551 WDM I, BAT
5. **Additional Non-certified Operators:**
 - a. Joshua Maxey
 - b. Charles Smith
6. **List of duties** (WAC 246-292-055(1)(ii)):
 - a. Provide a Certified Operator in Responsible Charge, or designee, certified at a level classification of the Facilities treatment plant and distributions system level as determined by ODW, to be on call and available to be on-site or be contacted immediately by telephone or other electronic communication twenty-four hours per day, every day for emergency or public health conditions, and to initiate appropriate action within two hours of contact. Appropriate action may include but is not limited to:
 - b. Making necessary repairs or resolving problems; or

- c. Directing staff or contractors to make necessary repairs or resolve problems.
- d. Conduct a Water Quality Monitoring Program that includes but is not limited to:
- e. Collect and submit water samples in accordance with the ODW Water Quality Monitoring Schedule (WQMS);
- f. Take all follow up actions as required by ODW;
- g. Maintain adequate records of the Water Quality Monitoring Program.
- h. Implement a Preventative Maintenance Program that includes but is not limited to:
 - i. Inspecting all Facilities infrastructure on regular schedules for wear or malfunctions;
 - ii. Design and implement a unidirectional and reactionary water main flushing program;
 - iii. Record pump hour meters; source meters; well water levels, reservoir level; raw water: temperature, pH, iron, manganese, and chloride; finished water: pH, iron, and manganese; reservoir water: temperature, pH, iron, manganese free chlorine, total chlorine; distribution water: temperature, pH, free chlorine, total chlorine;
 - iv. Making or scheduling needed repairs or replacements;
 - v. Analyze and review maintenance records, instrument readings, and laboratory test results to determine the location and cause of any malfunctions; and
 - vi. Make adjustments to treatment processes or other facility components as needed to maintain optimum facility efficiency performance.
- i. Maintain adequate records of the Preventative Maintenance Program.
- j. Determine and implement remedial actions in an emergency and, if applicable, following the emergency as directed by ODW directives.
- k. Attend and cooperate with ODW special purpose investigations or sanitary surveys as required by Chapter 246-290 WAC, which was earlier incorporated herein.

- l. Provide required records and reports, other than those records identified in Exhibit C, to the ODW or its representatives when due or upon request (i.e. Failure to comply with primary drinking water regulation (As soon as possible but no later than, Tier 1 - 24 hours Tier 2 & 3- 48 hours); Water Use Efficiency (WUE); Water Facilities Inventory form (WFI); Monthly Chlorine Residual; etc.).
 - m. Provide written notification to the ODW, within thirty (30) days of NBWD starting Operation Support and Management Services for Oysterville and provide written notification to the ODW, within thirty (30) days of NBWD ending Operation Support and Management Services for Oysterville;
 - n. Provide a written monthly report to the Owner and attend four (4) Owner board meetings per year (additional meetings may be attended at rates identified in Exhibit D);
 - o. Read and record service meters monthly;
 - p. Grounds Maintenance (mow and trim grass, remove organic and other debris, keep neat and tidy) at 32001 Sandridge Road.
7. To provide the above services to cover the basic needs of the Oysterville Facilities NBWD will:
- a. Keep an adequately Certified Operator on-call twenty-four hours a day every day.
 - b. Visit the Facilities three days a week (Monday, Wednesday, and Friday)
 - c. Schedule the Certified Operator in Responsible Charge, or designee, ten (10) hours per month. Not all of the hours will be spent on-site. Some hours will be spent off-site maintaining or reviewing records, communicating with ODW representatives, consultants, vendors, laboratory technicians or preparing water samples for shipping and other duties associated with the Facilities.
 - d. Schedule a non-certified Operator four (4) hours per month.
 - e. Provide hand tools, water testing equipment, and light construction equipment to provide operation and maintenance (from NBWD tool & equipment inventory).
 - f. Operators will keep daily records of all hours, mileage, contractors, and consumables, including receipts, work orders, bills of lading, or other documentation of expenses, used for the Operation Support and Management Services of the Facilities.

8. NBWD and the Owner understand and agree that the hours scheduled above are to cover basic needs and may not be adequate to cover all of the Basic Services and listed duties required by the Facilities every month. Consequently, from time to time NBWD may expend more hours on than the hours scheduled in subsection c and subsection d above in a month. Therefore, any hours expended by NBWD in a month in excess of those scheduled in subsection c and subsection d above will be billed at the rates identified in Exhibit D each month on the Monthly Invoice.
9. NBWD and the Owner understand and agree that the Facilities may, from time to time, require emergency after hour service calls from the Certified Operator in Responsible Charge or designee. Consequently, NBWD has agreed to provide 24 hour emergency response services for the Owner that will include an emergency phone number and the Certified Operator in Responsible Charge or designee will be on call 24/7. Therefore the Owner agrees to pay NBWD for after hour services at the emergency hourly rates identified in Exhibit D on the following policy:
 - a. Emergency Phone Call: 1/2 Hour (Operator not required to respond to the Facilities)
 - b. Emergency Call-Out: Minimum 2 Hour per Operator and actual hours after 2 hours. Time is record port to port and includes all preparation and clean-up, line flushing, safety, and traffic control as needed.

EXHIBIT "C"

OWNERS RESPONSIBILITIES

Financial:

1. Owner will be responsible for all financial obligations of the Facilities including billing and collecting revenue from members for water use and, paying all claims against the facility.
2. Owner shall establish and maintain a separate reserve account for future capital improvements or repairs in an amount no less than Twenty Thousand Dollars (\$20,000.00)

Cross-Connection Control Program:

1. The Owner will be responsible for the development and implementation of a Cross-Connection Control program per WAC 246-290-490.
2. In accordance with WAC 246-292-032(2)(d), the Owner is specifically instructing NBWD to not develop or implement a Cross-Connection Control Program.

Consumer Confidence Report:

1. The Owner will be responsible for the development, publishing, and delivery of the annual Consumer Confidence Report (CCR) per WAC 246-290-7201 through 13.

Planning:

1. Owners will be responsible for all strategic, capital, financial, and facilities planning including but not limited to, small water system management program (SWSMP), coliform monitoring plan, project reports, source water protection, existing system as-built approval, etc.

Public Relations:

1. The Owner will manage external communication with news media and community organizations representing the Facilities, except in the event of a public health water quality or facilities infrastructure failure incident whereby, NBWD will manage all communication with news media and community organizations regarding those incidents.

Responsibilities not Specifically Identified:

1. The Owner will be responsible for any task, duty, or condition that may arise that is not specially identified in either Exhibit B or Exhibit C herein.

EXHIBIT "D"

AGREEMENT PRICE

1. **Base Monthly Fee:** \$900.00 per mo.
2. Mileage will be billed at the current Internal Revenue Service business rate.
3. Consumable expenses will be billed at actual cost plus a 1.5% handling fee.
4. Contractor expenses will be billed at actual cost plus a 1.5% handling fee.
5. **Regular-hour Hourly Rates:**
 - a. **Operator in Responsible Charge:** \$85.00 per hr.
 - b. **Certified Operator:** \$65.00 per hr.
 - c. **Non-Operator:** \$40.00 per hr.
6. **After-hours Rates:**
 - a. **Operator in Responsible Charge:** \$125.00 per hr.
 - b. **Certified Operator:** \$90.00 per hr.
 - c. **Non-Operator:** \$55.00 per hr.

EXHIBIT "E"

OWNER DISCLOSURES

The Owner acknowledges and agrees that, other than those listed below, it has disclosed to NBWD all existing non-compliant or unsafe conditions at the Facilities as of the commencement date of this Agreement. In addition, Owner acknowledges and agrees that it has disclosed to NBWD all prior non-compliant or unsafe conditions that existed at the Facilities and have been corrected to the satisfaction of all governing agencies exercising authority over the Facilities. (Use additional sheets of paper in needed)

Condition #1: _____

Condition #2: _____

Condition #3: _____

Condition #4: _____

Condition #5: _____

OYSTERVILLE WATER:

By: _____

Name: _____

Title: _____