



**CITY COUNCIL WORKSHOP MEETING AGENDA**  
**Monday, July 16, 2018, 4:30 PM**  
**City Hall, 616 NE 4th Avenue**




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**I. CALL TO ORDER**

**II. ROLL CALL**

**III. PUBLIC COMMENTS**

**IV. WORKSHOP TOPICS**

- A. Commission on Aging Annual Report to City Council  
Details: Representatives from the Clark County Commission on Aging will provide the City Council with an annual progress report.  
Presenter: Robert Maul, Planning Manager  
Recommended Action: This item is for Council's Information only.  
 [Council on Aging Presentation](#)
- B. Community Development Miscellaneous and Updates  
Details: This is a placeholder for miscellaneous or emergent items.  
Presenter: Phil Bourquin, Community Development Director
- C. City of Camas 2nd Quarter of 2018 Financial Review  
Details: A financial review of the City of Camas for the second quarter of 2018. The presentation contains an economic overview for context and a financial review of budget to actuals, short and long term debt, investment portfolio performance, fund balance projections and the outlook for the remainder of 2018.  
Presenter: Cathy Huber Nickerson, Finance Director  
Recommended Action: This item is for Council's information only  
 [City of Camas 2nd Quarter of 2018 Financial Review](#)
- D. 2019-2024 General Fund Forecast  
Details: Staff will present a review of the 2019-2024 General Fund Forecast of revenues and expenditures. This forecast also has scenarios including level of service budget requests with potential revenue options.  
Presenter: Cathy Huber Nickerson, Finance Director  
Recommended Action: This item is for Council's information only.  
 [2019-2024 General Fund Forecast](#)
- E. Solid Waste Operations Update  
Details: City staff, and the City's consultant Chris Bell and Associates, have spent the last year reviewing the City's solid waste collection system and the delivery of services to City customers. The review included an analysis of how the system currently

operates, existing routing of trucks and collection days, efficiencies/inefficiencies, and expansion of work load from existing and future customer growth, as well as a review of prior annexed areas, which will be added to the City's solid waste collection system in 2019. Some minor system changes were made during the course of work to help increase collection efficiencies, safety and routing. The analysis shows the need to change collection days to better handle growth in the system and maintain a high level of service to the City's customers. Staff, with the help of the consultant, will present findings from the work effort to the Mayor and City Council.

Presenter: Sam Adams, Utilities Manager

Recommended Action: This item is for Council's information only.

 [Solid Waste 2018 Presentation](#)

F. Consultant Services Contract - Parker's Landing and Wastewater Treatment Plant (WWTP) Test Well Development

Details: The City has solicited consultant services from Gray and Osborne Inc. to provide engineering services for the siting and test well drilling for two new sources of drinking water wells. The City has approved water rights for two wells that generally have been called the WWTP and Parker's Landing wells. Gray and Osborne, Inc. has submitted a scope of services in the amount of \$152,600. This dollar amount includes an Optional Task of drilling the Parker's Landing well to meet the standards for a full production well. There are sufficient funds in the Water/Sewer budget to complete this work.

Presenter: Sam Adams, Utilities Manager

Recommended Action: Staff recommends this item be placed on the August 6, 2018 Consent Agenda for Council's consideration.

 [Consultant Services - WWTP and Parker's Landing Test Well](#)

G. Water and Sewer System Development Charge (SDC) Analysis

Details: Staff and the City's financial consultant, FCS Group, have completed updated SDC calculations for the Water and Sewer utilities. The calculations are based on the new planning criteria and Capital Improvement Plan in the Draft Water System Plan Update and a staff revised version of the Sewer System Capital Improvement Plan. Initial feedback on options for new Water and Sewer SDCs have been received from the Finance Committee and incorporated into the attached presentation.

Presenter: Steve Wall, Public Works Director and Sergey Tarasov, FCS Group

Recommended Action: This item is for Council's information only.

 [Water and Sewer System Development Charge Presentation](#)

H. National League of Cities Service Line Warranty Program

Details: Staff introduced the National League of Cities Service Line Warranty Program at the City Council's April 2, 2018 Workshop. The program is administered by the Utility Service Partners and offers an optional warranty to homeowners within the City for a monthly fee that covers repairs or replacements for the portion of the water and sewer service lines that are the homeowner's responsibility. At the conclusion of the April 2nd Workshop, the City Council expressed potential interest in moving forward with the Program. Staff will present the attached proposed agreement with Utility Service Partners that offers a Non-Royalty Service Line Warranty Program for residents of the City.

Presenter: Steve Wall, Public Works Director

Recommended Action: Staff is requesting concurrence from the City Council to place this item on the August 6, 2018 Regular Meeting Agenda for Council's consideration.

 [Service Line Warranty Agreement](#)

I. Municipal Stormwater Permit Consultant Contract

Details: The City's National Pollutant Discharge Elimination System (NPDES) Municipal Stormwater Permit requires Illicit Discharge Detection and Elimination (IDDE) Field Screening efforts. Engineering staff does not have the availability to complete the necessary work in the time required by the permit and has selected Otak Engineering to assist. The contract amount for this effort is not to exceed \$59,027. Sufficient funds are available in the Stormwater budget to cover these expenses.

Presenter: Steve Wall, Public Works Director

Recommended Action: Staff has also placed this item on the July 16, 2018 Consent Agenda for Council's consideration.

 [Municipal Stormwater Permit Consultant Agreement](#)

J. Public Works Miscellaneous and Updates

Details: This is a placeholder for miscellaneous or emergent items.

Presenter: Steve Wall, Public Works Director

K. City Administrator Miscellaneous Updates and Scheduling

Details: This is a placeholder for miscellaneous or scheduling items.

Presenter: Pete Capell, City Administrator

## **V. COUNCIL COMMENTS AND REPORTS**

## **VI. PUBLIC COMMENTS**

## **VII. ADJOURNMENT**

NOTE: The City welcomes public meeting citizen participation. For accommodations; call 360.834.6864.

Clark County

# Commission on Aging

2017  
Annual  
Report



CLARK COUNTY  
COMMISSION  
on  
AGING



# Commission on Aging

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- Created in 2012 to manage and carry out Aging Readiness Plan
- Major focus areas
- Focused on housing in 2016
- Focused on supportive services in 2017
- Focus on Transportation in 2018



# Focus areas

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**Housing 2016**



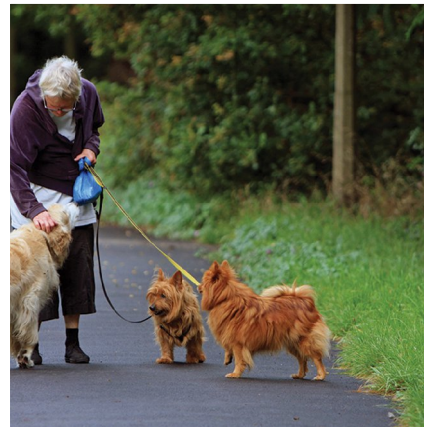
**Supportive Services 2017**



**Transportation 2018**



**Healthy Communities**



# Update on housing progress

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House on Remodeled Homes Tour

- Future of Housing Summit
- 2017 NW Natural Parade of Homes
- Remodeled Homes Tour
- Habitat for Humanity
- Policy and code changes





# Update on housing progress

- **Clark County Development Code**

- Changes to cottage housing
- Changes to urban and rural accessory dwelling units

- **Ridgefield**

- Incentives to encourage development of “visitable” housing

- **Camas**

- New comprehensive plan policy to increase the number of single-story, barrier free housing and number of ADUs



# Major findings

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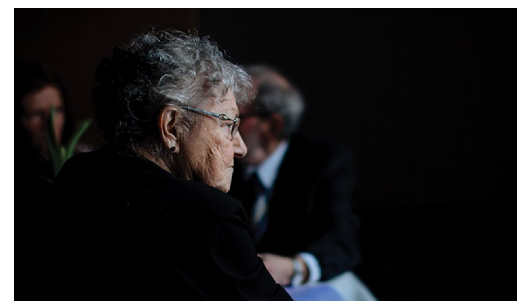
- Support for family caregivers
- Mental health and aging
- Social engagement
- Aging and suicide
- Connecting services to seniors





# Recommendations

1. Increase efforts to raise awareness about the range of services available for people 60 and older
2. Advocate for development of additional memory care and other facilities
3. Advocate for development of smaller assisted living communities
4. Encourage development of programs that support elderly people.



# Recommendations, continued

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5. Clark County Sheriff's Office assign a deputy to the Elder Justice Center team.



# Aging in Place Summit: Supportive Services

## Realities and Possibilities

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March 29, 2018, Clark College at Columbia Tech Center





# Transportation focus in 2018



- Framing the transportation issues for aging in place
- Alternatives to driving
- Senior drivers and safety
- Active transportation
- Planning for our transportation and mobility needs
- Community design
- Transportation of the future



# Thank you!

## Comments and questions

Presented to the Camas City Council  
May 7, 2018





# Financial Performance

City of Camas

An Overview of 2<sup>nd</sup> Quarter of 2018 Financial Performance

# Agenda

- General Economy during 2<sup>nd</sup> Quarter of 2018
- Highlights
- Revenue
- Expenditures
- Investments
- Debt
- Fund Balance Projection
- Outlook
- Topic of the Quarter



## 2<sup>nd</sup> Quarter Economy

- Growth remains strong with stable rates
- Energy prices and CPI are climbing month over month
- Housing demands continue to surge including multi-family
- Job growth continues but wage growth is stagnate
- Trade tensions are creating volatility in the market

### Indicators

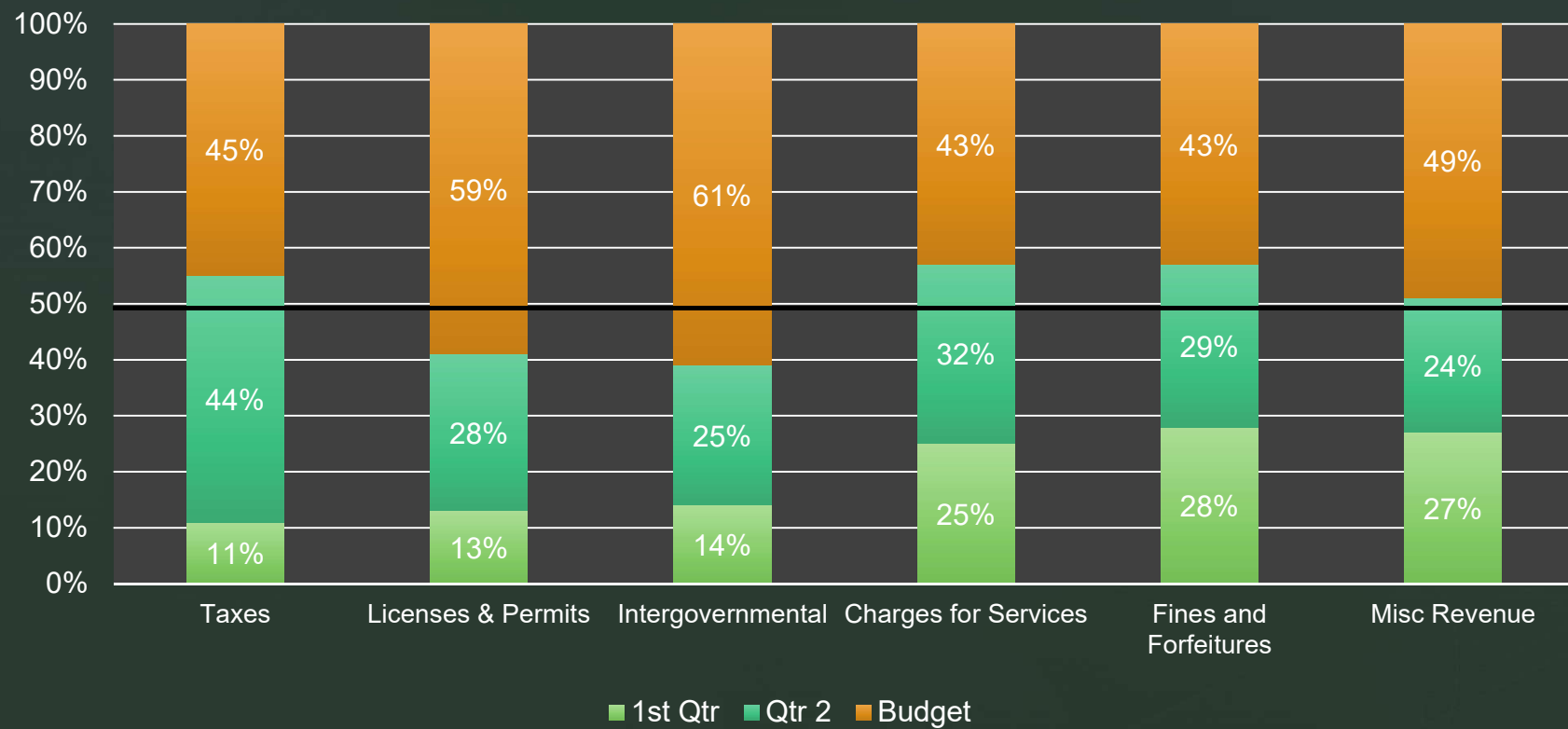
- Avg. Mortgage Rate HIGHER  
4.54% v 4.40% at the end of 1<sup>st</sup> Qtr
- Unemployment STABLE  
4.0% v 4.1% at the end of 1<sup>st</sup> Qtr
- Retail Sales(% change yr.)  
HIGHER 6.0% v. 5.0% at the end of 1<sup>st</sup> Qtr
- CPI (national) HIGHER  
2.7% v. 2.4% at the end of 1<sup>st</sup> Qtr
- Avg. Gas Prices HIGHER  
\$2.88 v. \$2.66 at the end of 1<sup>st</sup> Qtr

# General Fund Highlights

	2015 Second Quarter	2016 Second Quarter	2017 Second Quarter	2018 Second Quarter
Net revenues (less transfers)	\$6,817,139	\$7,573,888	\$8,533,923	<b>\$8,962,332</b>
Net expenditures (less transfers)	\$3,388,177	\$3,360,582	\$3,726,898	<b>\$3,894,357</b>
Net Cash Flow	\$3,428,962	\$4,213,306	\$4,807,025	<b>\$5,067,965</b>
% of Budget Spent	<b>47%</b>	45%	45%	<b>46%</b>
General Fund Balance	\$3,075,648	\$3,012,384	\$4,706,289	<b>\$6,365,944</b>
Overall Cash and Investments for All Funds	\$27,204,696 Includes Bond Proceeds	\$45,733,961 Includes Bond Proceeds	\$49,984,010 Includes Bond Proceeds	<b>\$47,248,225</b> <b>Includes Bond Proceeds</b>

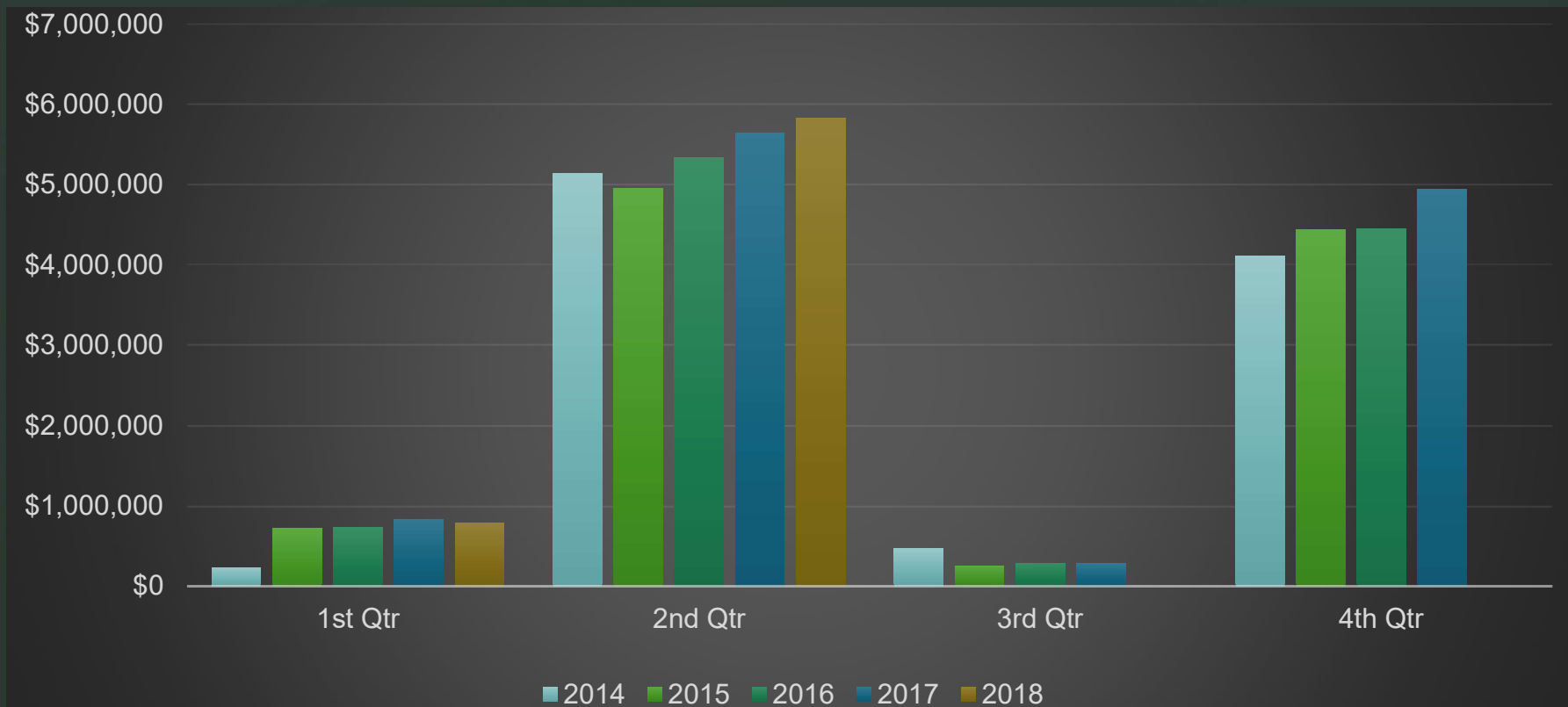
This table illustrates the cash flow of the General Fund.

# General Fund Revenues

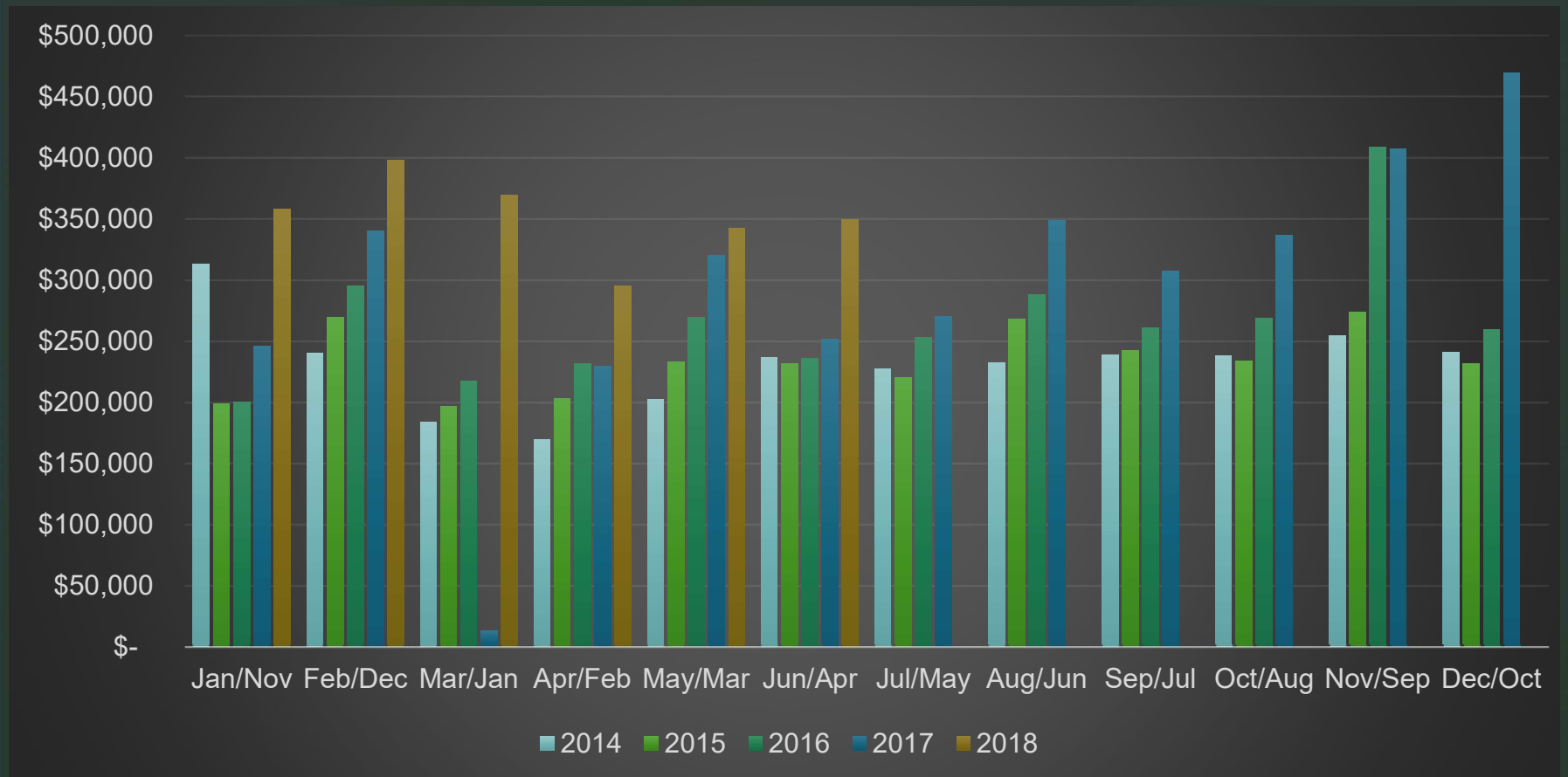




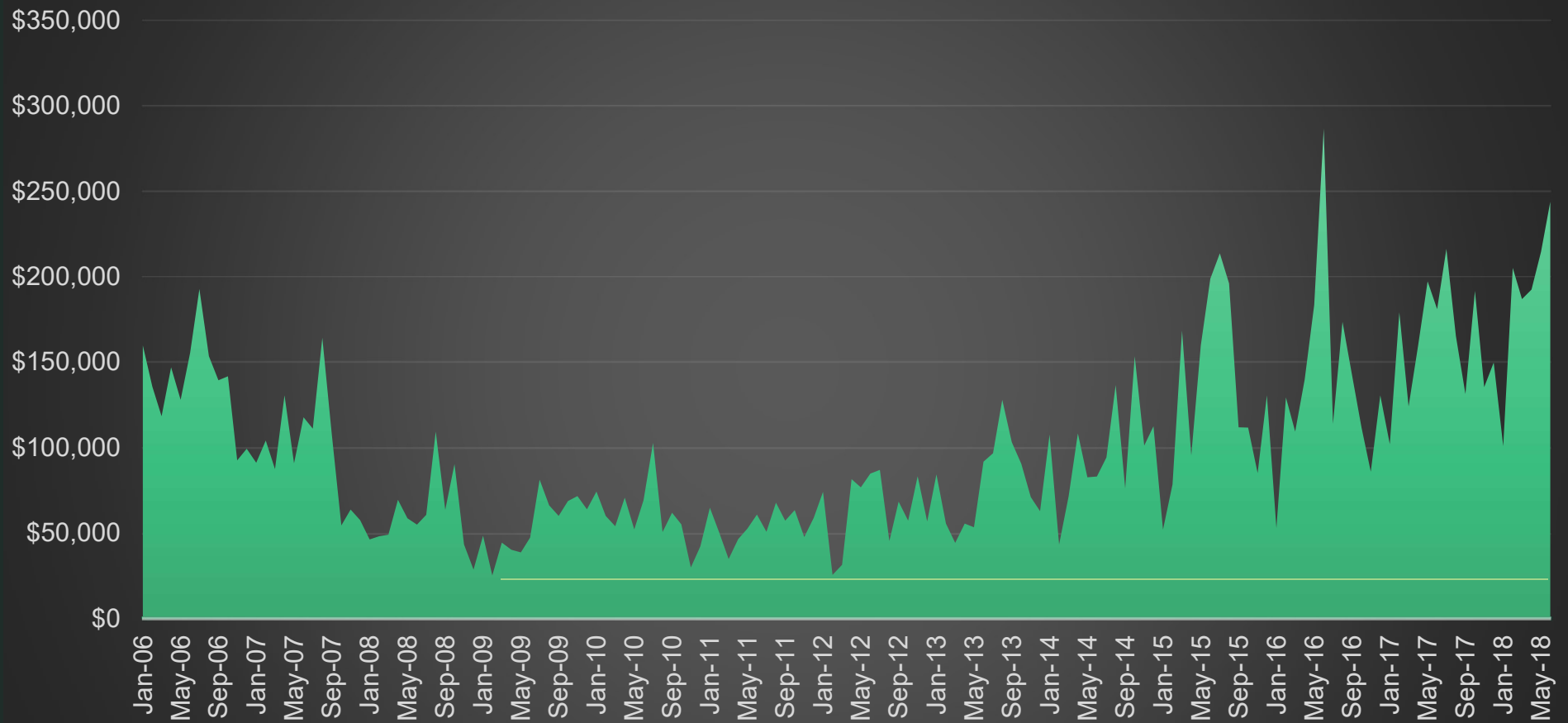
# Property Tax Collections



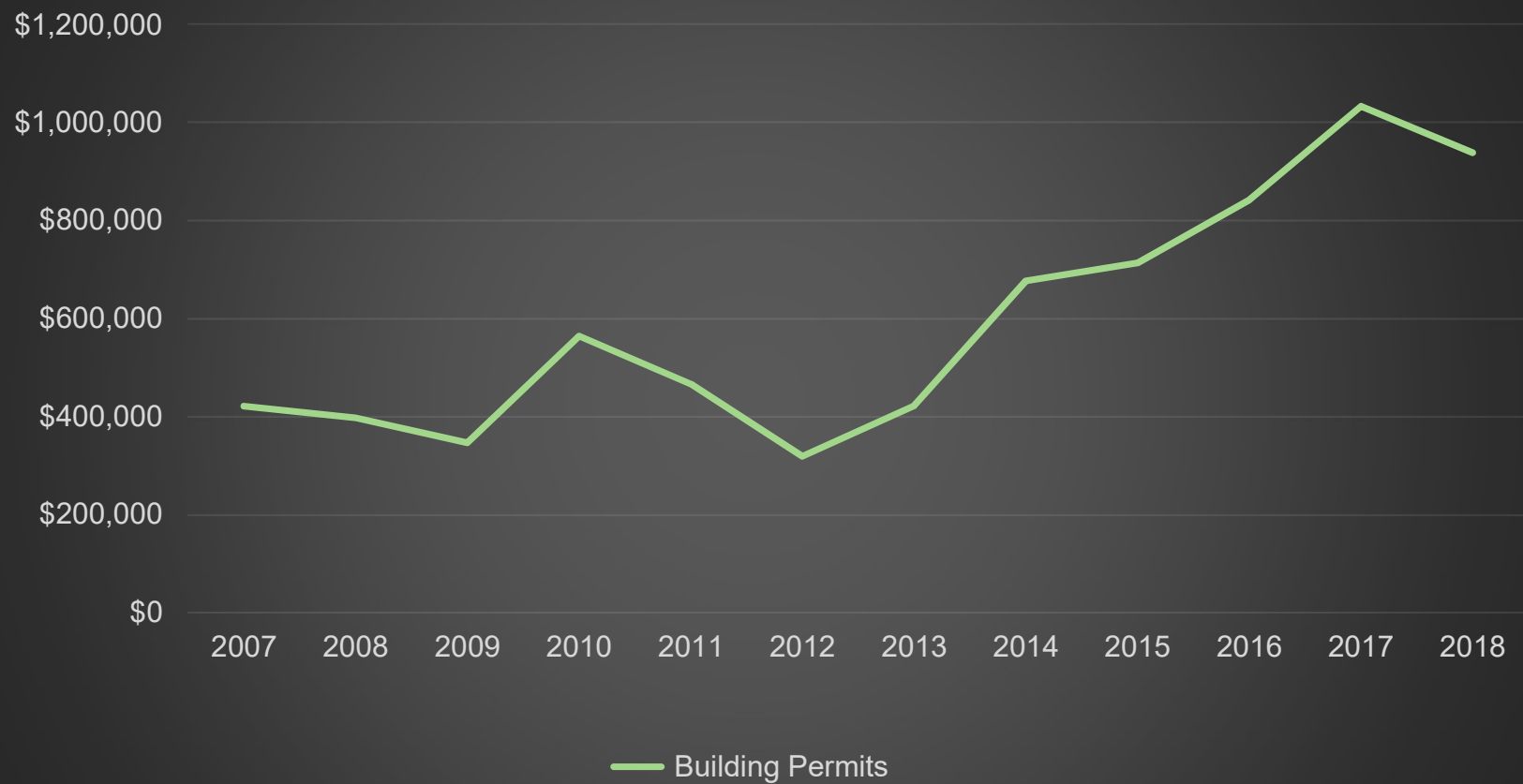
# Sales and Use Tax



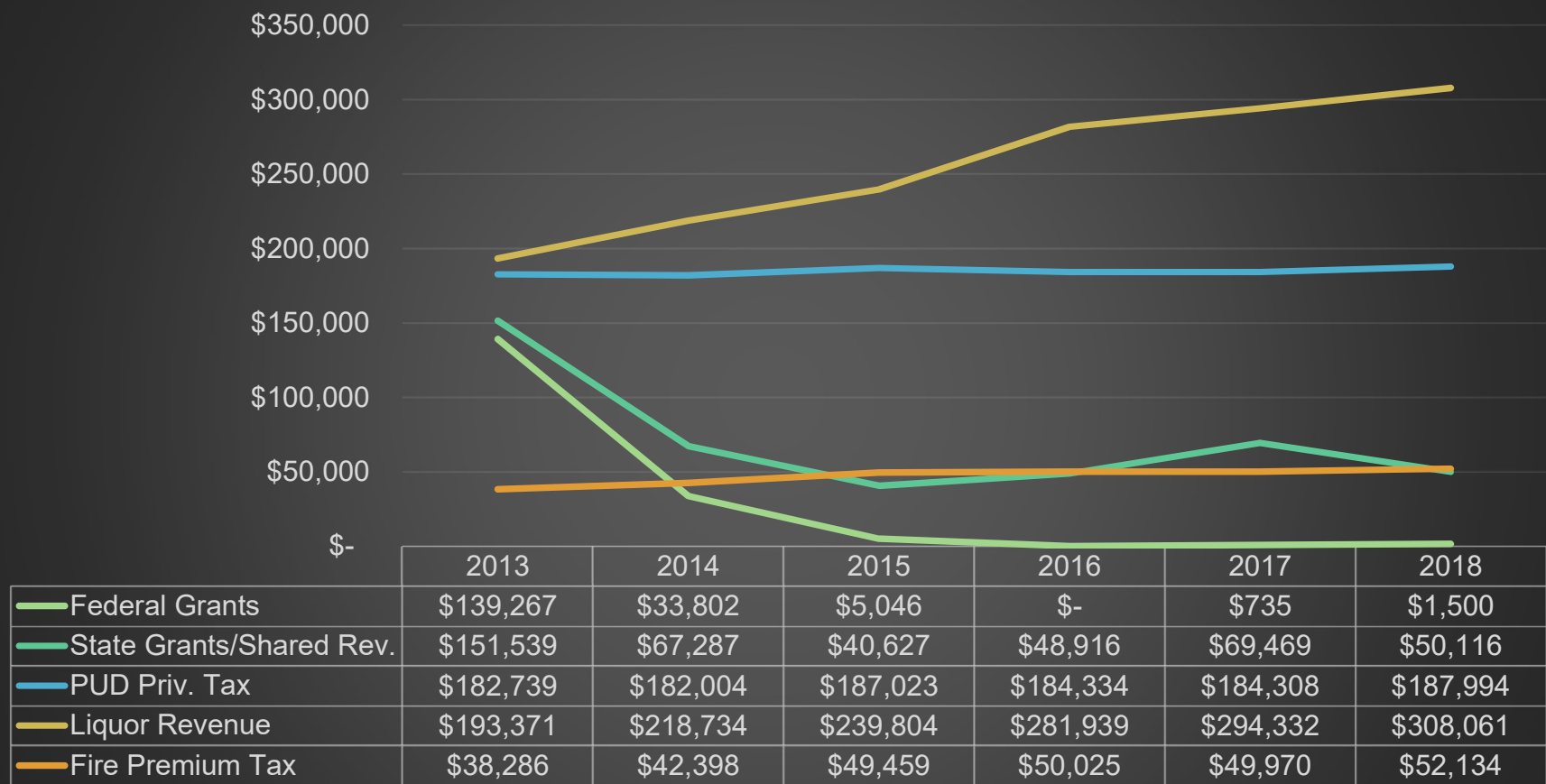
# Real Estate Excise Tax



# Building Permits

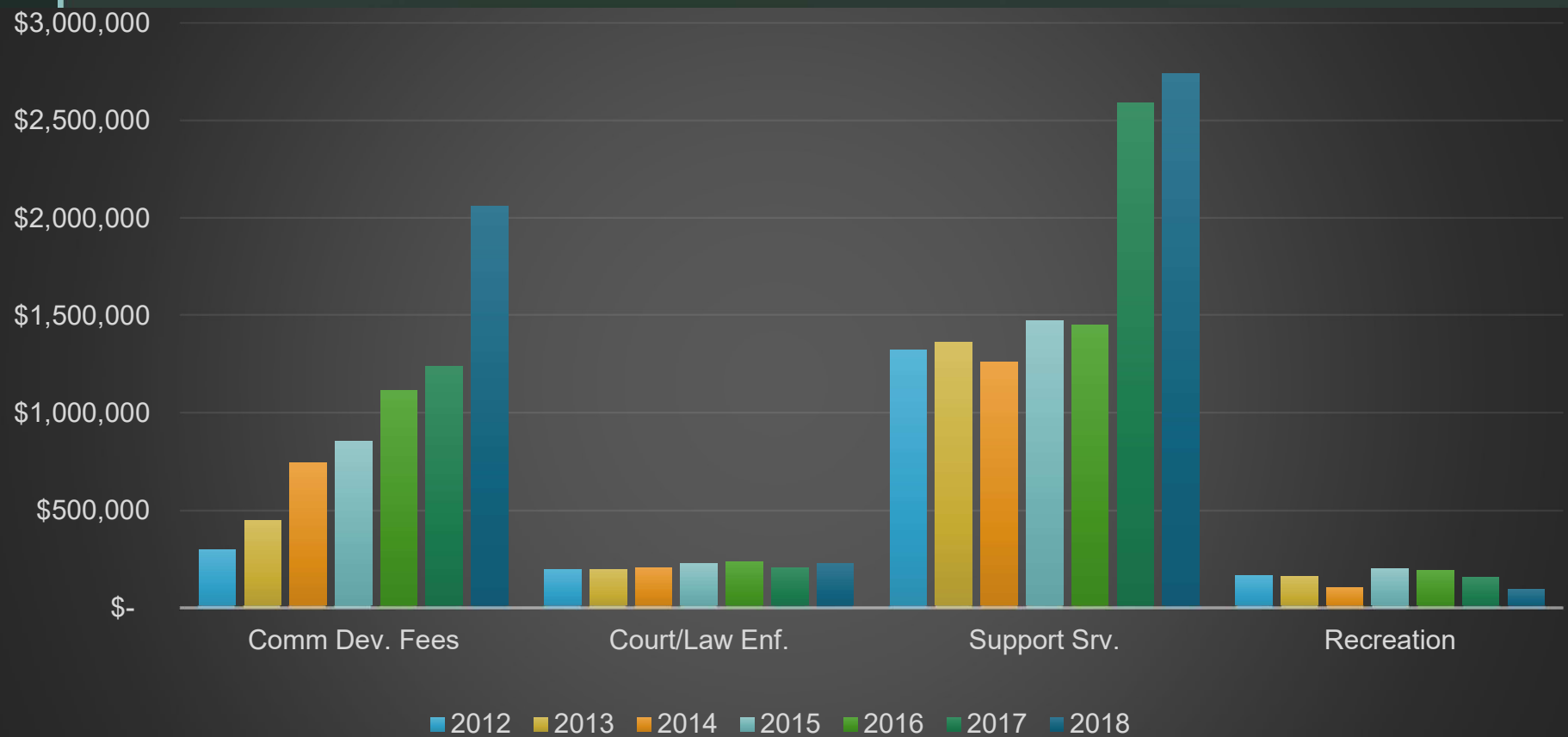


# Intergovernmental

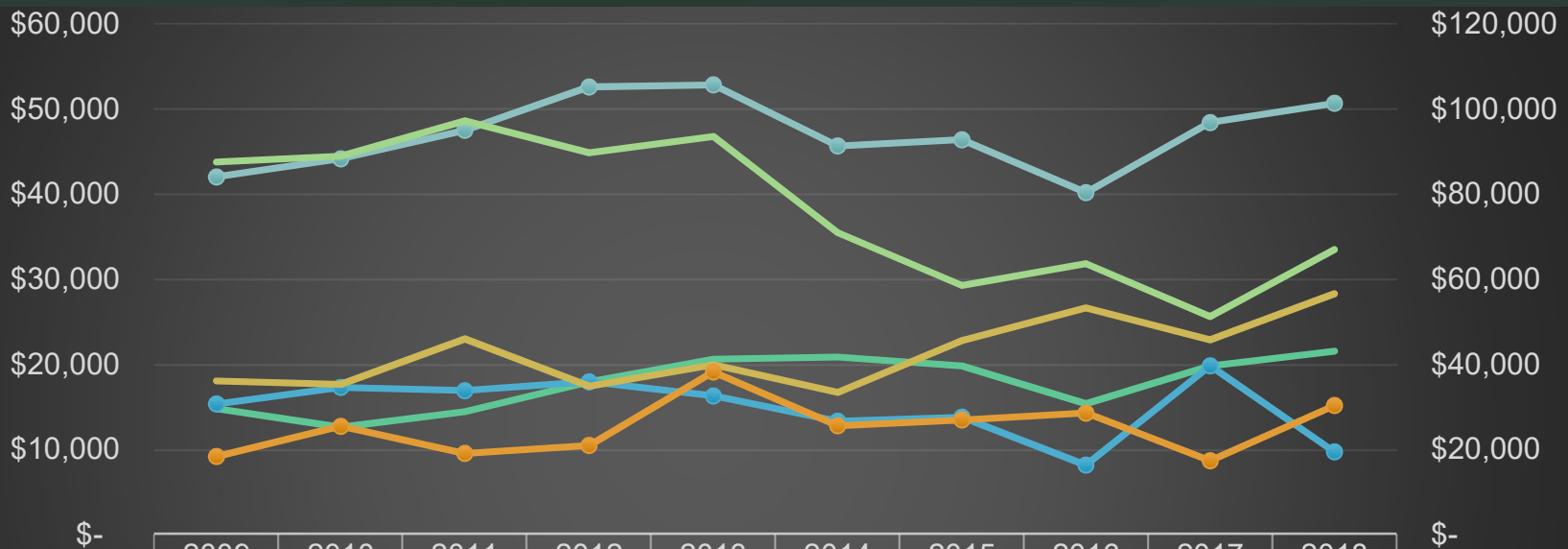




# Charges for Services

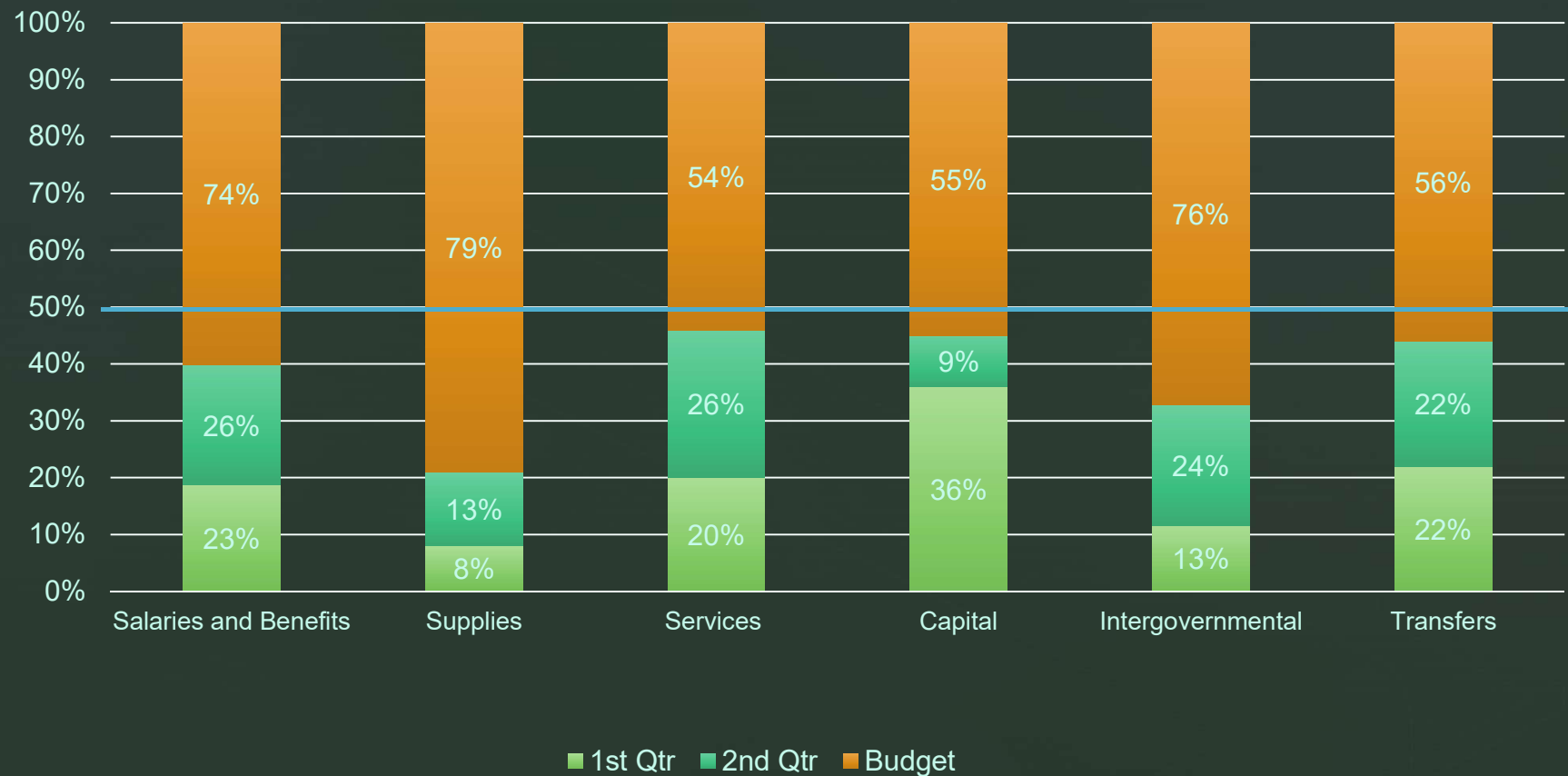


# Fines and Forfeitures

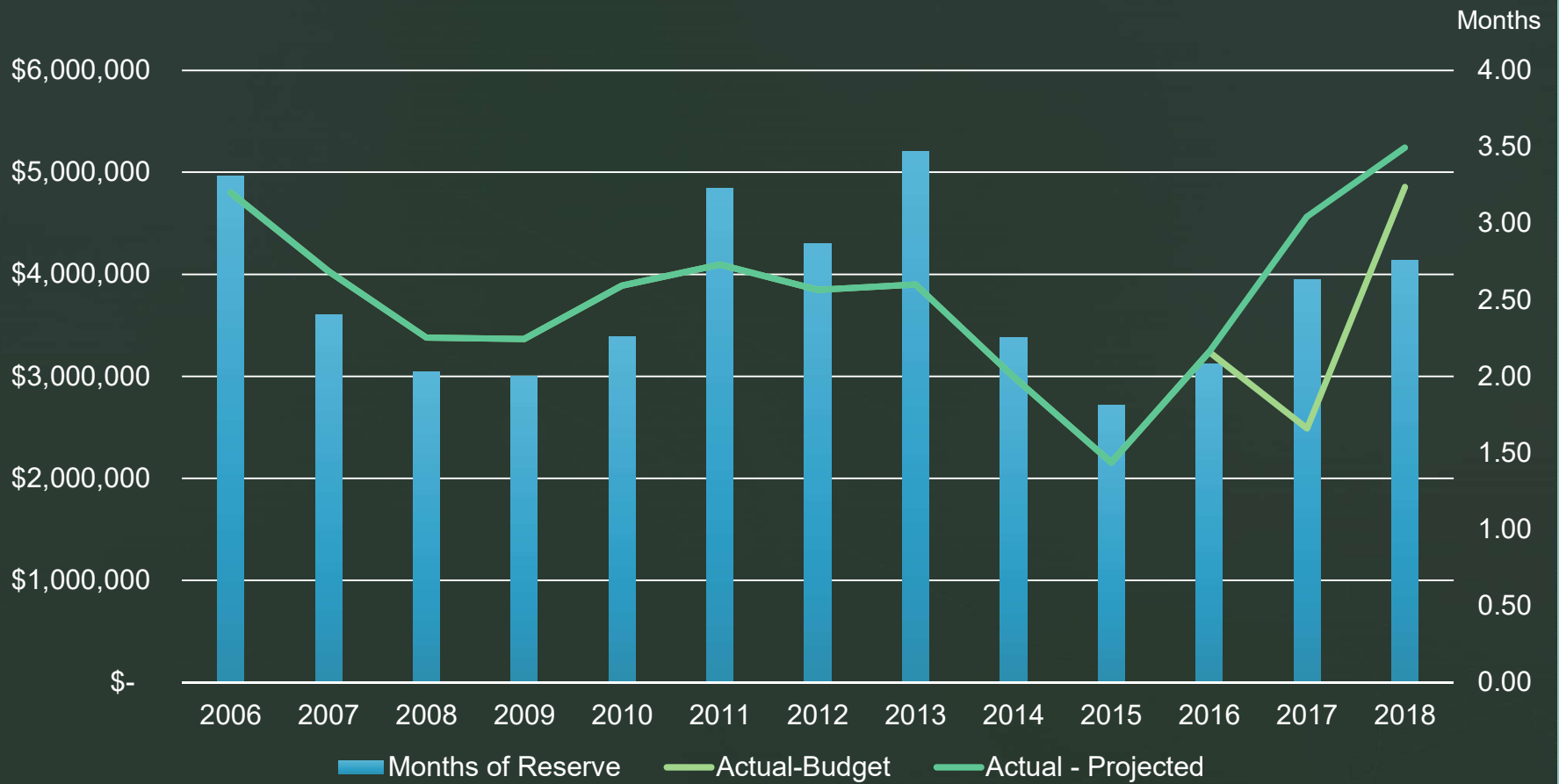


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Traffic	\$14,791	\$12,601	\$14,428	\$17,948	\$20,609	\$20,874	\$19,800	\$15,362	\$19,822	\$21,548
Non-Traffic	\$15,334	\$17,294	\$16,906	\$17,956	\$16,294	\$13,327	\$13,799	\$8,147	\$19,822	\$9,716
Parking Viol.	\$18,050	\$17,626	\$22,983	\$17,427	\$19,956	\$16,689	\$22,760	\$26,647	\$22,889	\$28,288
DWI	\$9,173	\$12,730	\$9,538	\$10,460	\$19,117	\$12,776	\$13,473	\$14,271	\$8,675	\$15,154
Crim Costs/EHM	\$42,031	\$44,178	\$47,504	\$52,630	\$52,848	\$45,665	\$46,418	\$40,183	\$48,437	\$50,687
Traffic Infractions	\$87,582	\$88,946	\$97,268	\$89,735	\$93,544	\$70,967	\$58,530	\$63,694	\$51,218	\$66,981

## General Fund Expenditures

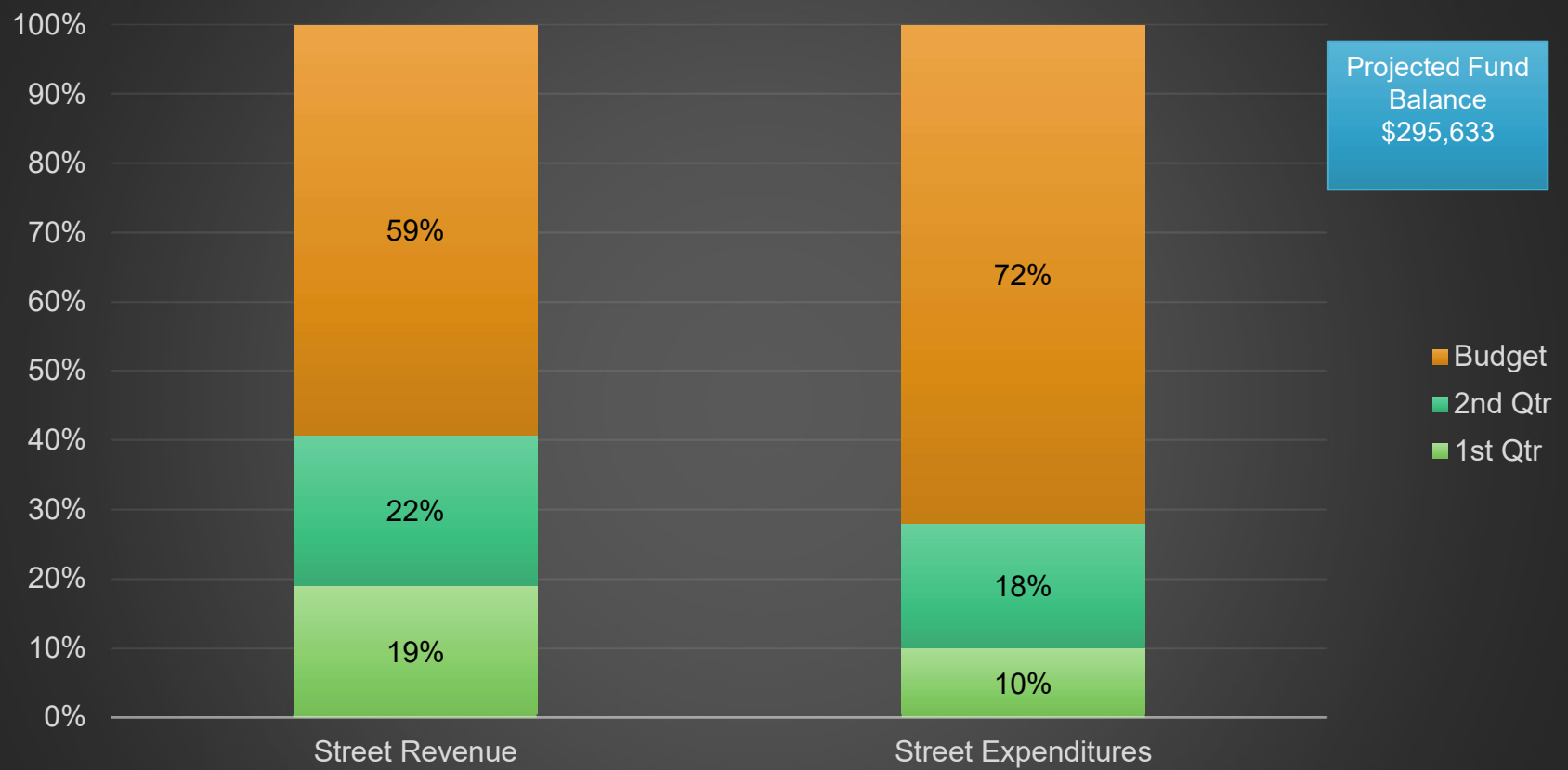


# General Fund Balance

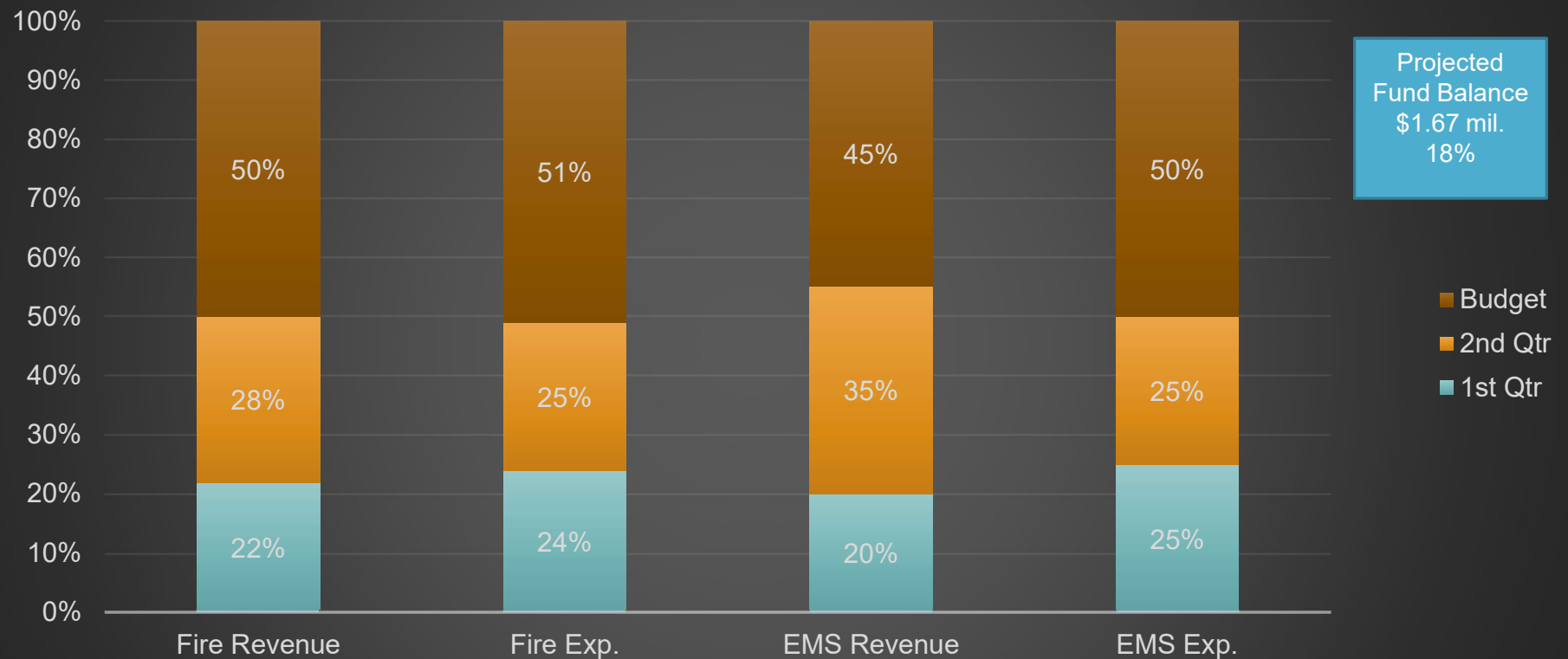




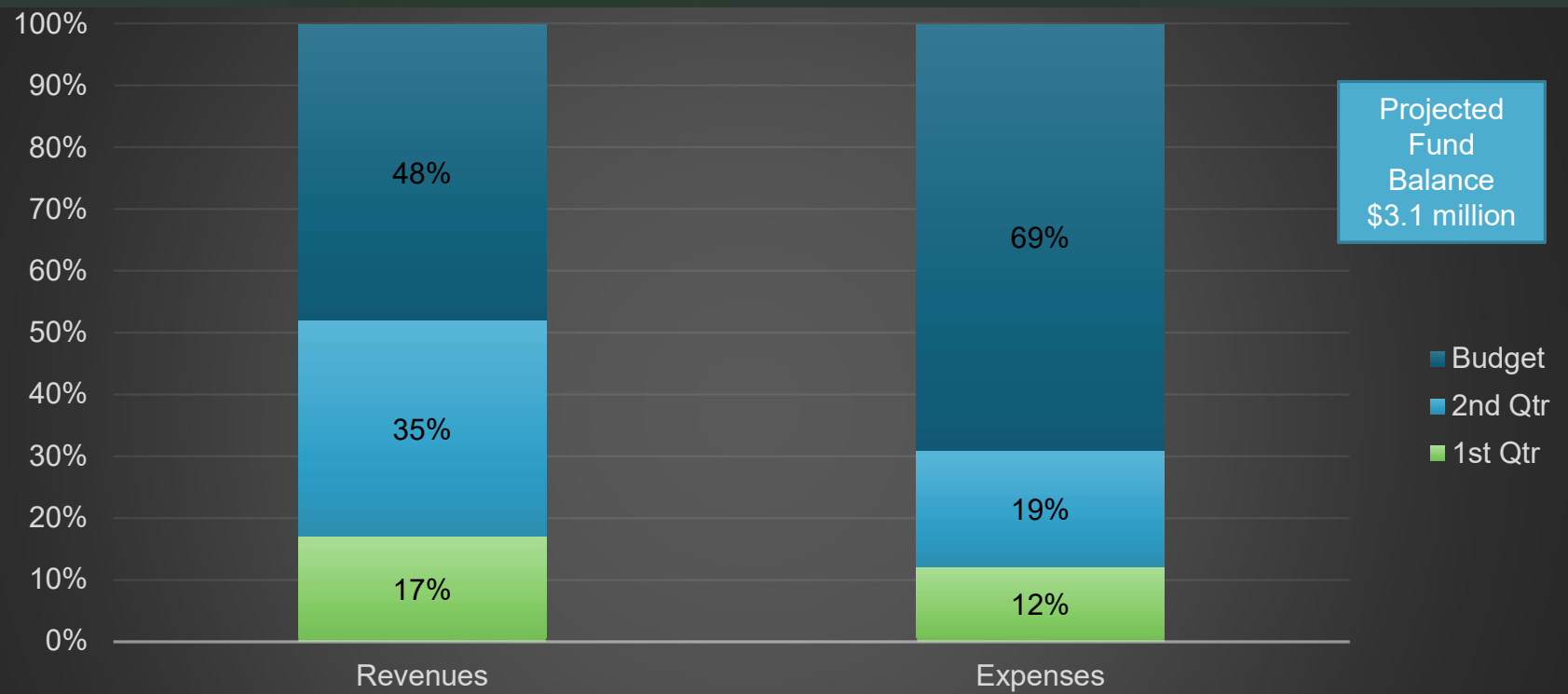
# Streets



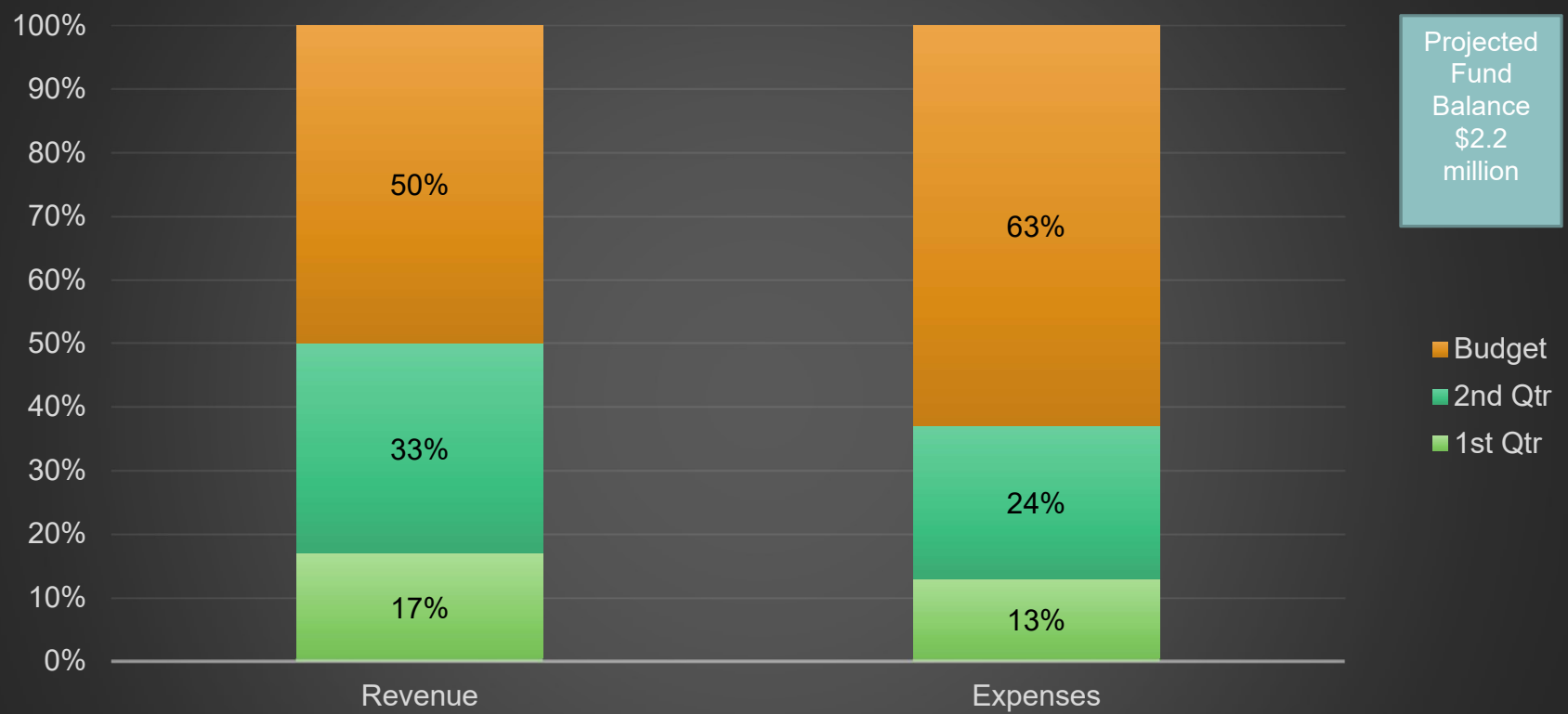
# Camas/Washougal Fire and EMS



# Storm Water

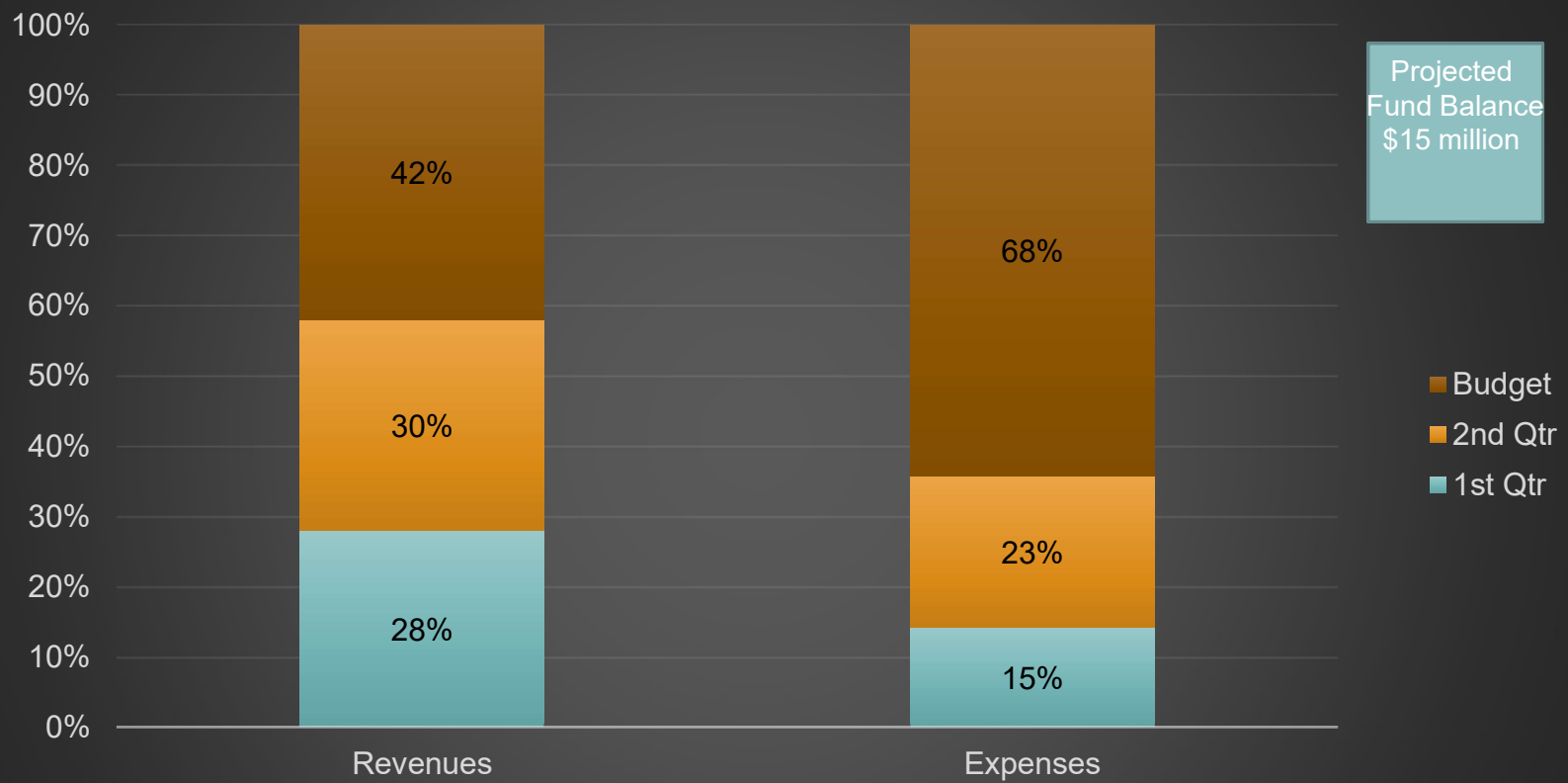


# Solid Waste





# Water/Sewer



# Capital Projects

## Govt. Projects

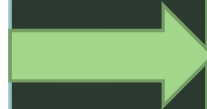
▪ Street Preservation	5%
▪ Open Space, Trails, Parks	15%
▪ North Shore Land Acquisition	1%
▪ North Shore Park & Trails	12%
▪ Dallas Street	77%
▪ NW Brady	17%
▪ Larkspur	12%
▪ Downtown Trails	0%
▪ NE 3 <sup>rd</sup> Ave. Bridge Retrofit	1%

## Utility Projects

▪ Well 17	5%
▪ North Shore Waterline	33%
▪ Reservoir	1%
▪ Mill Ditch Sewer Line Repl.	107%
▪ Lacamas Creek Pump Station	1%
▪ Water Meter Replacement	72%
▪ Slow Sands Transmission	1%
▪ Well 6 & 14 Transmission	2%

## 2015 LT GO Bond Issue Status

Net Proceeds	\$8,340,039
Spend to Date	\$7,987,452
Interest	\$63,719
<b>Remaining</b>	<b>\$416,306</b>



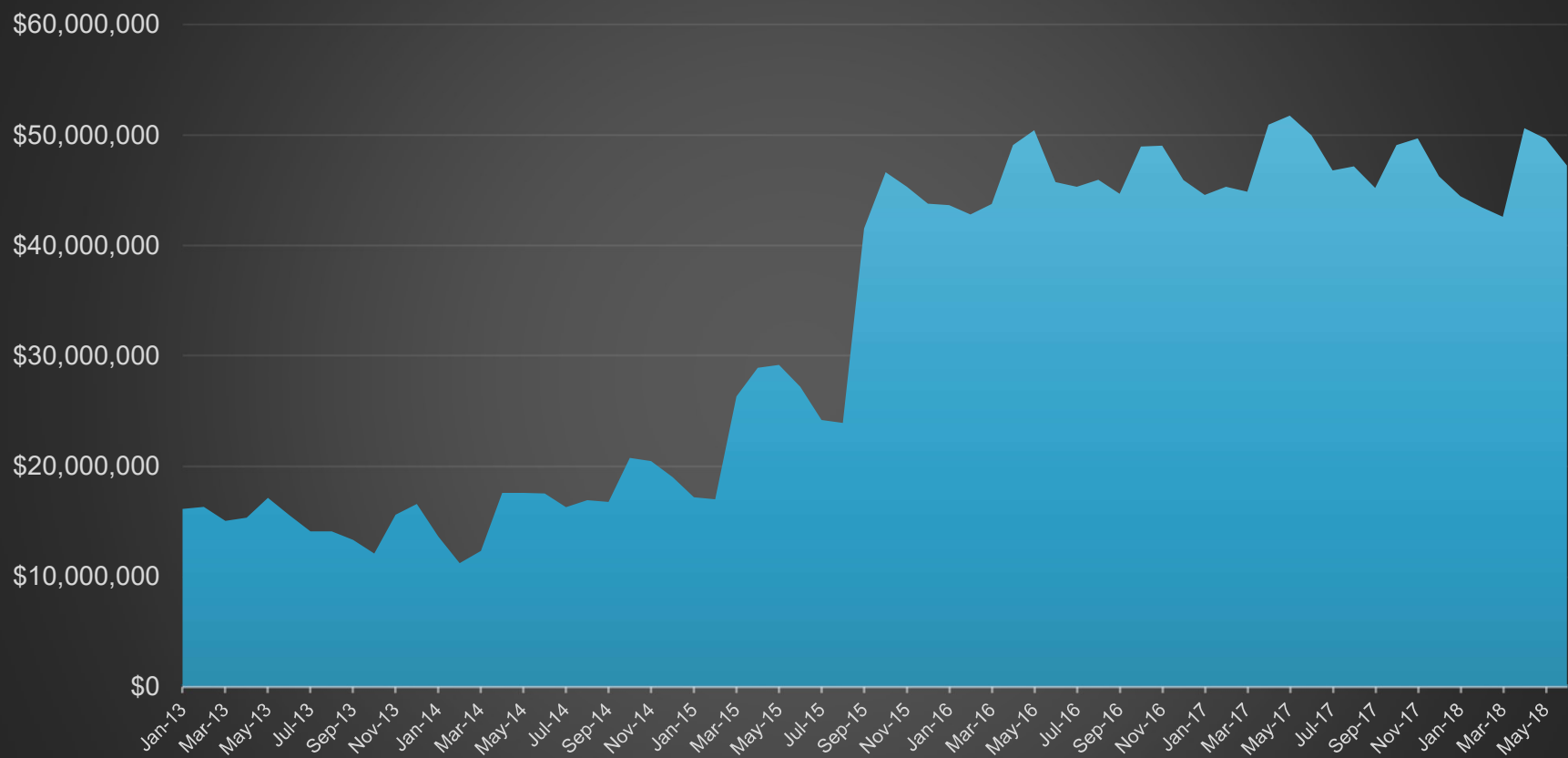
### Estimated Balance Remaining on Projects:

LED Lighting (Sierra)	\$68,797
6 <sup>th</sup> & Norwood	\$16,541
City Hall Generator	\$180,033
Larkspur	\$0
Brady	\$150,935

## 2015 Sewer Revenue Bond Issue Status

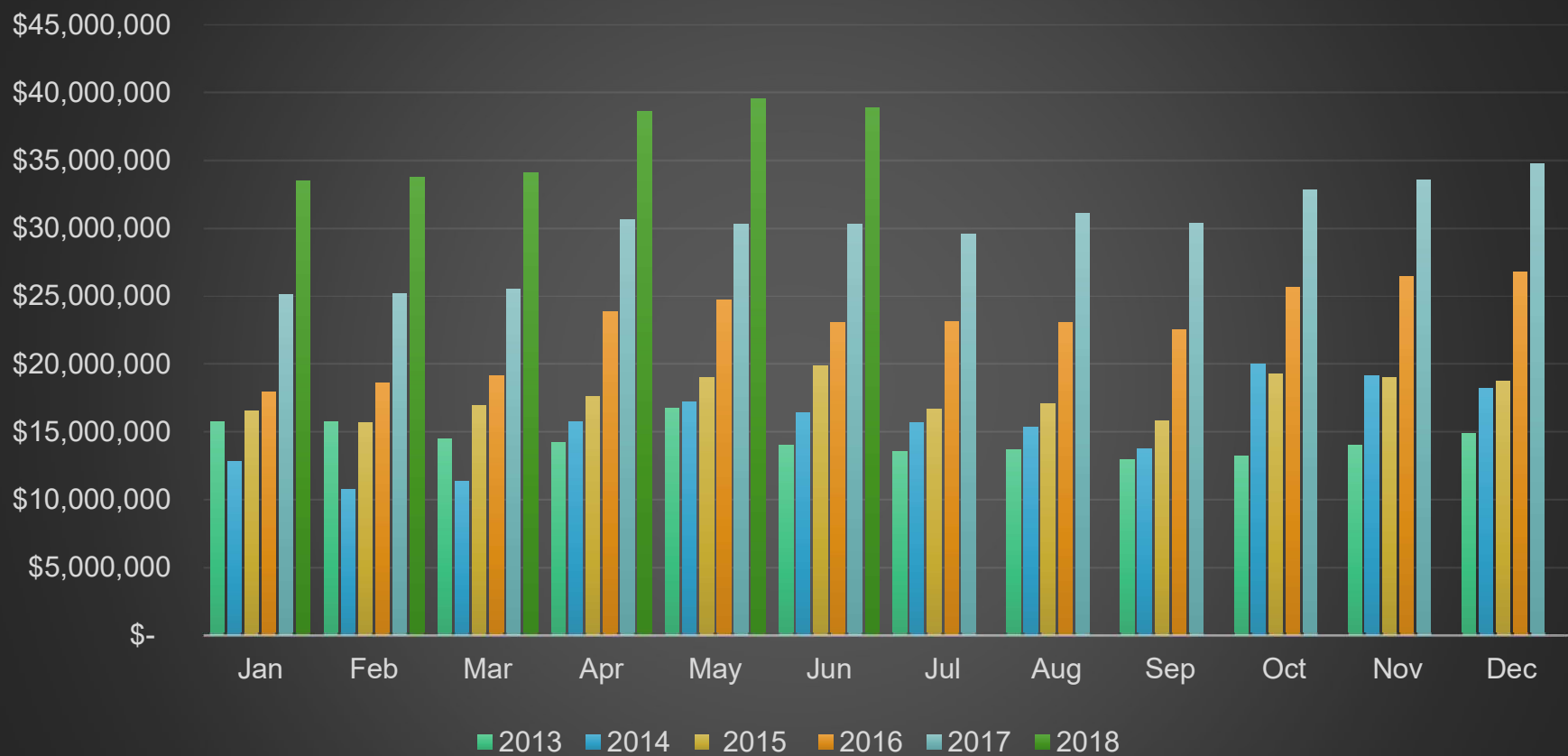
Net Proceeds	\$17,004,922
Spend to Date	\$11,806,669
Interest	\$290,954
Remaining	\$5,489,207

# Cash and Cash Equivalent Assets

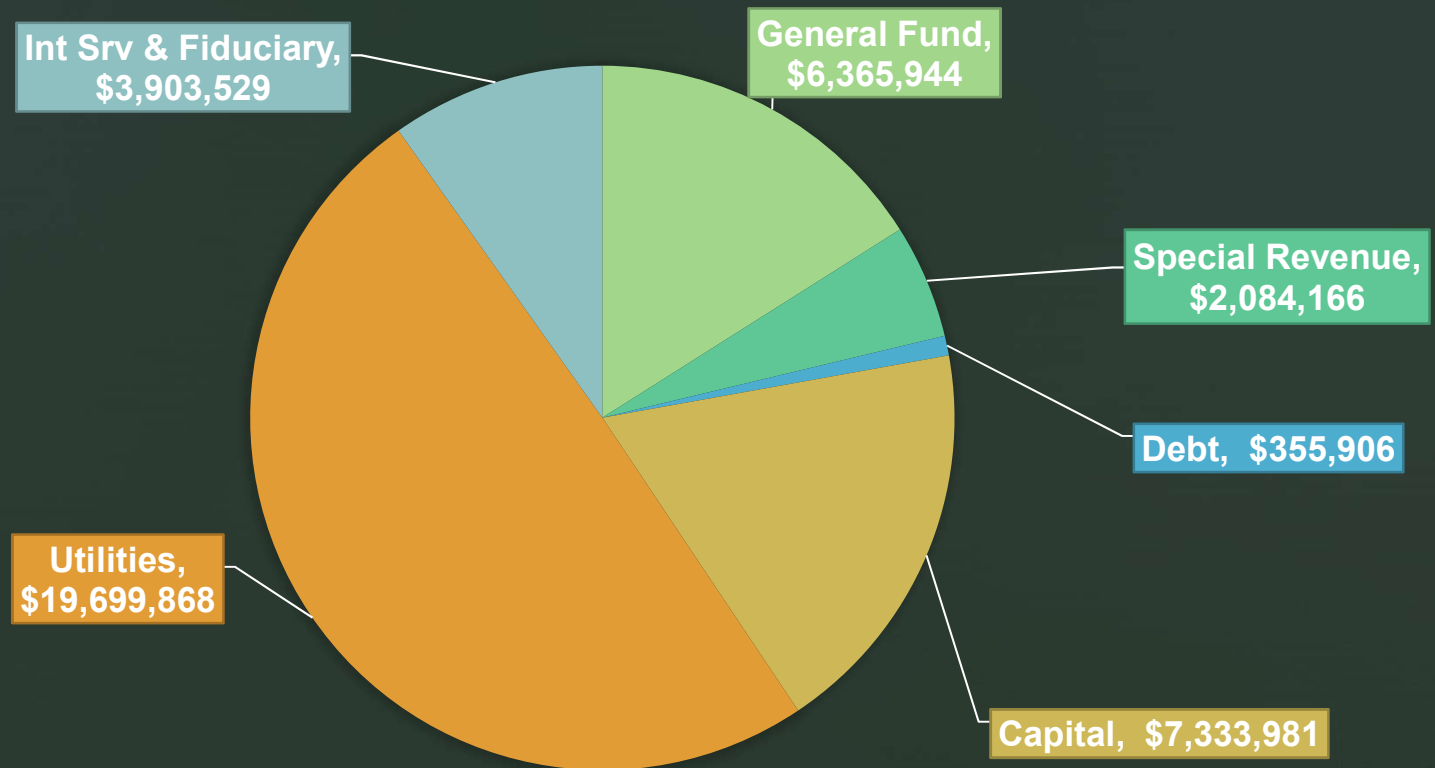




# Investment Portfolio Balance



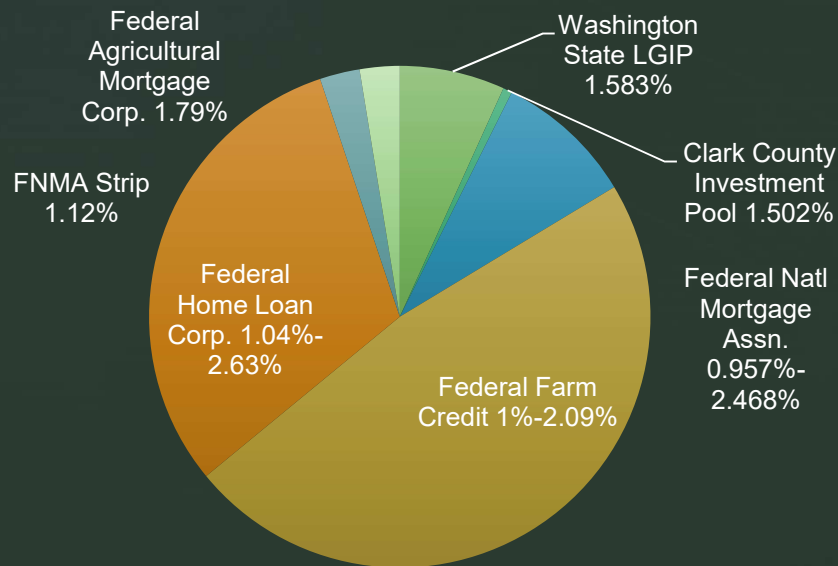
# Fund Composition of Investment Portfolio



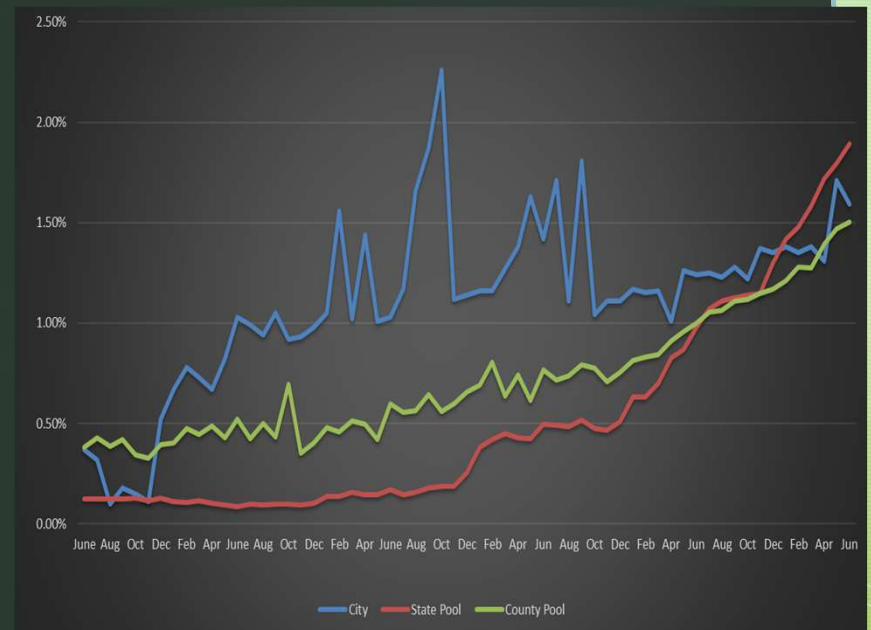
# Investment Portfolio

2<sup>nd</sup> Quarter Portfolio \$38,902,460

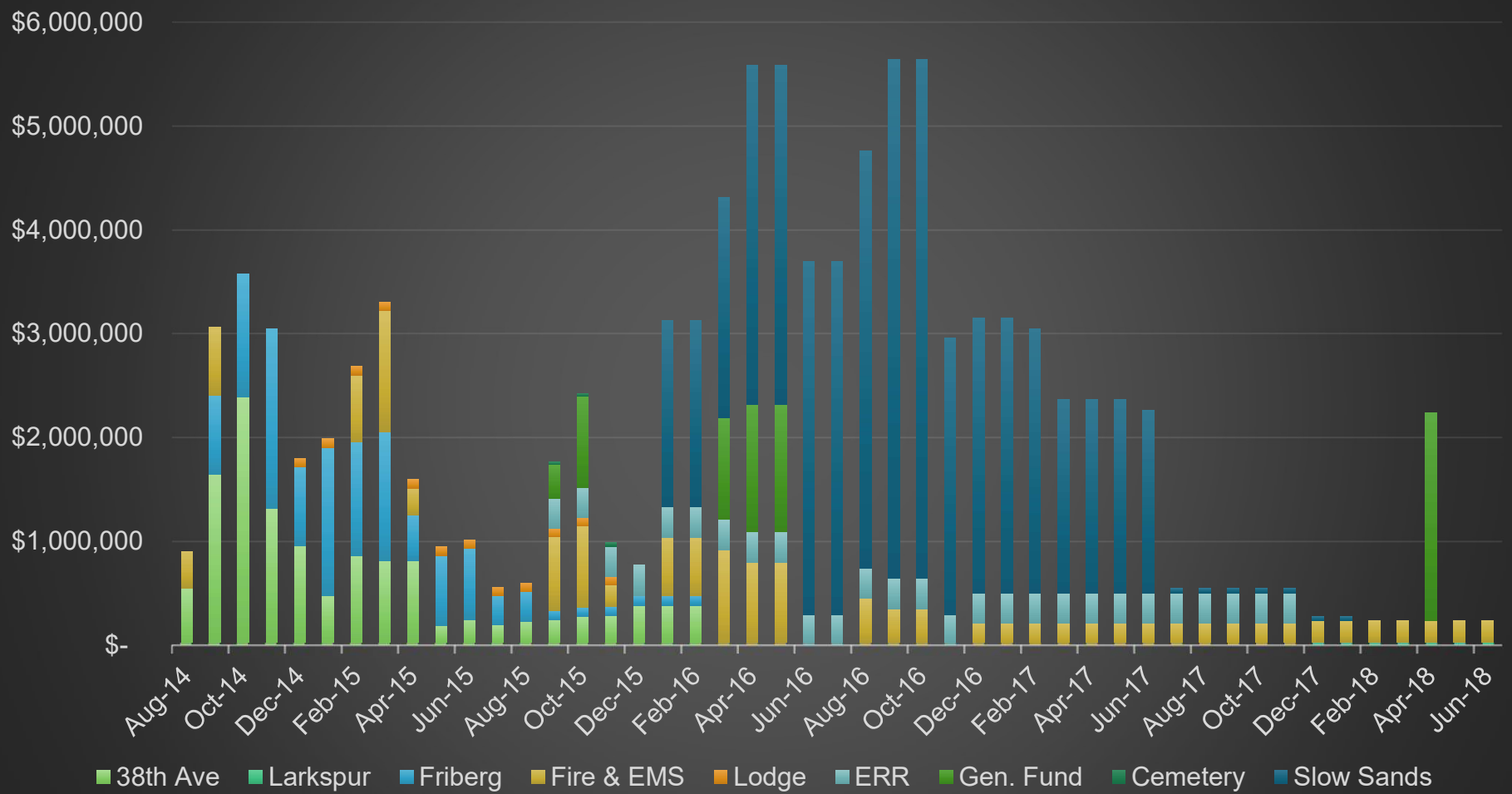
7% on demand    Return 6/30    1.59%



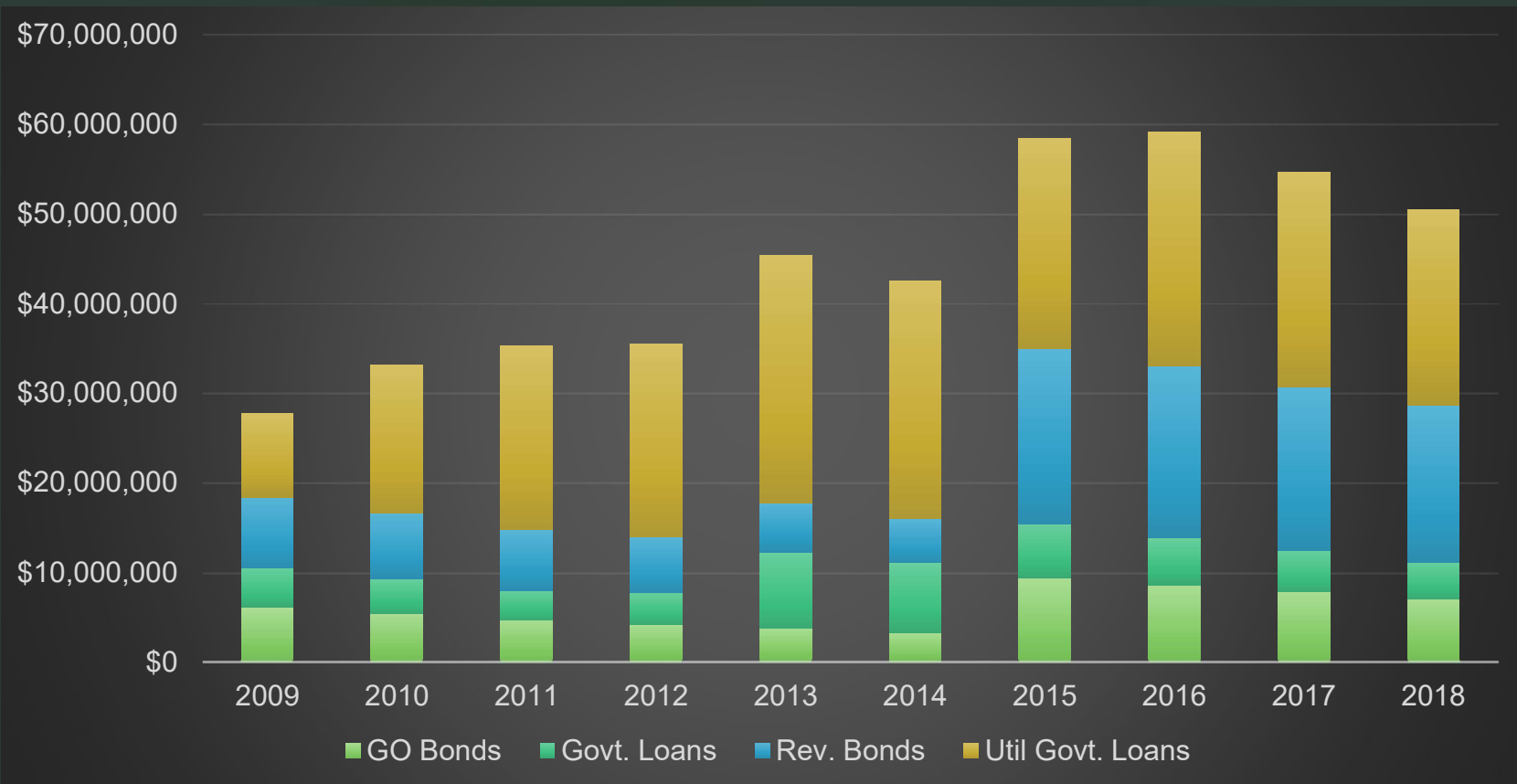
## Portfolio Performance



# Line of Credit



# Debt Outstanding



### Apartment Prices Have Surged

Inflation-adjusted residential price indexes, % change



Sources: Real Capital Analytics, CoreLogic, Moody's Analytics

### Favorable Trend

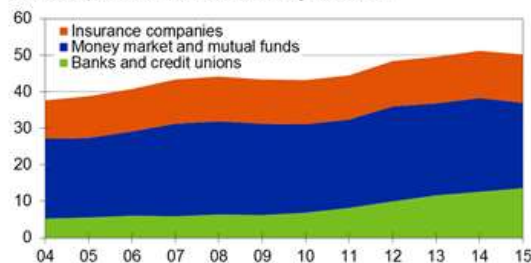
New-home sales, ths, SAAR



Sources: Census Bureau, Moody's Analytics

### Large Investors' Growing Appetite for Munis

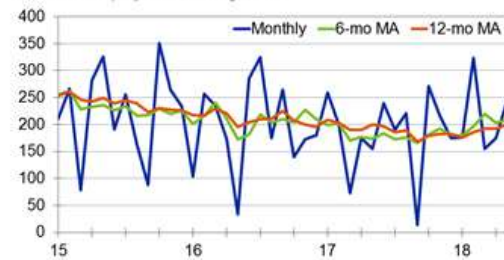
Ownership of muni bonds outstanding, % of total



Sources: The Bond Buyer, Federal Reserve, Moody's Analytics

### Trend Job Growth Is Rock Solid

Nonfarm employment, change, ths



Sources: BLS, Moody's Analytics

## Outlook

- Household formations are up but difficult to buy home with debt burdens, resorting to renting with the supply available.
- Increase in mortgage rates and reduced federal tax deductibility of homeownership will put downward pressure on home prices
- Trade war may trigger a recession and higher prices



# 2019-2024 General Fund

City of Camas



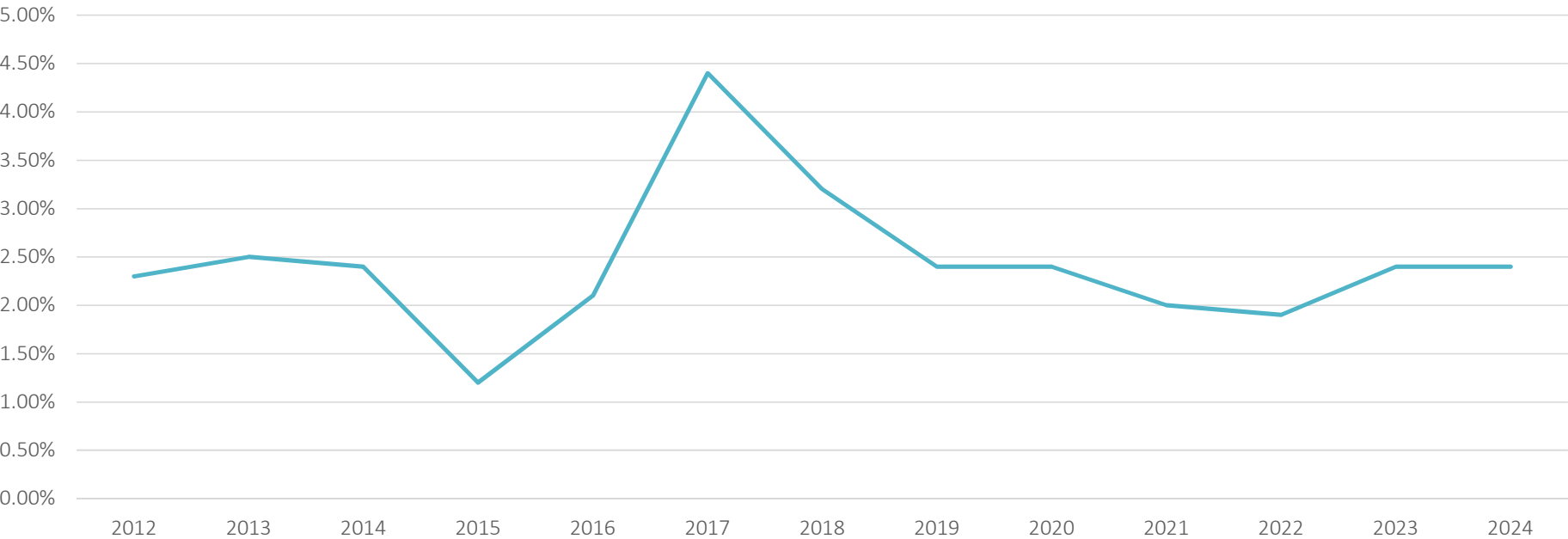


# 2019-2024 General Fund Forecast

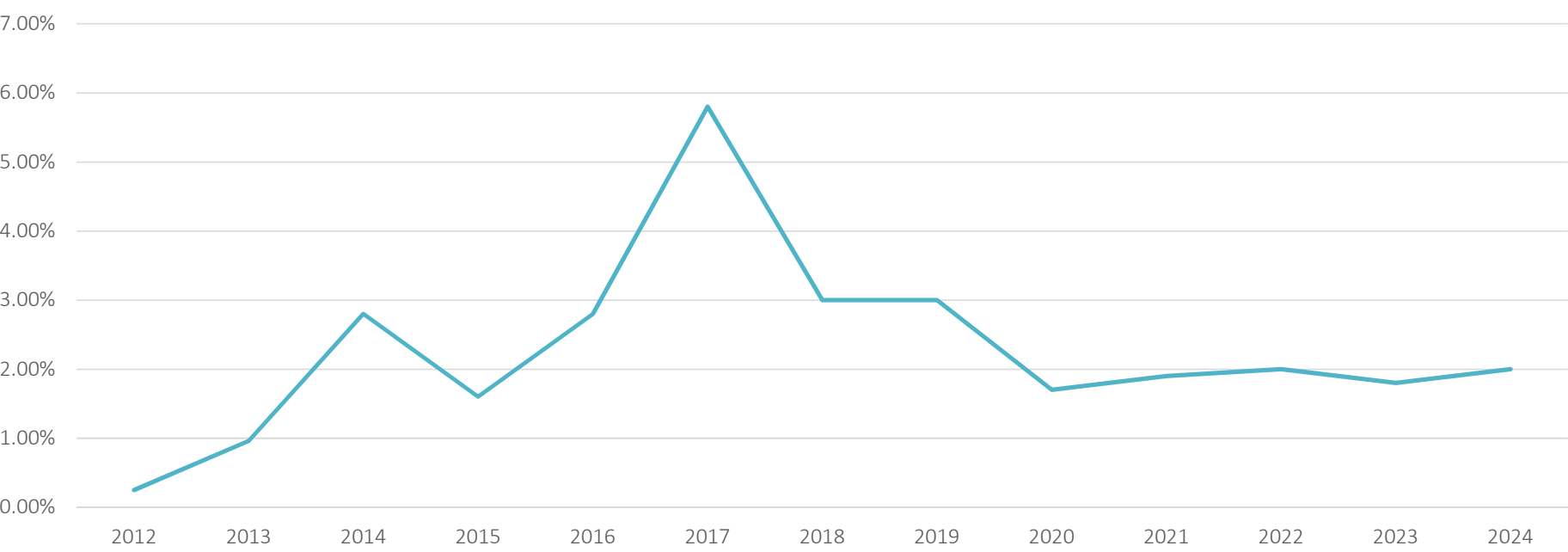
## Assumptions:

- Growth in housing will continue with minor recession in 2020-2021
- Three apartment projects
- Grass Valley West Project included
- Most recent labor contracts
- Benefits at 6% annually
- Retirement eligibility

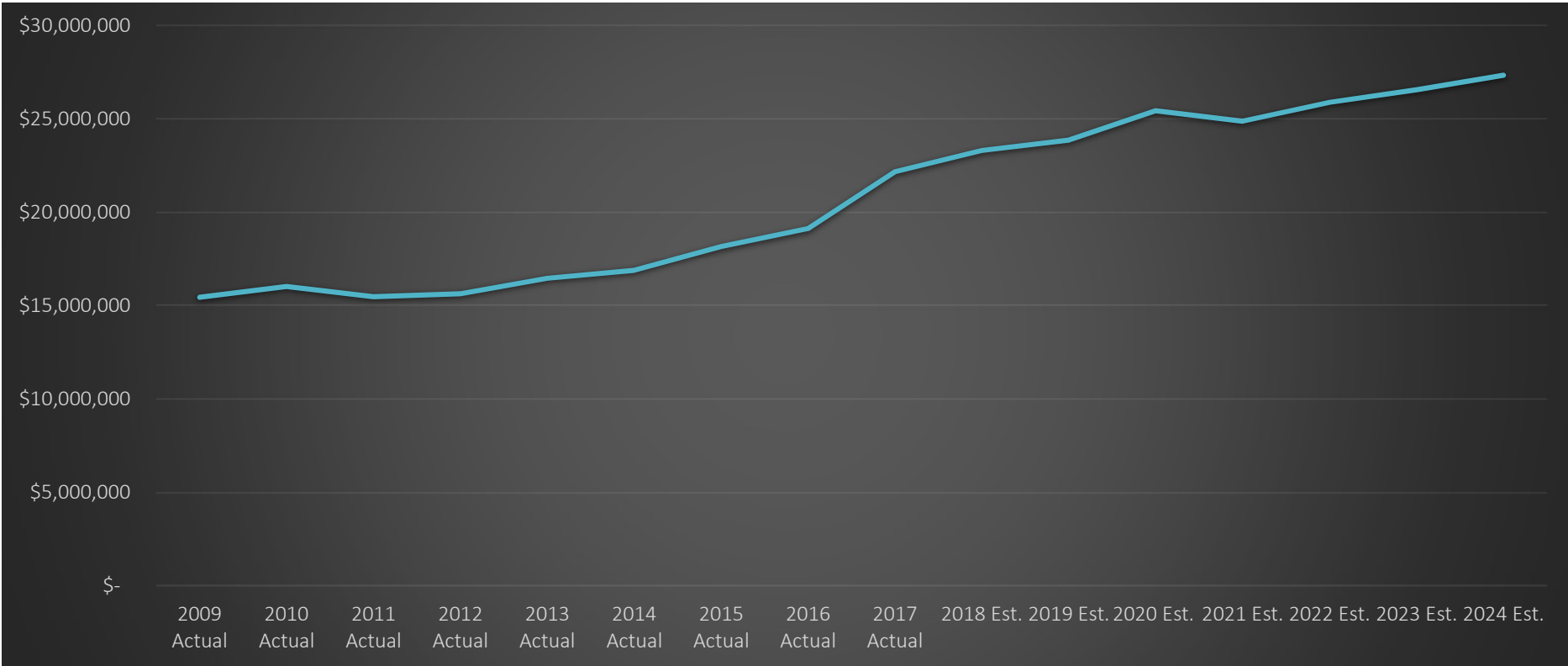
# Inflation



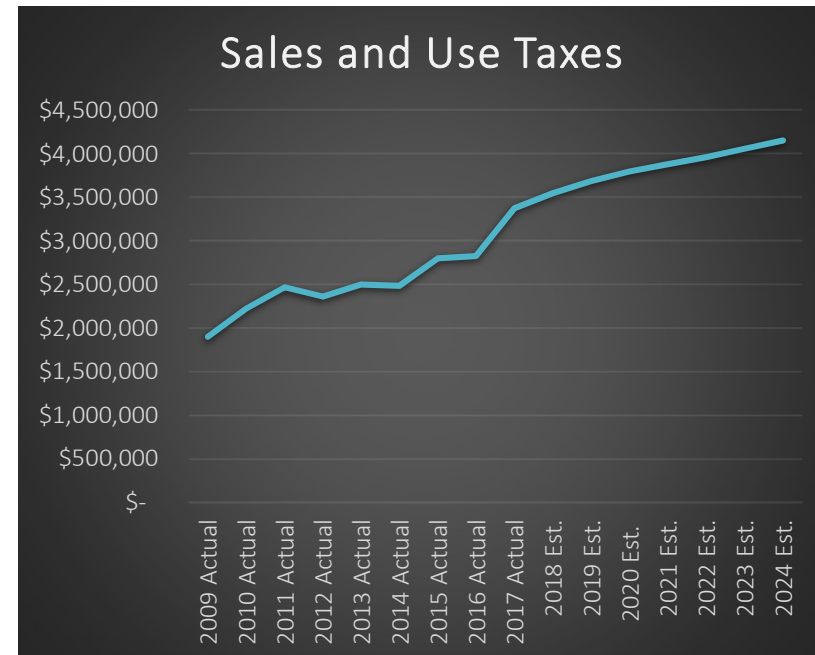
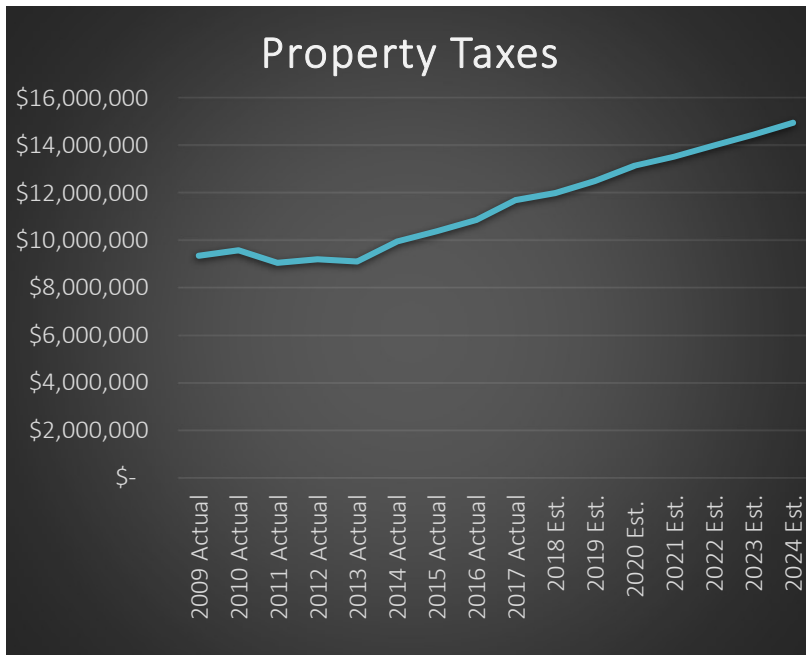
# Population Growth



# General Fund Revenue Forecast

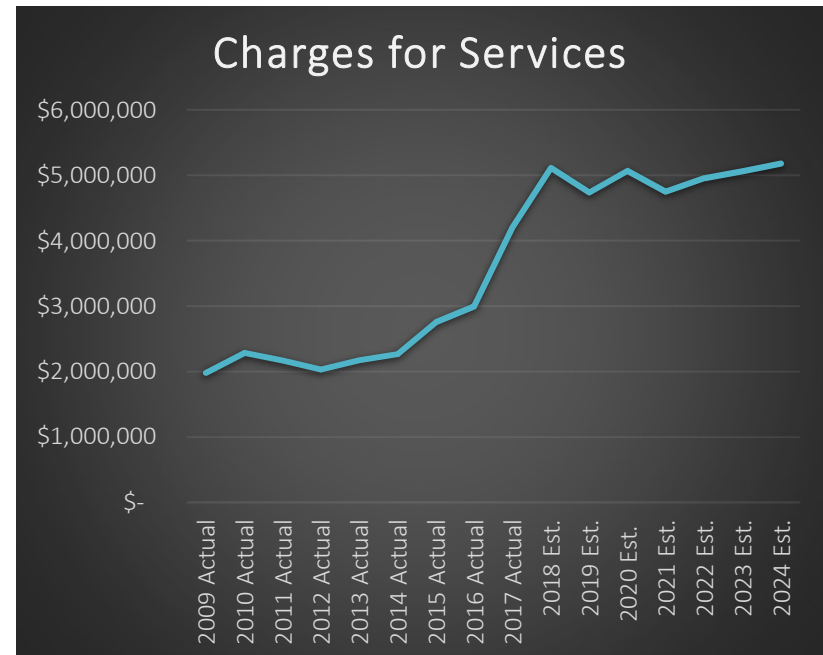
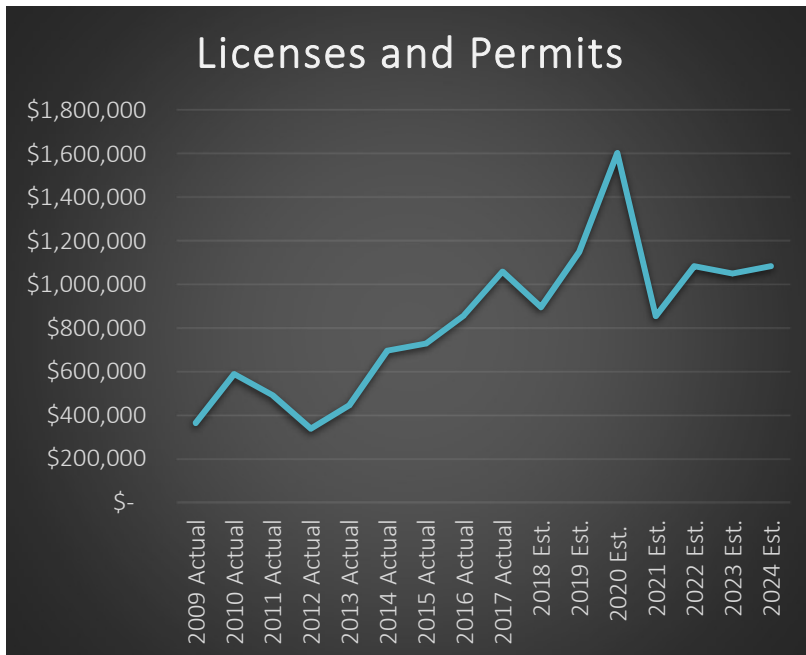


# Property Taxes and Sales Tax





# Largest Growth Revenues

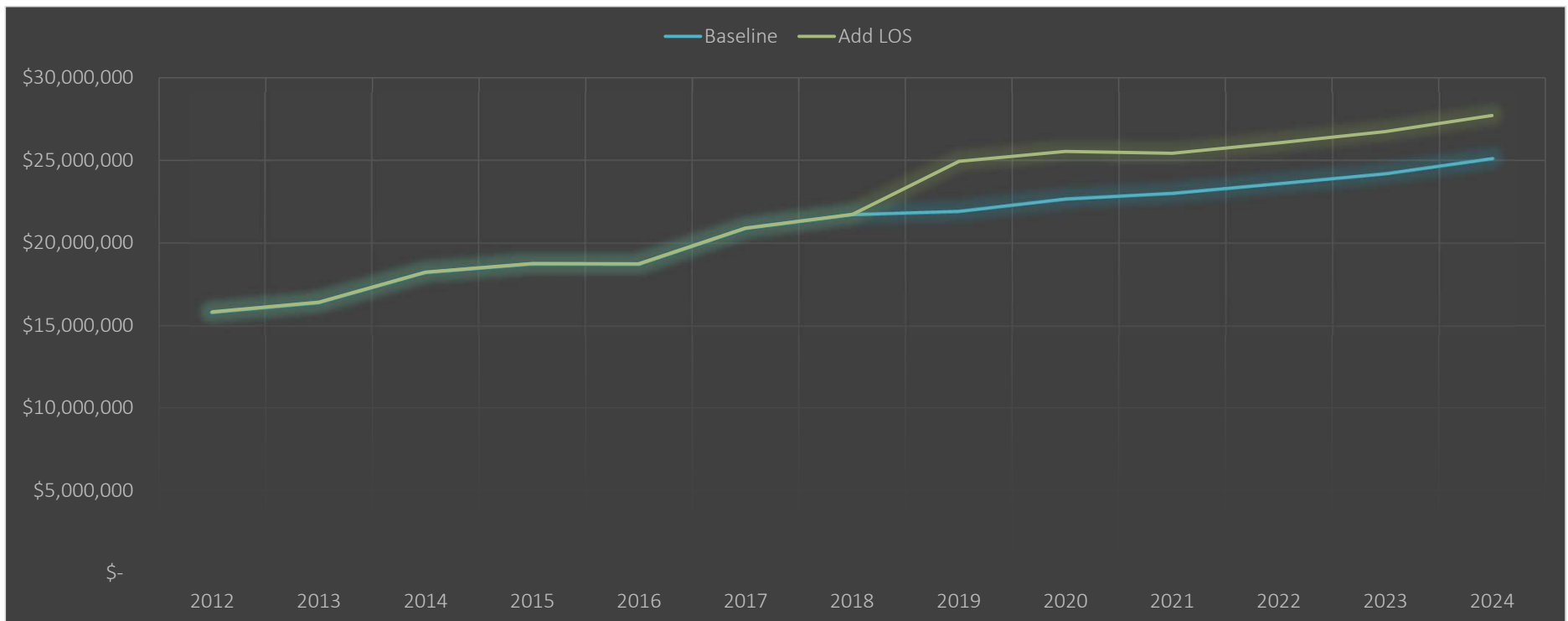


# Revenue Mix

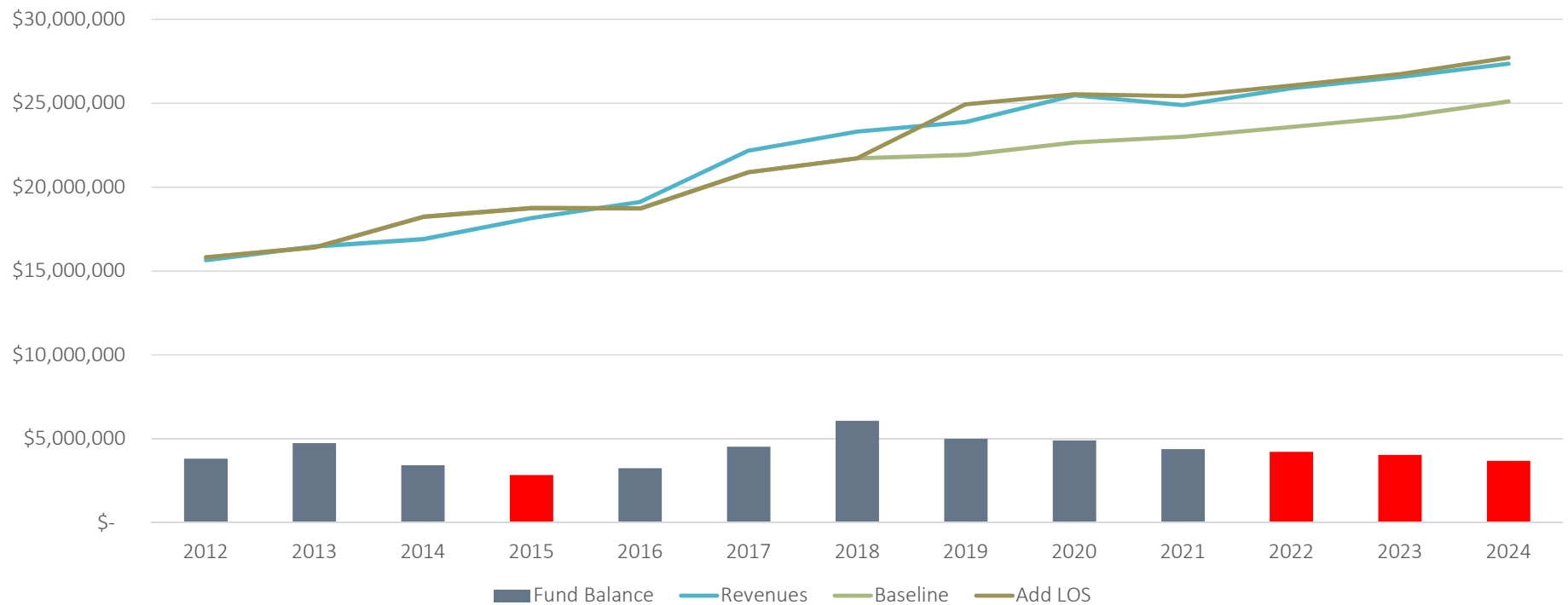


# Forecast Expenditures

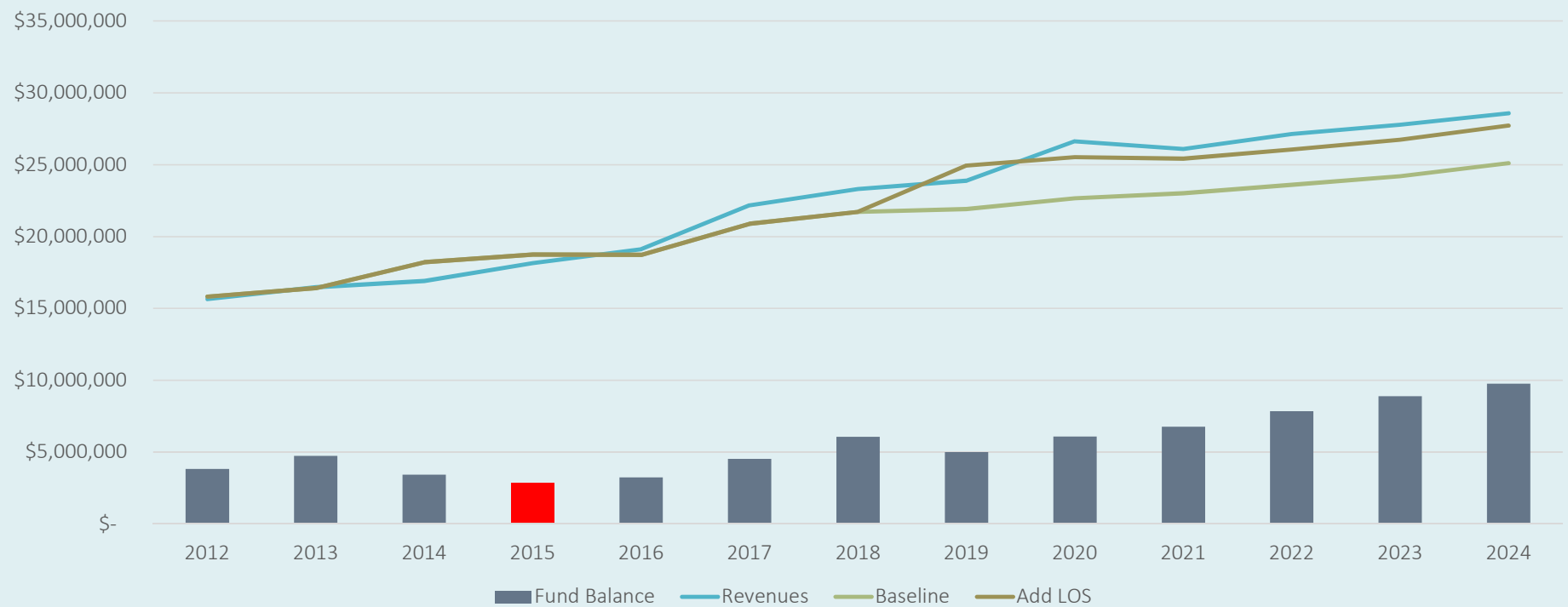
## Baseline vs Level of Service



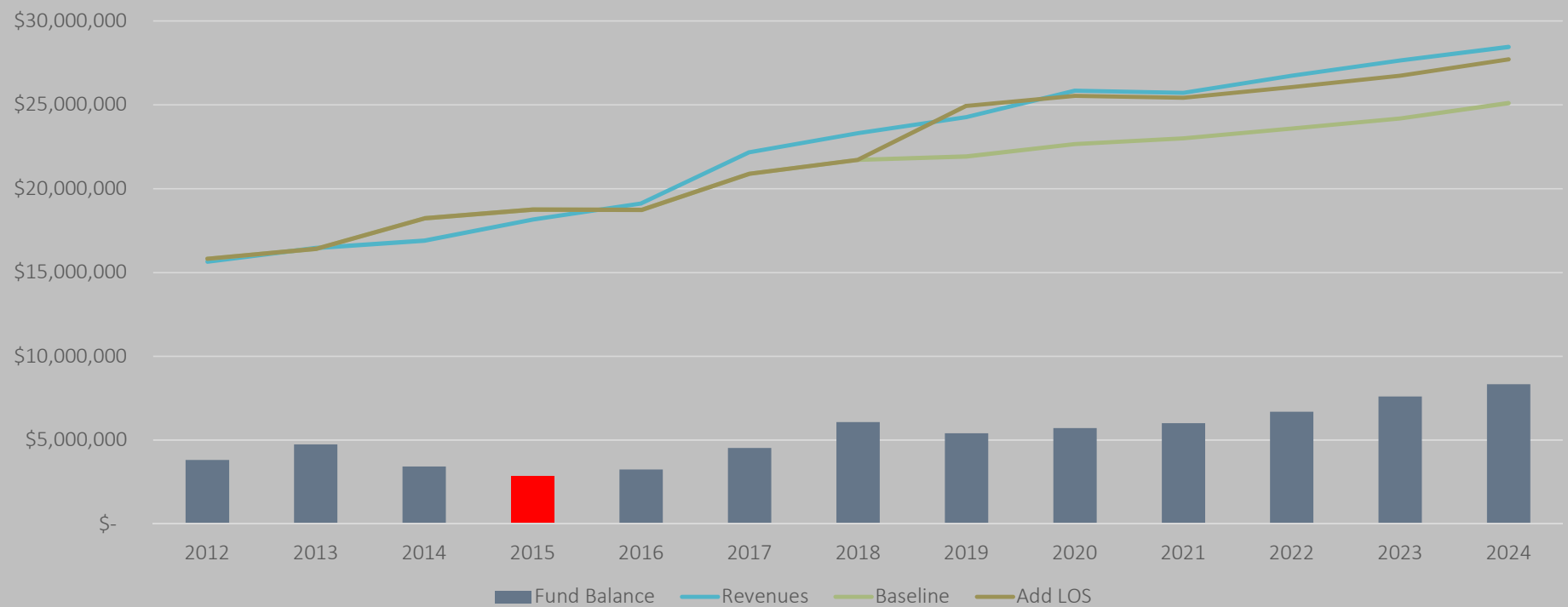
# Forecast Revenues vs Expenditures With Baseline vs Level of Service



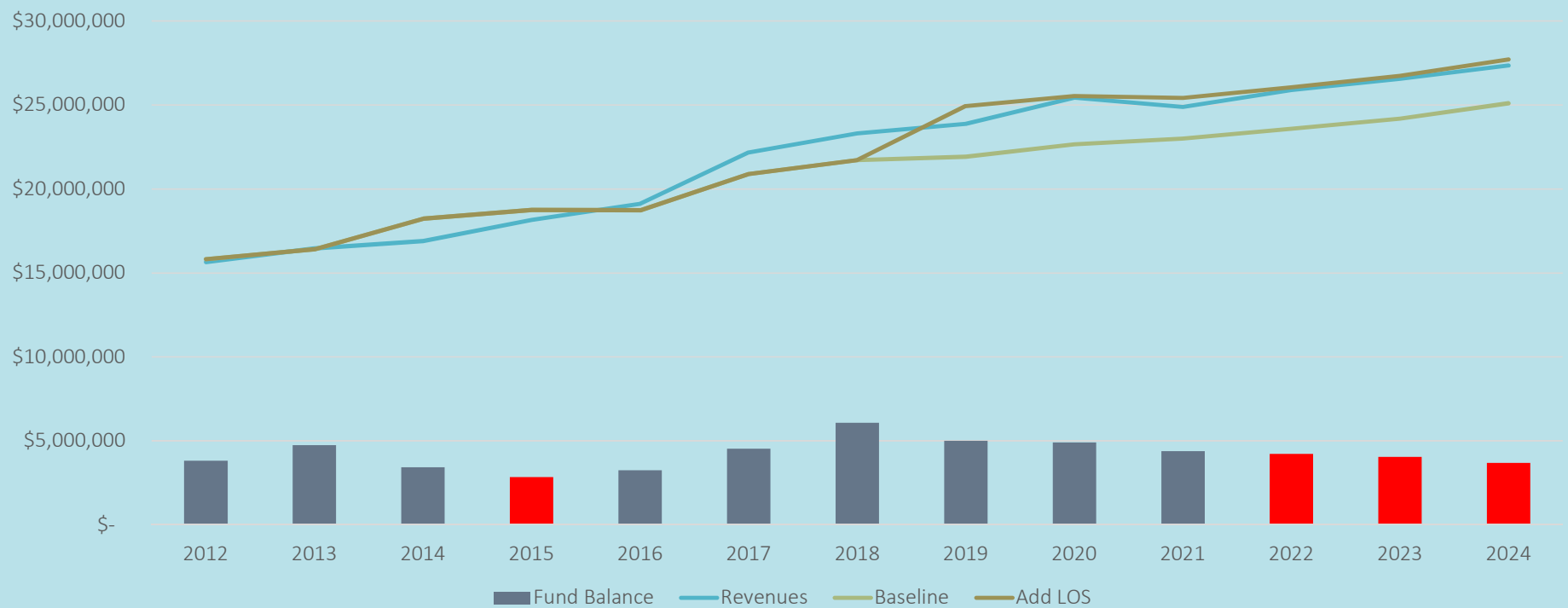
# Option 1 – MPD



# Option 2 – TBD Tabs

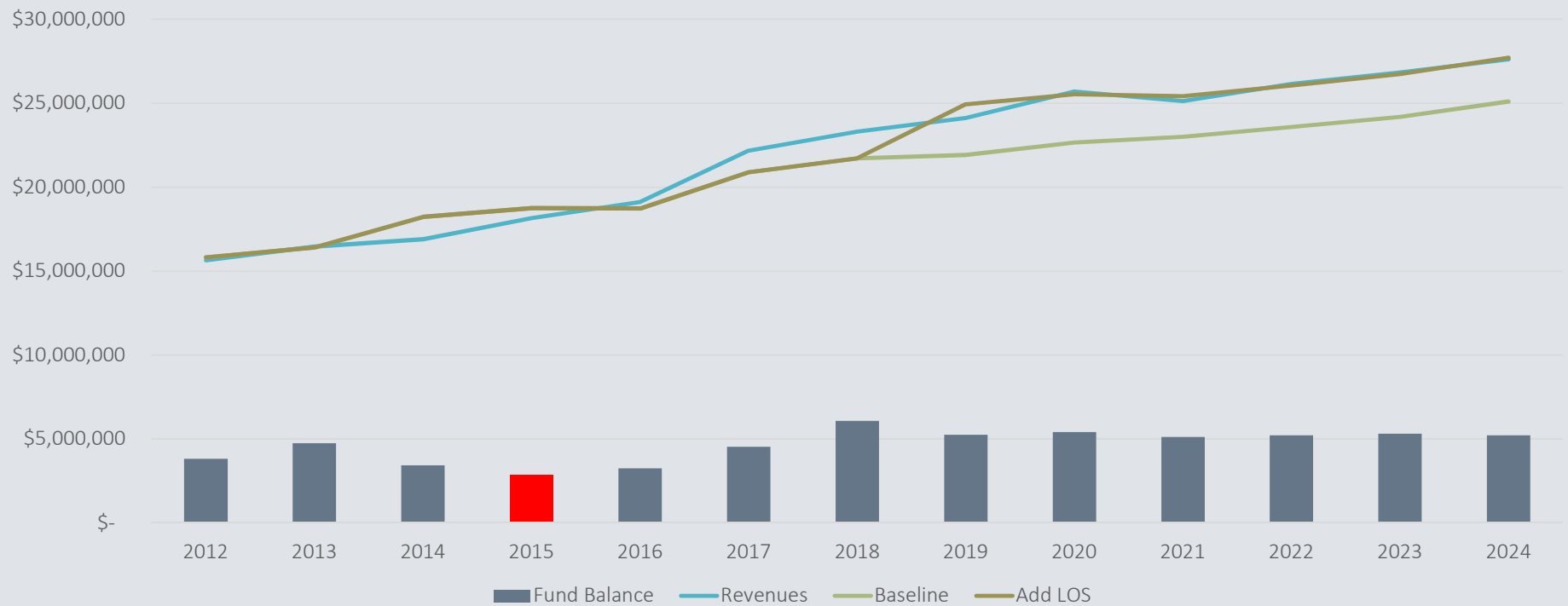


# Option 3 – TBD Sales Tax

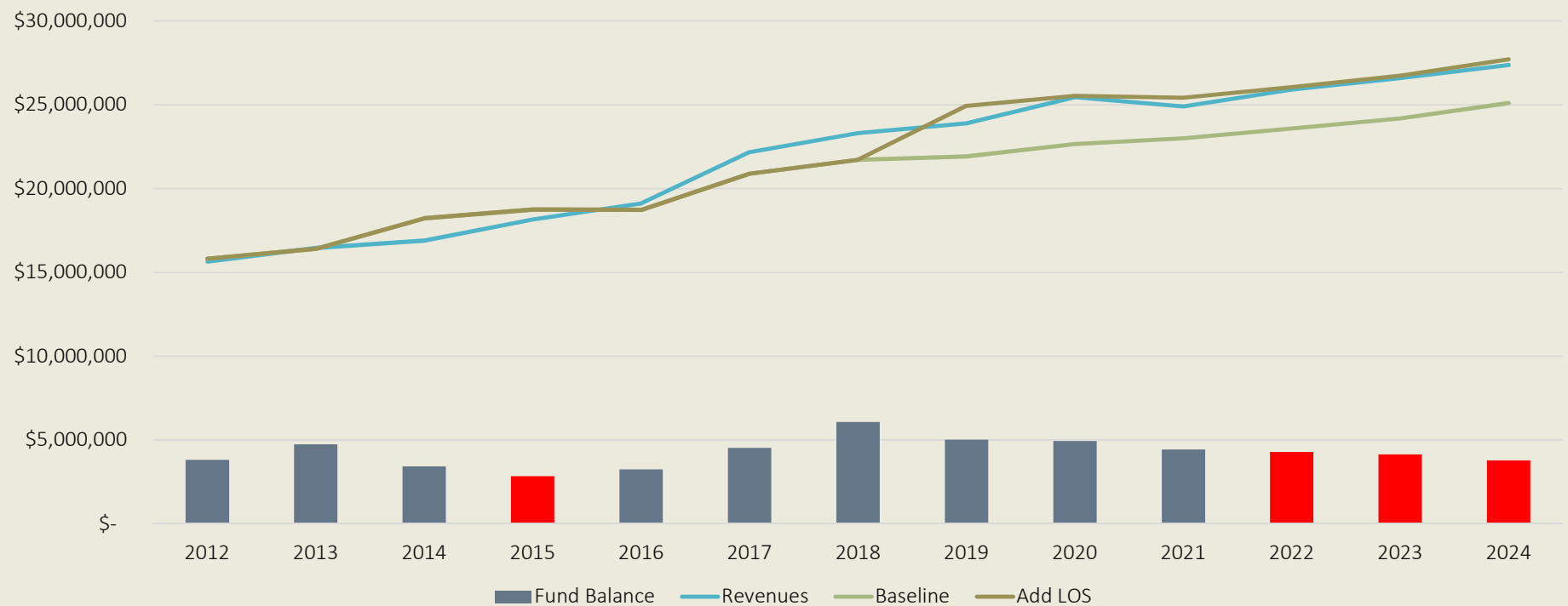




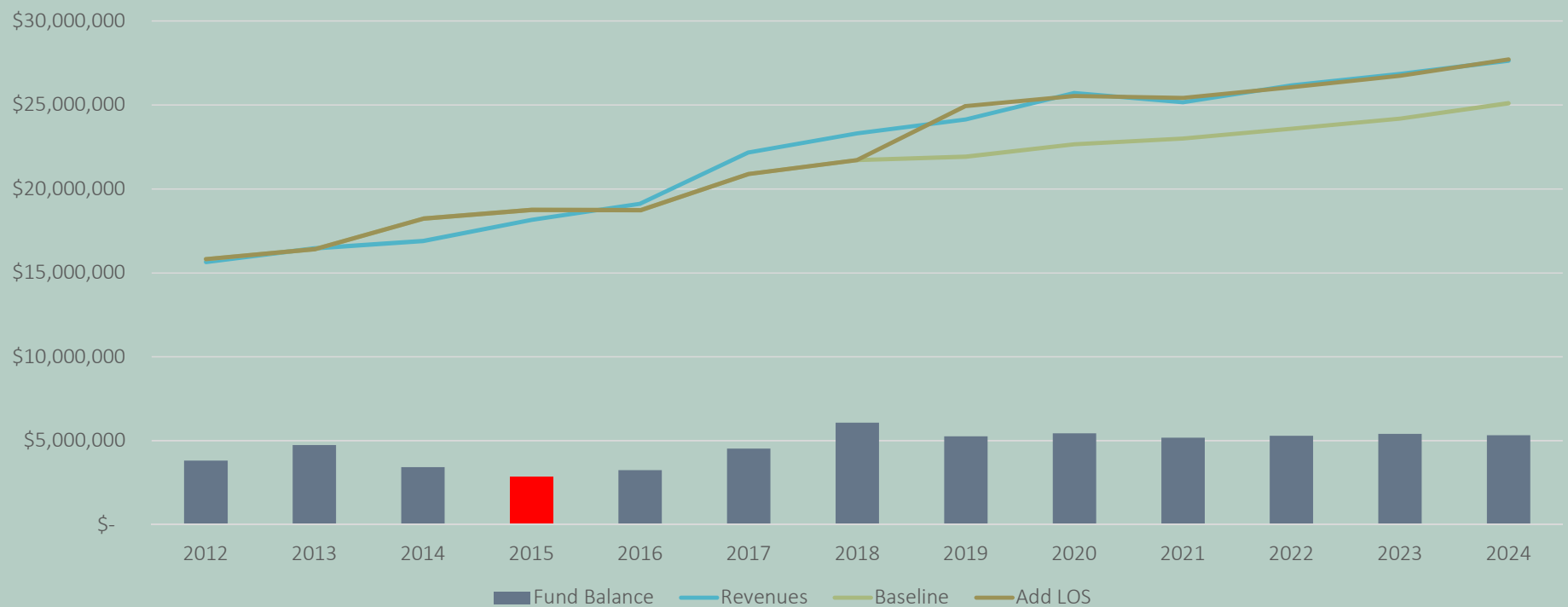
# Option 4 – Natural Gas Utility Tax Increase to 6%



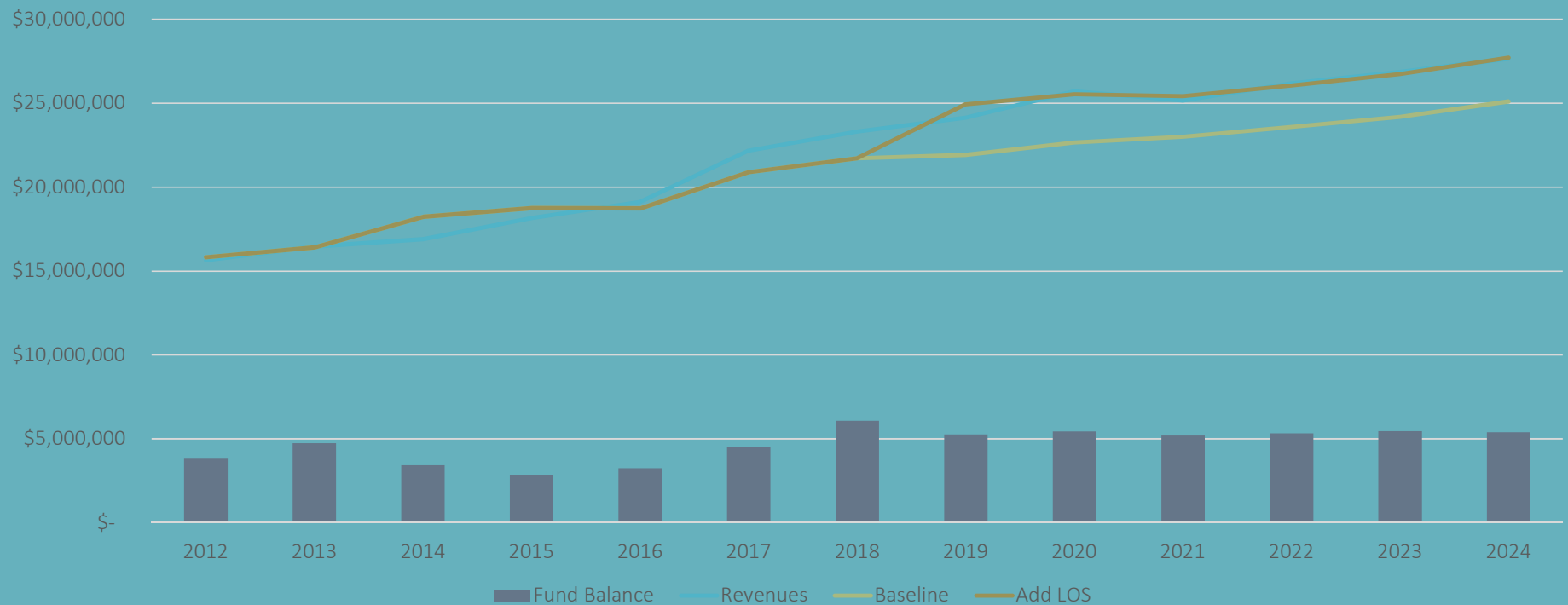
# Option 5 – Natural Gas 3% for Industrial Customers



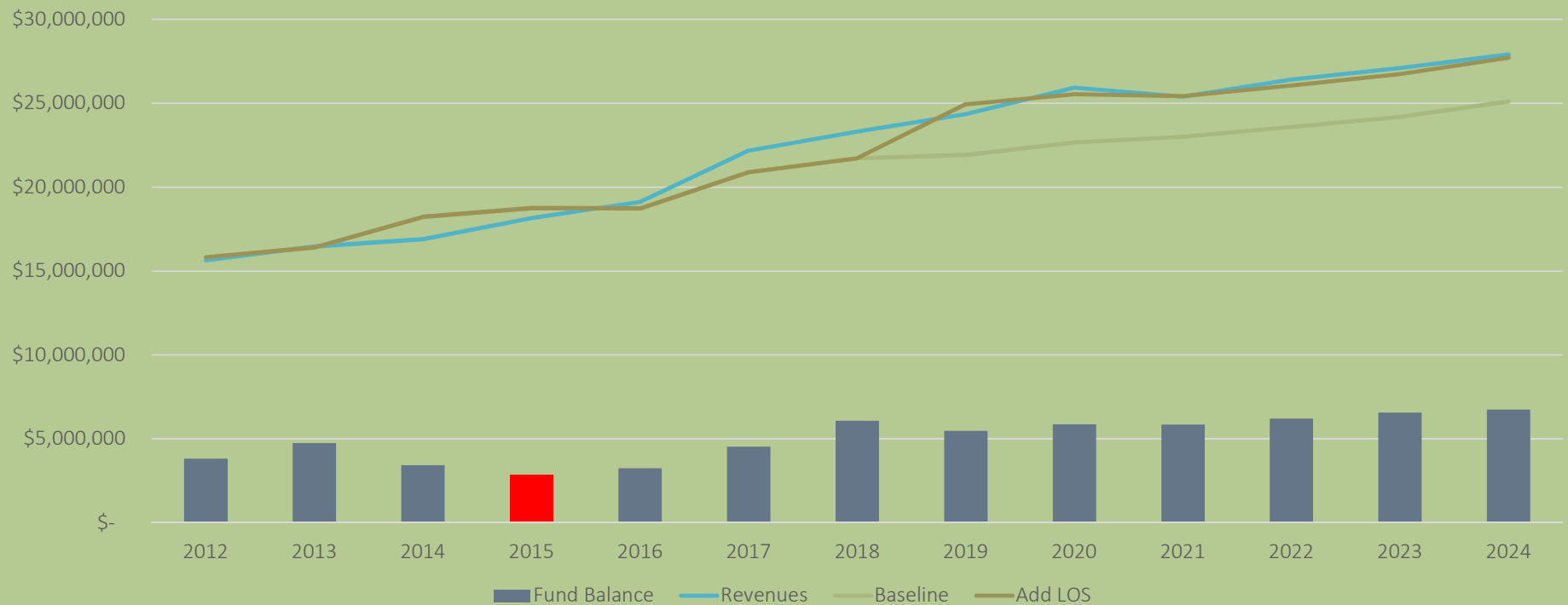
# Option 6 – Natural Gas Utility Tax at 6% with Industrials at 3%



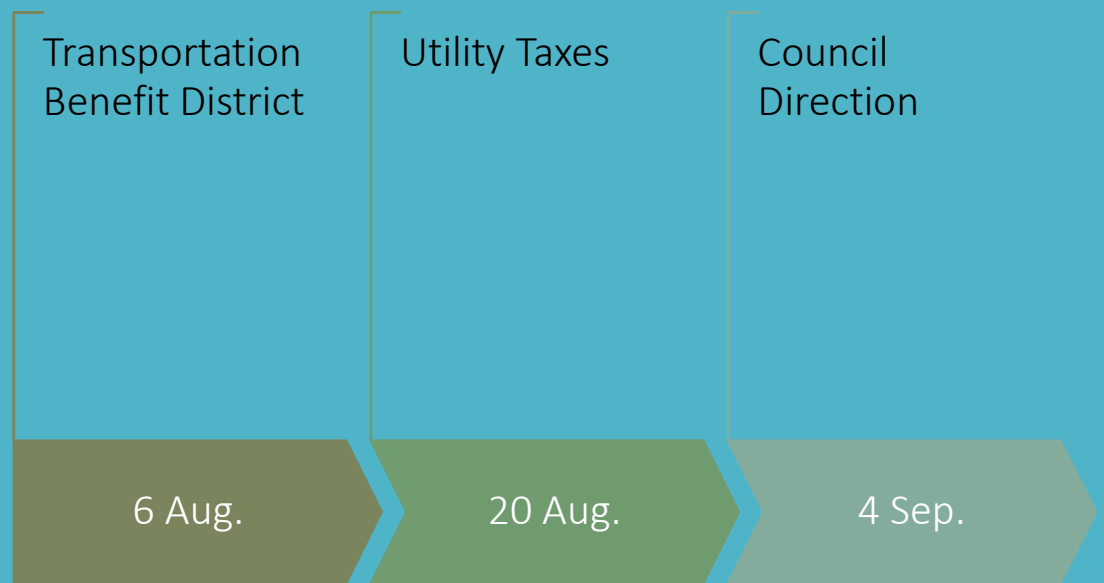
# Option 7 – Utility Taxes on Telephone & Cable (1%) with Storm & Garbage (3%)



# Option 8 – Utility Taxes of 3% on Telephone, Cable, Storm and Garbage



# Next Steps



# City of Camas Waste & Recycling Collection Changes

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CHRIS BELL

BELL & ASSOCIATES



# Solid Waste Planning Project Background

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## Planning Phase 1

### Assessment of the City SW system by

- Collection and analysis of operational data
- Interviews with department personnel
- Observations in the form of route ride-a-longs



# Phase 1 Recommendations

Operation	Recommendation	Status
<b>Safety</b>	Drivers to wear high visibility gear while working.	Completed
<b>Extra Charges</b>	Create new form to assist with the reporting of extra charges.	Completed
<b>Driveway Service</b>	Cease driveway service due to the high risk.	Completed
<b>Driver Augmentation</b>	Train additional drivers from current City staff to augment collection personnel.	No Action
<b>Walk-in Service</b>	Assess a rate for walk-in service unless the customer is not physically able to set out their garbage cart.	Completed
<b>Narrow Streets</b>	Place carts on one side of the street where there is the greatest amount of room.	Near Completion
<b>Downtown Service</b>	Reassign mall collection to the downtown janitorial service crew.	Pending
<b>Unbalanced Residential Collection Routes</b>	Shift approximately 600 customers from the Wednesday to other collection days.	Fall 2018
<b>Collection Efficiency</b>	Develop 3 residential and one commercial route for each collection day. Draw the map and sequence customer to increase efficiency.	Fall 2018
<b>Every-other-week collection</b>	Update procedures to right size customers with their weekly service levels.	Council Input
<b>Incorrect Carts</b>	Complete a route audit to update customer's correct level of service.	Phase 3

# SW Planning Phase 2

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1. Efficient rerouting of collection routes and coordination with Waste Connections to lessen the overall impact on City residents and businesses.
2. Expected growth within the current City boundaries and proposed annexations.
3. Projecting labor and equipment necessary to maintain the City's high level of service.
4. Calculation of the cost of providing solid waste services.

# Collection Routing Process

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No set collection routes – drivers would collect the carts set-out within the collection areas

Gary Lima (Container Pros) and Garry Reed drew out collection routes for each collection day

Set collection routes were established to collect operational data

- Finding – Drive time expended collecting waste by Camas drivers was comparable to industry
- Byproduct - Reduced driver overtime with set routes

# Existing Residential Collection Routes

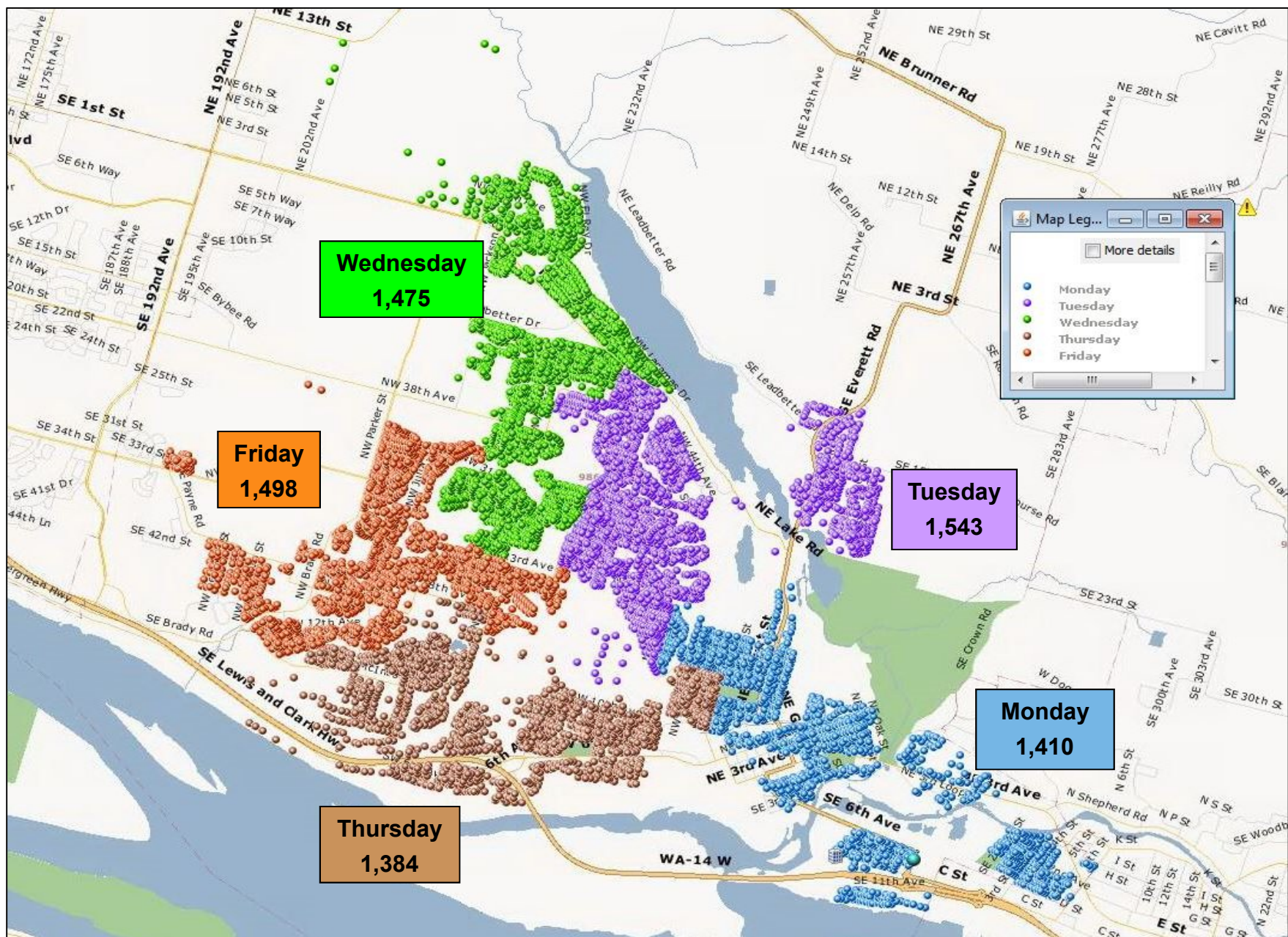
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Collection Day	Residential Customers	Collection Hours	Daily Routes
Monday	521	5.37	1
Tuesday	1,644	16.95	2
Wednesday	2,805	28.92	4
Thursday	1,025	10.57	2
Friday	1,279	13.20	2
<b>Total</b>	<b>7,274</b>	<b>75.0</b>	

# Reroute Objectives

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1. Establish daily collection routes that require no more than 8 hours on-route
2. Same day collection of waste, recycling, and yard debris; therefore, it must be compatible with Waste Connections operations.
3. Accommodate the expected growth in the annexed areas of the City





# Initial Route Changes

Requires two trucks for residential collection

One truck for commercial collection

Final changes will be completed in April

Day	Current Day	New Day	▲
Monday	522	1,410	+888
Tuesday	1,628	1,535	(93)
Wednesday	2,802	1,475	(1,327)
Thursday	1,008	1,384	+376
Friday	1,342	1,498	+156
	7,302	7,302	-



# Re-route Next Steps

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July 17 - Request current customer data to update the collection routes and to sequence the order of collection. The SW Supervisor, Garry Reed, will work with personnel from Waste Connections.

July 31 - Submit route data to Clark County GIS to update the collection route map

July 31 - Complete customer contact outreach materials and submit to Data Bar for distribution.

August 20 - Mail out first customer contact notices (August 20) and follow up with second notice.

September 24- Mail out second customer contact notice.

October 1 - Implement new collection routes





# Projected Growth

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Customers	2017	2018	2019	2020	2021
Residential Customers (Sep 17)	7,274				
In-City Growth	52	303	303	303	303
Annex Areas – Platted (Aug 19)			407	407	407
Annex Areas – Existing (Aug 19)			534		
Total Residential Customers	7,326	7,629	8,873	9,583	10,293

## Next Steps

City has three 24 yard trucks and one 12 yard truck

Growth will require the addition of a fourth truck equipped with a 24 yard body and driver in 2019 or subcontract to Waste Connections

Confirm process utilized by the City to collect address and GPS data for utility service and billing in the annexed area. This information will be required to generate collection routes. (Phase III)

# Collection Rates

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August work session meeting with Council to discuss collection rates:

- Cost of solid waste collection and curbside recycling

- Projected cost and rate impacts of growth

## **EXHIBIT “A”**

### **SCOPE OF WORK**

#### **CITY OF CAMAS PARKER’S LANDING AND WWTP WELL SOURCES PRELIMINARY ENGINEERING SERVICES**

### **PROJECT OVERVIEW**

The City of Camas would like to develop two new water supply wells. The City has obtained water rights for these wells and they are to be located near Parker’s Landing and the WWTP site. The City would like to identify the optimum locations for these two wells when considering land use, land ownership, access, proximity to existing water transmission infrastructure, and anticipated water quality and quantity. Based on the results of this analysis, the City would like to drill a test well to confirm well capacity and water quality. Due to the greater uncertainties regarding proximity to shallow bedrock, it is anticipated that the test well would be drilled at the WWTP site. In order to expedite the potential schedule for development for the wells, the City may also consider drilling a test well large enough function as a production well at the Parker’s Landing site. An optional task for this work has been provided.

### **SCOPE OF WORK**

Gray & Osborne, with the assistance of our subconsultant Pacific Groundwater Group (PGG), has prepared the following scope of work for this project. The proposed scope of work to be completed by PGG is attached.

1. Provide Project Management

Provide project management of the project. This task will include coordinating and managing the required resources and the schedule and budget for the project team, including Pacific Groundwater Group. A detailed project schedule will be developed and the City will be provided with monthly progress updates.

2. Complete Site Selection Feasibility Analysis

a. Evaluate Well Site Alternatives

This subtask will be led by Pacific Groundwater Group. Our team will gather information about the area for the potential well sites. We will overlay available information on parcel ownership, proximity to shallow bedrock, the City’s existing water distribution system, potential water quality threats, and potential GWI concerns onto a GIS base map to help identify the preferred location for potential test and/or production wells.

Details of this subtask are provided in the PGG scope of work. Gray & Osborne will assist with providing information about the City's water distribution and transmission system and provide technical oversight for this subtask.

b. Water System Analysis

Gray & Osborne will evaluate the potential well sites with respect to the City's existing water transmission and distribution system. We will identify the infrastructure that will need to be constructed to connect the new wells to the City's existing water system. We will use the City's water model to identify any improvements necessary to the City's existing water transmission and distribution system to convey water from the new wells to the areas where it is needed. As part of this analysis we will also evaluate the optimum location for chlorination and fluoridation of water from these wells. Alternatives that will be considered include construction of treatment facilities at each well, construction of a treatment facility serving both wells at one of the wells, or modification of the existing Washougal Wellfield treatment facilities. Preliminary cost estimates will be developed for each alternative and a decision matrix will be used to assist with determination of the preferred alternative based on both cost and non-cost factors.

c. Prepare Summary Report

We will prepare a summary report documenting the findings of the Site Selection Feasibility Analysis including the findings of the well site alternatives and water system analysis. The report will describe the recommended alternatives and estimated costs for developing the new wells.

3. Complete Test Well Design, Permitting, and Construction

a. Prepare Test Well Drilling Specifications

We will prepare well drilling specifications for the test well to be drilled at the WWTP site.

i. Draft Drilling Specifications

We will prepare draft drilling specifications for the test well. Pacific Groundwater Group will prepare technical specifications for drilling, developing, and testing the wells. As part of development of specifications, drilling methods and water discharge alternatives will be evaluated. Gray & Osborne will

prepare the general requirements sections, the General Conditions and proposal sections. Gray & Osborne will consolidate these components into draft specifications. Draft specifications will be submitted to the City for review.

ii. Prepare Final Drilling Specifications

Draft specifications will be updated based upon City review comments. Final well drilling specifications will be prepared and submitted to the City.

b. Assist Test Well Permitting

PGG will coordinate with DOH and Clark County Public Health to complete the well site approval process. If the preferred drilling site is located inside the same quarter-quarter section but outside of the specific point of withdrawal authorized by the City's water right permit, PGG will coordinate with Ecology to modify the permit as necessary.

c. Provide Bid and Award Assistance

Assist the City with the bid and award process for the well drilling contract. Participate in a pre-bid walkthrough. Respond to bidder inquiries. Prepare addenda as necessary. Review bid results and bidder qualifications. Prepare an award recommendation for the City.

d. Provide Construction Support During Well Drilling

Provide construction support during well drilling, development, and testing. Pacific Groundwater Group will provide on-site oversight of drilling, development, and testing operations. Gray & Osborne will provide construction support consisting of the following:

- Review of submittals
- Response to RFIs and Evaluation/Negotiation of Change Order Requests
- Preparation of Progress Pay Estimates

Pacific Groundwater Group will provide on-site observation of well drilling and will evaluate formation materials, provide screen sizing recommendation, and provide documentation of well test pumping and water quality.

4. Prepare Summary Report with Recommendations

PGG will prepare a report summarizing the results of the test well and providing recommendations for the production wells. Gray & Osborne will provide updated cost estimates for development of the production wells.

5. Complete QA/QC Review of Work Products

We will conduct Quality Assurance/Quality Control reviews of the Well Site Selection Report, draft and final well specifications and the Test Well Summary Report.

6. Attend Meetings and Site Visits

Attend meetings with City staff and the contractor. Complete site visits to review existing conditions, The following meetings have been anticipated:

- Project Kick-off Meeting
- Site Selection Memorandum Review Meeting
- Test Well Prebid Meeting
- Test Well Drilling Preconstruction Meeting
- Well Drilling Construction Meeting (1)

**Optional Task – Drill Parker’s Landing Test/Production Well**

This optional task may be authorized by the City if it determines that is would like to drill a test well large enough to function as a production well at the Parker’s Landing site. For the purposes of developing this scope, we have assumed that the specifications for drilling this well would be included with the specifications for the WWTP test well and a single drilling contractor would drill both wells.

1. Provide Project Management

Provide additional project management for drilling the Parker’s Landing Test/Production Well. This task will include coordinating and managing the schedule and budget for the project team and PGG. The project schedule will be updated and the City will be provided with monthly progress updates.

2. Complete Test Well Design, Permitting, and Construction

a. Prepare Test Well Drilling Specifications

This task will include the additional work to include the Parker’s Landing Test/Production Well in the well drilling specifications.

i. Draft Drilling Specifications

Prepare draft drilling specifications for the Parker's Landing Well. Pacific Groundwater Group will prepare technical specifications for drilling, developing, and testing the well. As part of development of specifications, drilling methods and water discharge alternatives will be evaluated. Gray & Osborne will prepare the general requirements sections, the General Conditions and proposal sections. Gray & Osborne will consolidate these components into draft specifications. Draft specifications will be submitted to the City for review.

ii. Prepare Final Drilling Specifications

Draft specifications will be updated based upon City review comments. Final well drilling specifications will be prepared and submitted to the City.

b. Assist Test Well Permitting

PGG will coordinate with DOH and Clark County Public Health to complete the well site approval process. If the preferred drilling site is located inside the same quarter-quarter section but outside of the specific point of withdrawal authorized by the City's water right permit, PGG will coordinate with Ecology to modify the permit as necessary.

c. Provide Additional Construction Support During Well Drilling

Provide construction support during well drilling, development, and testing. Pacific Groundwater Group will provide on-site oversight of drilling, development, and testing operations. Gray & Osborne will provide construction support consisting of the following:

- Review of submittals
- Response to RFIs and Evaluation/Negotiation of Change Order Requests
- Preparation of Progress Pay Estimates

Pacific Groundwater Group will provide on-site observation of well drilling and will evaluate formation materials, provide screen sizing recommendation, and provide documentation of well test pumping and water quality.

3. Prepare Summary Report with Recommendations

PGG will prepare a report summarizing the results of the test well and providing recommendations for the production wells. Gray & Osborne will provide updated cost estimates for development of the production wells.

4. Attend Meetings and Site Visits

Attend additional meetings with City staff and the contractor. Complete site visits to review existing conditions, The following meetings have been anticipated:

- Additional Well Drilling Construction Meetings (2)

## **BUDGET**

Based on the Scope of Work described above, the total estimated cost for engineering services as shown in the attached Exhibit “B-1” and “B-2.” A summary of the estimated costs as follows:

Parker’s Landing and WWTP Well Preliminary Engineering Services	\$105,200
Optional Task – Drill Parker’s Landing Test/Production Well	\$47,400
<b>Total Estimated Project Cost</b>	<b>\$152,600</b>

## **DELIVERABLES**

Deliverables will be provided in the following format:

- Reports – three paper copies
- Specifications – three paper copies of each submittal

Electronic files will also be supplied for each deliverable.

## **PROJECT SCHEDULE**

The anticipated project schedule is as follows:

Notice to Proceed	July 1, 2018
Submit Site Alternatives Report	September 1, 2018
Prepare Draft Well Drilling Specifications	October 1, 2018
Prepare Final Well Drilling Specifications	November 1, 2018
Drill Well(s)	January – March 2019



## **ASSUMPTIONS**

The following assumptions have been made in developing this scope of work.

1. All permit fees will be paid by the City.

## EXHIBIT "B-1"

### ENGINEERING SERVICES SCOPE AND ESTIMATED COST

*City of Camas  
Parker's Landing and WWTP Well Sources Preliminary Engineering Services*

Tasks	Principal Hours	Project Manager Hours	Civil Eng. Hours	Structural Eng. Hours	Electrical Eng. Hours	Engineer-In-Training Hours	AutoCAD Tech Hours
1. Provide Project Management		8					
2. Complete Site Selection Feasibility Analysis							
a. Evaluate Well Site Alternatives	2	4	4				
b. Water System Analysis	4	24	40	4	4	24	16
c. Prepare Summary Report	2	8	16			8	8
3. Complete Test Well Design, Permitting, and Construction							
a. Prepare Test Well Drilling Specifications							
i. Prepare Draft Specifications	1	4	16			4	8
ii. Prepare Final Specifications	1	2	4			2	4
b. Assist with Test Well Permitting							
c. Provide Bid and Award Assistance		4	4				
d. Provide Construction Support During Well Drilling	2	24	16			8	
4. Prepare Summary Report with Recommendations	1	8	8				
5. Complete QA/QC Review	4	4	4				
6. Attend Meetings and Site Visits		30	6				
Hour Estimate:	17	120	118	4	4	46	36
Fully Burdened Billing Rate Range:*	\$116 to \$190	\$110 to \$190	\$99 to \$130	\$103 to \$173	\$106 to \$190	\$83 to \$127	\$44 to \$124
Estimated Fully Burdened Billing Rate:*	\$165	\$160	\$125	\$150	\$155	\$100	\$95
Fully Burdened Labor Cost:	\$2,805	\$19,200	\$14,750	\$600	\$620	\$4,600	\$3,420

Total Fully Burdened Labor Cost: \$ 45,995

Direct Non-Salary Cost:

    Mileage & Expenses (Mileage @ current IRS rate) \$ 696

Subconsultant:

    Pacific Ground Water Group \$ 53,190

    Subconsultant Overhead (10%) \$ 5,319

**TOTAL ESTIMATED COST: \$ 105,200**

\* Actual labor cost will be based on each employee's actual rate. Estimated rates are for determining total estimated cost only. Fully burdened billing rates include direct salary cost, overhead, and profit.

## EXHIBIT "B-2"

### ENGINEERING SERVICES SCOPE AND ESTIMATED COST

*City of Camas*

*Parker's Landing and WWTP Well Sources Preliminary Engineering Services  
Optional Task - Drill Parker's Landing Test/Production Well*

Tasks	Principal Hours	Project Manager Hours	Civil Eng. Hours	Engineer-In-Training Hours	AutoCAD Tech Hours
1. Provide Project Management		2			
2. Complete Parker's Landing Well Design, Permitting, and Construction					
a. Prepare Parker's Landing Well Drilling Specifications					
i. Prepare Draft Specifications	1	2	4	2	4
ii. Prepare Final Specifications	1	2	4	1	2
b. Assist with Parkers Landing Well Permitting					
c. Provide Additional Construction Support During Well Drilling	2	16	12	4	
3 Prepare Summary Report with Recommendations	1	2	4		
4 Attend Meetings and Site Visits		12	4		
Hour Estimate:	5	36	28	7	6
Fully Burdened Billing Rate Range:*	\$112 to \$184	\$106 to \$184	\$96 to \$126	\$80 to \$123	\$42 to \$120
Estimated Fully Burdened Billing Rate:*	\$165	\$160	\$125	\$100	\$95
Fully Burdened Labor Cost:	\$825	\$5,760	\$3,500	\$700	\$570

Total Fully Burdened Labor Cost: \$ 11,355

Direct Non-Salary Cost:

    Mileage & Expenses (Mileage @ current IRS rate) \$ 196

Subconsultant:

    Pacific Ground Water Group \$ 32,590

    Subconsultant Overhead (10%) \$ 3,259

**TOTAL ESTIMATED COST: \$ 47,400**

\* Actual labor cost will be based on each employee's actual rate. Estimated rates are for determining total estimated cost only. Fully burdened billing rates include direct salary cost, overhead, and profit.

June 15, 2018

Gray & Osborne, Inc.  
701 Dexter Ave N.,  
Seattle, WA 98109

Re: City of Camas Parker's Landing and Wastewater Treatment Well Sources Pre-design Studies, Pacific Groundwater Group Scope of Work and Cost

Attn: Russ Porter, PE

Dear Russ:

This letter summarizes Pacific Groundwater Group's (PGG's) proposed scope of work and cost estimate for assisting the City of Camas (City) with predesign studies for future supply wells at the Parker's Landing and Wastewater Treatment Plant sites. It is our understanding that Gray & Osborne, Inc. (G&O) will be the prime contractor on this project, with PGG providing technical assistance with site selection, well construction, and testing.

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## SCOPE OF WORK

The following scope of work follows the approach proposed in our team's RFQ response, with an additional task option to install a supply well at the Parker's Landing site based on our conversation with Mike Johnson (G&O) on June 13, 2018.

---

### TASK 1. SITE SELECTION FEASIBILITY ANALYSIS

Our initial task will be to perform a feasibility analysis to identify the preferred drilling locations for a test well under this scope of work, and for future production wells pending insights from test well drilling and testing.

PGG will perform the Site Selection Feasibility Analysis using GIS to overlay pertinent selection criteria including parcel ownership; and proximity to shallow bedrock, the City's existing distribution system, potential water quality threats, and potential groundwater under the influence of surface water (GWI) concerns. Data sources will include assessor's records, published surficial geology maps, driller's well logs, the Department of Ecology's (Ecology's) online Toxics Cleanup Program viewer, and the City's recent Wellhead Protection Plan update. To evaluate proximity to shallow bedrock, PGG will

request that the City provide all reports of geotechnical and other subsurface investigations performed at the Wastewater Treatment Plant. We will also search for geotechnical reports that may have been prepared for the Washington State Department of Transportation for construction of Highway 14, as well as older well records for Georgia Pacific and the City's operations center.

The spatial analysis will also include evaluating specific well locations in the context of the 100-foot sanitary control area required by the Washington State Department of Health (DOH), and the 200-foot offset from surface water that reduces potential for GWI. Where possible, preference will be given to locations where the entire sanitary control area is within property owned by the City so that a variance is not required, although this preference must be balanced against other key considerations. Since there are significantly higher treatment costs for GWI wells, preference will be given to potential well locations that are greater than 200 feet from surface water bodies.

PGG will prepare maps of the Parker's Landing and Wastewater Treatment Plant sites depicting parcel ownership, land use, the City's water supply lines, and environmental facilities. These maps will be used to support discussions with the City and G&O. PGG have assumed that we will attend one internal team meeting, and participate in site visits with the City and G&O to identify other factors that might influence the preferred drilling location recommendations. If the preferred drilling location at Parker's Landing is on Port of Camas/Washougal (Port) property, PGG will attend one additional meeting with the Port to assist the City negotiate access for well development.

The results of the site selection feasibility analysis will be summarized in a report that will include a recommended location for the test well, and sufficient information to identify preferred locations for the final production wells pending insights from test well drilling and testing. The report will also include a discussion of the cost and risk of installing a production well at Parker's Landing without a prior test well (see Optional Task 6).

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## **TASK 2. WATER SYSTEM ANALYSIS**

PGG will assist the City and G&O as needed with water system design.

---

## **TASK 3. PERMITTING AND TEST WELL CONSTRUCTION**

PGG will coordinate with DOH and Clark County Public Health (CCPH) to complete a site review application and obtain approval for the test well location. The City will need to submit the appropriate fees for the site approval application and inspection. As Ecology has already issued the City a water right permit, no preliminary permit will be required. PGG will negotiate with Ecology if the preferred drilling locations are within the same quarter-quarter section, but not at the specific points of withdrawal authorized by the water right permit.

Once the site is approved, PGG will develop technical specifications for test well drilling based on our recommendations and discussion with City Staff. The specifications will

become the basis for the City to solicit bids from qualified well drilling contractors. PGG will provide preliminary drilling cost estimates that the City can incorporate in the bidding process, and we will assist City Staff with selection of a drilling contractor. The selected drilling company will be contracted directly to the City. PGG will act as the City's field representative during the project.

A PGG hydrogeologist will oversee the test well construction and will be present for key portions of the drilling process. Based on the results of drilling, PGG will design a screen assembly for the contractor to install. Once the contractor has placed the screen and successfully exposed it to the target aquifer, PGG will oversee testing, which will include a short-term test at various rates (step-rate test) followed by a longer-term test of up to 24-hours at a constant rate. Water level measurements will be collected by hand and using electronic transducers throughout the testing period. Water quality samples will be collected during the constant-rate test for analysis of inorganic parameters, metals, volatile organic compounds, semi-volatile organic compounds, radionuclides, bacteria, and potentially microscopic particulate analysis (MPA) for potential GWI evaluation.

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#### **TASK 4. SUMMARY REPORT WITH RECOMMENDATIONS FOR SUPPLY WELLS**

PGG will prepare a report summarizing the installation and testing of the test well that also identifies preferred locations for the final production wells. The report will include analysis of the hydraulic test data, an as-built diagram of the test well, and comparison of water quality results to drinking water standards.

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#### **TASK 5. PROJECT MANAGEMENT AND COORDINATION**

PGG will prepare and document monthly invoices, manage staff resources, and communicate with G&O and the City throughout the project. In addition to the meetings discussed above, we anticipate up to two additional meetings with City staff. This may include additional communication with the City, Port or other stakeholders, Ecology, DOH, and CCHP beyond what was assumed above.

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#### **OPTIONAL TASK 6. PRODUCTION WELL INSTALLATION AT PARKER'S LANDING**

Based on our recent conversation with Mike Johnson, we understand that the City may be interested in expediting installation of a supply well at the Parker's Landing or Wastewater Treatment Plant sites. The target aquifer for the new wells occurs in saturated portions of highly-permeable materials deposited by ice-age floods from Glacial Lake Missoula that are underlain by bedrock. Based on our previous experience, bedrock may be shallow in the vicinity of the Wastewater Treatment Plant, which may reduce the saturated thickness of the aquifer at this site and limit well yield. Therefore, it is likely that PGG will recommend drilling the test well at the Wastewater Treatment Plant rather than at Parker's Landing.

Bedrock is anticipated to be deeper at the Parker's Landing site. If this is supported by the findings of Task 1, the City may be willing to accept the risk of installing a production well at Parker's Landing in lieu of a test well at this site in the interest of having a source online in time to meet the anticipated demand schedule. In the event that this approach is consistent with the City's goals, we have included Optional Task 6 in our scope of work. To the extent possible, scope items for Optional Task 6 would be combined with Tasks 3 and 4 for efficiency. For example, efforts to obtain DOH and CCPH site approval for the test well and production well would be combined, and documentation of the test well and production well installation and testing would be combined in a single report.

#### **Task 6a. Permitting and Production Well Installation and Testing**

If the City agrees, PGG's coordination with DOH and CCPH to obtain approval for the test well location would also include obtaining approval for the production well location. PGG would expand the technical specifications described in Task 3 to include installation of a production well at Parker's Landing. The specifications would become the basis for the City to solicit bids from well drilling contractors qualified to install both the test well and the production well. PGG would provide preliminary drilling cost estimates that the City can incorporate in the bidding process, and would assist City Staff with selection of a drilling contractor.

Oversight of production well drilling would be provided by PGG. Based on the results of drilling, PGG would design a screen assembly for the contractor to install. The design would be reviewed by the contractor and the City prior to ordering the screen materials. Once the contractor has placed the screen and successfully exposed it to the target aquifer, we would coordinate the development of the well screen to help maximize well efficiency and minimize sand production.

The production well would be tested to meet Ecology's requirements and DOH/CCPH guidelines for supply sources. We anticipate a short-term, step-rate test followed by a 24-hour, constant-rate test. Water level measurements would be collected by hand and using electronic transducers throughout the testing period. If possible, water levels would also be collected for a few days before and after testing. Water quality samples would be collected near the end of the constant-rate test for analysis of the full suite of drinking water parameters required by DOH for source approval, including: inorganic parameters, metals, volatile organic compounds, semi-volatile organic compounds, radiological compounds, bacteria, and potentially MPA to assess GWI potential.

#### **Task 6b. Additional Reporting**

PGG would expand the Summary Report described in Task 4 to document installation and testing of the production well at Parker's Landing. In addition to the elements described in Task 4, the report would include analysis of the production well hydraulic test data, an as-built diagram of the production well, and comparison of water quality results to drinking water standards. The report would also include our recommendations for long-term use and maintenance of the well. The content of the production well sections of

the report will be tailored to support the City's and G&O's efforts to obtain source approval from DOH.

#### **Task 6c. Additional Project Management**

Additional project management for the optional installation of a production well at Parker's Landing would include scheduling, internal staff coordination, communication with the project team and regulators.

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### **COST ESTIMATE AND TERMS AND CONDITIONS**

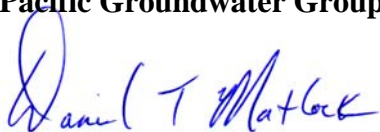
PGG would complete the proposed scope of work described in Tasks 1 through 5 at an estimated cost of \$53,190, and if authorized, we would complete the scope of work described in Optional Task 6 at an additional estimated cost of \$32,590 (Table 1). Our costs will be invoiced monthly, on a time-and-materials basis, in accordance with the attached Terms and Conditions. If unexpected information is encountered that appears to require additional work, PGG will bring them to your attention and seek approval for any added expenditures. The Terms and Conditions are incorporated into our agreement with you, and by your authorization to proceed you are accepting them.

Our professional services will be performed, our findings obtained, and our report prepared in accordance with generally accepted hydrogeologic practices. This warranty is lieu of all other warranties, either expressed or implied.

Please contact Dan Matlock (206-979-3057) or Inger Jackson (206-329-0141 ext. 204) if you have any questions about this scope of work or cost estimate.

Sincerely,

**Pacific Groundwater Group**



Dan Matlock  
Senior Hydrogeologist

Attachments: 2018 Terms and Conditions  
Cost Estimate

*PGG Camas Scope\_v061518.docx*



Table 1. PGG Cost Estimate for Camas Parker's Landing and Wastewater Treatment Plant Supply Wells Predesign Studies  
JM9702.24  
6/14/2018

Task #	Subtask Description	Admin	Staff/GIS	Senior Hydro.	Permit Specialist	Principal	PGG Staff Costs	Direct Costs (1)		Total Costs
		\$ 60	\$ 120	\$ 130	\$ 140	\$ 175				
1	Site Selection Feasibility Analysis									\$ 11,785
	a		2	6	2	6	\$ 2,350		\$ -	
	b		8	8		2	\$ 2,350		\$ -	
	c		4	2		1	\$ 915		\$ -	
	d					8	\$ 1,400	mileage	\$ 230	
	e					6	\$ 1,050	mileage	\$ 230	
	f		4	16		4	\$ 3,260		\$ -	
							\$ -			
2	Water System Analysis									\$ 960
	a			2		4	\$ 960		\$ -	
							\$ -		\$ -	
3	Permitting and Test Well Construction									\$ 25,115
	a			12		12	\$ 3,660		\$ -	
	b				8	3	\$ 1,645		\$ -	
	b		2	20		6	\$ 3,890		\$ -	
	c			60		12	\$ 9,900	mileage, per diem, equip, WQ samples	\$ 3,000	
	d		2	16		4	\$ 3,020		\$ -	
4	Prepare Phase 1 Summary Reports with Recommendations for Supply Wells									\$ 5,320
	a		2	24	4	8	\$ 5,320		\$ -	
							\$ -		\$ -	
5	Project Management and Coordination									\$ 10,010
	a			4		20	\$ 4,020		\$ -	
	b			6		12	\$ 2,880	mileage	\$ 460	
	c	6		4		10	\$ 2,630	phone, misc.	\$ 20	
6	Optional Production Well Installation at Parker's Landing (combined with Tasks 3 and 4 for efficiency where appropriate)									\$ 32,590
	a						\$ -		\$ -	
	i.			6		6	\$ 1,830		\$ -	
	ii.			8		4	\$ 1,740		\$ -	
	iii.			80		12	\$ 12,500	mileage, per diem, equip, WQ samples	\$ 5,000	
	iv.		2	16		4	\$ 3,020			
	b		2	16		4	\$ 3,020		\$ -	
	c	4		8		24	\$ 5,480		\$ -	
Totals										
	For Tasks 1 through 5	6	24	180	14	118	\$ 49,250		\$ 3,940	\$ 53,190
	For Tasks 1 through 5, plus Optional Task 6	10	28	314	14	172	\$ 76,840		\$ 8,940	\$ 85,780

Notes:  
(1) Includes 10% markup.

## 2018 PACIFIC GROUNDWATER GROUP TERMS AND CONDITIONS

**SCHEDULE OF CHARGES.** The schedule establishing fees for Pacific Groundwater Group's services is presented below. A new schedule is issued at the beginning of each year or when otherwise dictated by inflationary changes. Unless other arrangements have been made, charges for all work, including continuing projects initiated in the prior year, will be based on the latest SCHEDULE OF CHARGES in the latest PACIFIC GROUNDWATER GROUP TERMS AND CONDITIONS.

Principal Technical Services	\$175-190/hr.	Travel & Sustenance	Cost plus 10%
Senior Technical Services	\$130-155/hr.	Subcontract and Direct Expense	Cost plus 10%
Associate Technical Services	\$155/hr.	Long Distance and Cellular Phone Expenses	Cost plus 10%
Staff Technical Services	\$120-135/hr.	Xerox & Oversize Copies	\$0.15/b&w \$0.25/color & \$1/sq. ft
Technical Support Services	\$120/hr.	Automobile Mileage	Federal mileage + \$0.05
Legal Support (Preparation, Deposition, Testimony, Travel )	\$275/hr.	Truck Mileage	Federal mileage + \$0.10

**PAYMENT, INTEREST, COLLECTION.** Invoices will be submitted once per month for service expenses rendered during the prior month. Payment will be due within thirty (30) days of the invoice date. Interest will be added to accounts in arrears at the rate of one and one-half percent (1-1 1/2%) of the average for each month of delinquency not to exceed the maximum annual percentage rate allowed by law. All expenses incurred for lien-ing or collecting any delinquent amount, including but not limited to reasonable attorney fees, witness fees, reasonable charges at current billing rates for the time devoted by the Pacific Groundwater Group's personnel, document duplication, organization and storage costs, taxable court costs, travel and subsistence, shall be paid to the Pacific Groundwater Group in addition to the delinquent amount. If at any time, present or future, the State, County, City or Municipality assesses a sales, use, or ad-valorem tax upon Pacific Groundwater Group for any of the services, supplies, testing or other work performed by Pacific Groundwater Group and/or its subcontractors under this contract, the client agrees to pay such taxes in addition to, and hold Pacific Groundwater Group harmless from such, or should Pacific Groundwater Group elect to pay such taxes directly, the client agrees to reimburse and indemnify Pacific Groundwater Group in full.

**TERMINATION.** In the event the client requests termination of the work prior to completion, Pacific Groundwater Group will be paid for all work performed up to the notice of termination and for all expenses incurred or committed to that cannot be canceled. Pacific Groundwater Group also has the right to complete, at the client's expense, the analysis and records necessary to so order the work as to protect our professional reputation. A termination charge may also be made to cover the preparation and administrative costs related to the work. Charges will include all reasonable expenses incurred, and time for Pacific Groundwater Group's personnel, charged at the current rates.

**CLIENT FURNISHED INFORMATION.** The client is responsible to provide, by map or drawing, a description of the property, its location and the location of any buried structures or utilities. Pacific Groundwater Group will not be held liable for damage or injury to subterranean structures (pipes, tanks, telephone cables, etc.), nor to injury to persons arising from damage to subterranean structures, which are not called to our attention and correctly shown on the plans furnished to Pacific Groundwater Group in connection with the work performed by Pacific Groundwater Group. The client agrees to indemnify and hold harmless Pacific Groundwater Group for any and all incorrect or omitted location information to the extent and terms provided in the paragraph entitled "INDEMNIFICATION."

**RIGHT OF ENTRY.** Unless otherwise agreed, Pacific Groundwater Group will be furnished right of entry on the land to make planned borings, surveys and other explorations. Pacific Groundwater Group will take reasonable precautions to minimize damage from use of equipment, but have not included in our fee the cost of restoration of damage which may result from work as outlined in this contract. If Pacific Groundwater Group is required to restore the property to its former condition, the cost of such restoration will be estimated. The additional sum will be agreed upon in writing between Pacific Groundwater Group and the client, and added to the original fee.

**SAMPLE RETENTION.** Due to the expense of storage costs and limited storage life of samples, Pacific Groundwater Group will discard samples sixty (60) days after submission of the report unless arrangements are made for repackaging and storage fees. Alternatively, at the client's request, the samples will be delivered to the client at the client's expense. All samples containing hazardous materials will be returned to the client, at the client's expense, subsequent to use.

**OWNERSHIP OF DOCUMENTS.** Any documentary report or tangible item developed and furnished under this agreement is intended solely for the purpose of communicating and transferring tangible information relating to professional services. All designs, drawings, specifications, notes, data samples, materials, report reproduces, and other works developed by Pacific Groundwater Group, are instruments of service and, as such, remain the property of Pacific Groundwater Group. The client agrees to hold harmless and indemnify Pacific Groundwater Group against all claims, demands, losses, penalties, or damages, including reasonable attorney's fees, arising use of these documents on extensions of this project or any other project without the written permission of Pacific Groundwater Group.

**INSURANCE.** Pacific Groundwater Group maintains Worker's Compensation for its employees as required by State law. Pacific Groundwater Group is protected by Public Liability Insurance to a maximum of \$1,000,000 combined single limits, for bodily injury and property damage liability, and will furnish certificates thereof upon request. Within the limits of said insurance, Pacific Groundwater Group agrees to hold the client harmless from and against loss, damage, injury or liability arising directly from negligent acts committed by Pacific Groundwater Group, its employees, agents, subcontractors and subcontractors' employees and agents.

**INDEMNIFICATION.** To the fullest extent permitted by law, the client agrees to defend, indemnify and hold Pacific Groundwater Group, including but not limited to Pacific Groundwater Group's agents, employees, subcontractors and subcontractors' employees, agents and subcontractors, harmless from and against any and all claims, associated defense costs (including reasonable attorney's fees) damages and other liabilities arising out of or in any way related to Pacific Groundwater Group's work on the project. The client shall indemnify Pacific Groundwater Group against liability for damages caused by or resulting from the concurrent negligence of (a) the client, its agents, employees, subcontractors and subcontractors' employees, agents and subcontractors, and (b) Pacific Groundwater Group, and its agents, employees, subcontractors and subcontractors' employees, agents only to the extent of the client's negligence or the negligence of the clients' agents, employees, subcontractors and subcontractors' employees, agents and subcontractors.

**LIMITATION OF LIABILITY.** With the exception of claims covered by Pacific Groundwater Group's insurance, as provided in the paragraph entitled "INSURANCE" above, and notwithstanding any other term or condition hereof to the contrary, Pacific Groundwater Group's liability under this contract shall, under no circumstances exceed \$50,000 or the total of the fees paid by the Client to Pacific Groundwater Group under the attached scope of work and contract, whichever is greater.

**STANDARD OF CARE.** Pacific Groundwater Group agrees to provide the client, for its sole benefit and exclusive use, the consulting services set forth in Pacific Groundwater Group's attached proposal. Pacific Groundwater Group's services shall be performed in accordance with generally accepted practices in the same or similar localities, related to the nature of the work accomplished, at the time the services are performed.

**HAZARDOUS SUBSTANCES AND CONDITIONS.** The client recognizes that Pacific Groundwater Group's services do not include generating, storing, transporting, or disposing of substances considered to be hazardous and requiring permits under Federal, State or local environmental laws. The client warrants that if it knows or suspects that hazardous substances may exist on the property, the client has so informed Pacific Groundwater Group.

**UNFORESEEN OCCURRENCES.** If any unforeseen conditions or occurrences, including but not limited to hazardous substances or pollutants, are encountered which, in Pacific Groundwater Group's sole judgment, significantly affect the recommended scope of work, Pacific Groundwater Group will promptly notify the client. After such notification, Pacific Groundwater Group will complete its original scope of work, if appropriate, or agree with the client to modify the agreement, or to terminate the work pursuant to the termination clause listed above.

**SUBSURFACE RISKS AND SITE DAMAGE.** The client recognizes that special risks occur and "guarantees" cannot be expected whenever professional consulting services are applied in evaluating subsurface conditions. Pacific Groundwater Group cannot eliminate these risks altogether, but can apply professional techniques to reduce the risks to a level considered tolerable and the client agrees to accept that level of risk. The client recognizes that the use of exploration and test equipment may unavoidably damage or alter the property surface or subsurface and the client agrees to assume responsibility for such unavoidable damages or alterations. Further, the client assumes responsibility for personal or property damage due to interference with subterranean structures, including but not limited to subsurface pipes, tanks and utility lines, that are not called to Pacific Groundwater Group's attention in writing or correctly as shown on plans provided by the client.

**INTERPRETATIONS AND TIME BAR TO LEGAL ACTION.** Interpretations and enforcement of this agreement shall be governed by the laws of the State of Washington. All legal actions by either party to this contract against the other, related to this agreement or any addendum to it, shall be barred after two years have passed from the time the claimant knew or should have known of its claim, and under no circumstances shall be initiated after four years have passed from the date by which Pacific Groundwater Group completes its services.

**SEVERABILITY AND SURVIVAL.** Any element of this agreement later held to violate a law shall be deemed void and all remaining provisions shall continue in force. However the client and Pacific Groundwater Group will, in good faith, attempt to replace any invalid or unenforceable provision with another provision that is valid and enforceable, and which comes as close as possible to expressing the intent of the original provision. All terms and conditions of this agreement allocating liability between the client and Pacific Groundwater Group shall survive the completion of the services hereunder and the termination of this agreement.

**PRECEDENCE.** These terms and conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice to proceed, or like document, regarding Pacific Groundwater Group's services.



# Water, Sewer and Stormwater Utilities Rate Study & System Development Charge Update

Council Workshop

Presented By: Sergey Tarasov, Project Manager

July 16, 2018



# Discussion Outline

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- ◆ Background
- ◆ System Development Charges (SDCs)
  - Overview
  - Methodology
  - Results
- ◆ Next Steps
- ◆ Questions / discussion



## Background

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- ◆ Presented preliminary rate study findings to the Finance Committee and Council on May 7<sup>th</sup>
  - No changes to storm
  - Minor adjustments to water & sewer
    - Water: eliminated the fire line rate
    - Sewer: adjustments to CIP and FTEs in 2019 and 2020

Utility	2019	2020	2021	2022	2023
Water	5.65%	5.65%	5.65%	5.65%	5.65%
Sewer	3.30%	3.30%	3.30%	3.30%	3.30%
Storm	3.00%	3.00%	3.00%	3.00%	3.00%

- ◆ Presented SDC alternatives to the Finance Committee on June 18<sup>th</sup>



## SDC Overview

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- ◆ One time charge imposed on new development or expanded connection to system as a condition of service
- ◆ Represents a prorated share of the cost of providing system capacity
  - Offset growth related costs that would not be necessary in absence of customer based growth
- ◆ Charge calculated based on intent and structure of Revised Code of Washington (RCW 35.92.025)
  - Based on cost of system
  - Proportionate share of capital investment



## SDC Methodology

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- ◆ SDCs consist of two parts:
  - Existing Cost Basis – is intended to recognize the current ratepayers' net investment in the original cost of the non-donated system
  - Future Cost Basis – is intended to include future facilities needed to serve growth, as well as to provide for regulatory system improvements



## SDC Calculation

$$\text{SDC} = \frac{\text{Existing System Cost}}{\text{Existing Customer Base} + \text{Future Growth Served}} + \frac{\text{Future Project Costs: Growth Share}}{\text{Future Growth Served}}$$

- ◆ Customer base:
  - Water: Meter Capacity Equivalents (MCEs) – meter based
  - Sewer: Equivalent Residential Units (ERUs) – flow based



Water Utility



## Water Existing SDCs

Meter	South Area		North Area	
	SDC	Industrial SDC	SDC	Industrial SDC
3/4"	\$ 4,778	\$ 28,270	\$ 7,310	\$ 44,723
1"	7,963	45,555	12,183	72,313
1.5"	15,925	88,632	24,365	141,151
2"	25,480	140,568	38,984	223,999
3"	50,960	281,092	77,968	446,958
4"	79,625	436,781	121,825	695,386
6"	159,250	868,727	243,650	1,384,939
8"	254,800	1,386,905	389,840	2,212,246



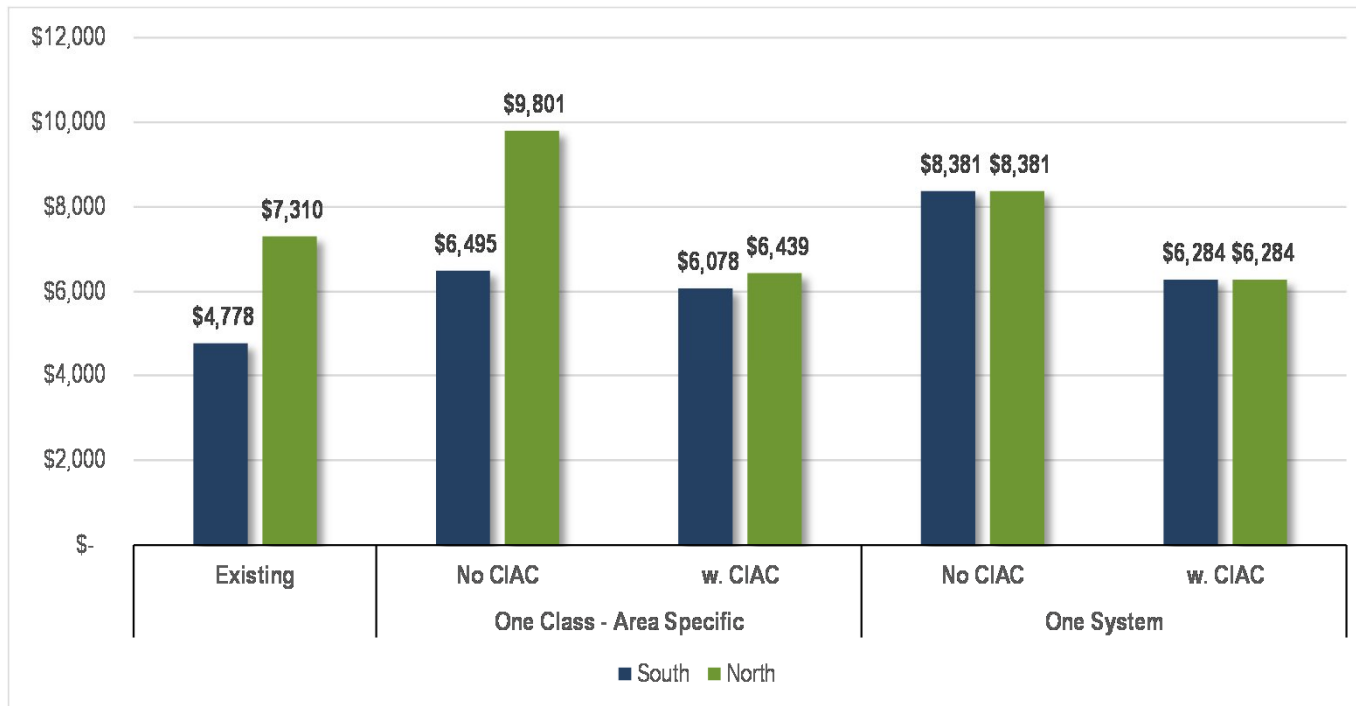
# Water SDC Considerations

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- ◆ Maintain 2 class (Industrial & All Other) area specific SDCs – option eliminated by Finance Committee
- ◆ Condense SDCs into 1 charge – maintain area specific differential
  - Future large industrial connections to be assessed through an independent study
- ◆ Condense SDCs into “one system” charge – eliminate area specific differential
- ◆ Impact of assumed future developer donations (CIAC):
  - Include an assumption in the charge:
    - Reduces overall charge for all customers (or within area)
    - Benefits customers that did not make the donation
    - Until funds are secured, the level of donation and timing can change, puts more risk on the City
  - Do not include any assumptions in charge:
    - Direct credit to customers that provide contributions
    - Less risk for the City
    - Greater overall SDCs



# Water Options Summary



- ◆ Notes:
  - Rate shown is for a ¾" meter, SDC increase with meter size
  - Existing SDCs vary between industrial and non industrial classes
  - One class or one system SDCs eliminate class based SDCs



# Water Survey



Note: SDCs are based on a 3/4" meter.

Sewer Utility



## Sewer Existing SDCs

Class	South Area	North Area
Residential	\$ 2,493	\$ 4,420
Commercial I		
5/8"	\$ 2,493	\$ 4,420
3/4"	3,740	6,630
1"	6,234	11,050
1.5"	12,467	22,101
2"	19,948	35,361
3"	39,896	70,722
4"	62,337	110,503
6"	124,674	221,006
8"	199,478	353,609
Commercial II		
Flow (gallons)	\$ 12.61	\$ 22.84
BOD (lbs/day)	2,386	3,948
TSS (lbs/day)	904	1,495



# Sewer SDC Considerations

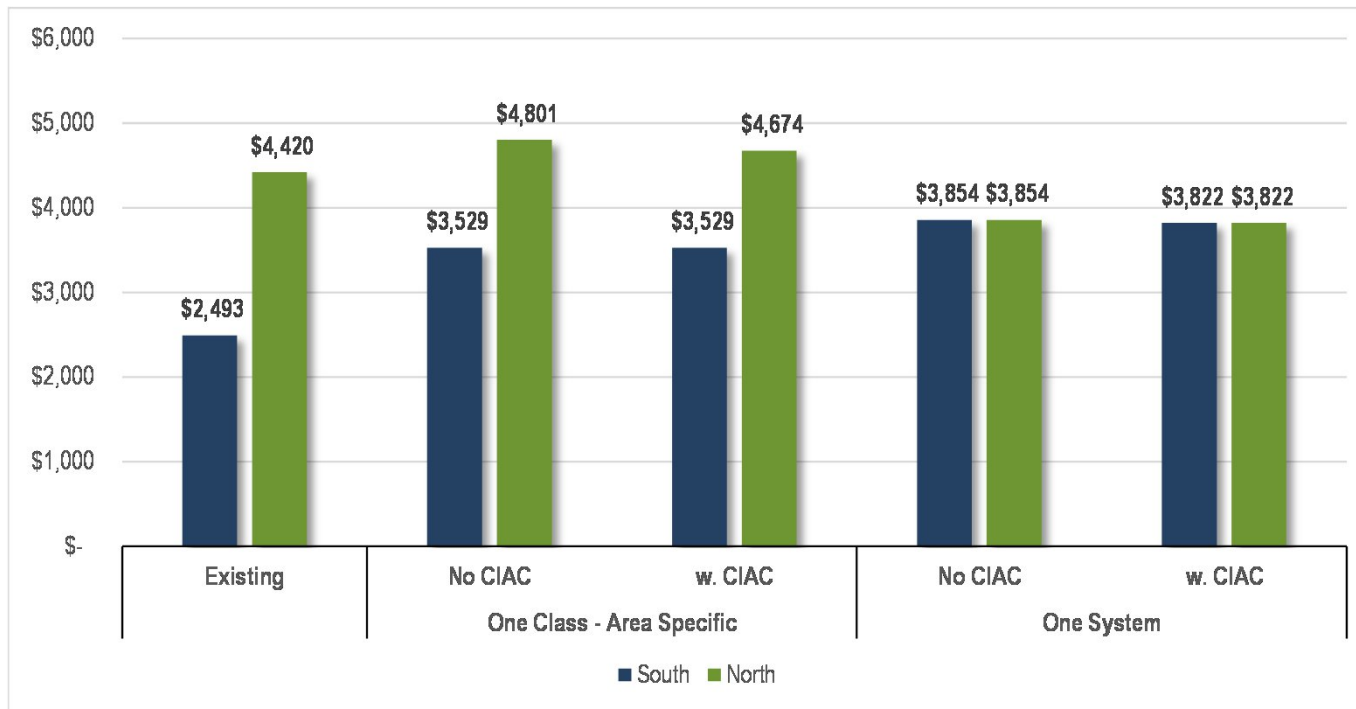
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- ◆ Condense SDC into one charge – Finance Committee in agreement
  - Future large industrial connections would be assessed through an independent study
- ◆ Eliminate meter based charges and assess SDCs on an ERU (flow) basis – Finance Committee in Agreement
  - Meter capacity is not representative of sewer flow
- ◆ Considerations
  - Condense SDCs into “one system” charge – eliminate area specific differential
  - Impact of assumed future developer donations (CIAC):
    - Include an assumption in the charge:
      - Reduces overall charge for all customers (or within area)
      - Benefits customers that did not make the donation
      - Until funds are secured, the level of donation and timing can change, puts more risk on the City
    - Do not include any assumptions in charge:
      - Direct credit to customers that provide contributions
      - Less risk for the City
      - Greater overall SDCs





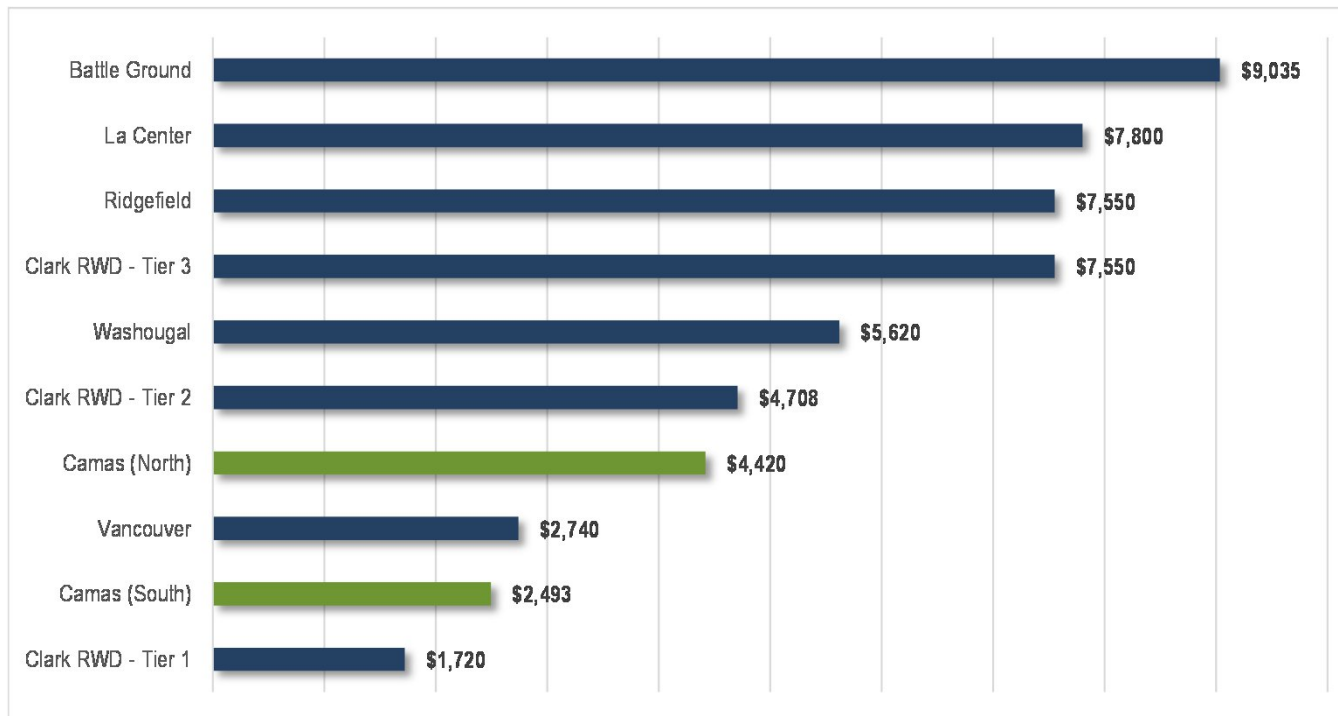
# Sewer Options Summary



- ◆ Notes:
  - Rate shown is per ERU
  - Existing SDCs vary between Residential, Commercial I and II classes
  - One class or one system SDCs eliminate class based SDCs



# Sewer Survey





## Discussion & Recommendations

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- ◆ Policy questions:
  - Area specific or “one system” charges?
  - Developer contribution deduction?
- ◆ Recommendations:
  - Condense SDCs into 1 charge for water and sewer
    - Eliminates class based charges (Industrial & All Other)
  - Condense SDCs into “one system” charge
    - Eliminates area specific charges
  - Do not include contributions (no CIAC) in the future cost basis



## Next Steps

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- ◆ Incorporate feedback
- ◆ Present final Rates and SDCs to Council and/or public
- ◆ Rates and SDCs go into effect January 1<sup>st</sup>, 2019



Questions/Discussion

# Appendix



# Water Cost Basis

Existing Cost Basis	Common Area	South Area	North Area	One System / Total
Plant in Service	\$ 61,723,356			\$ 61,723,356
plus: CWIP	2,438,428			2,438,428
less: M&S & Comp. Plans	(7,649,300)			(7,649,300)
less: CIAC	(14,572,325)			(14,572,325)
plus: Interest on Net Assets	14,985,800			14,985,800
less: Net Debt Principal Outstanding	(7,638,863)			(7,638,863)
Net Existing Cost Basis	\$ 49,287,096	\$ -	\$ -	\$ 49,287,096

Future Cost Basis	Common Area	South Area	North Area	One System / Total
Total Allocable CIP	\$ 51,162,133	\$ 59,527,750	\$ 28,964,250	\$ 139,654,133
less: Comp. Plans & M&S	(550,000)	(1,300,000)	-	(1,850,000)
less: R&R (Including Upgrade Share)	(9,154,184)	(53,771,938)	-	(62,926,122)
less: CIAC (Capacity Share Only)	-	-	-	-
Net Future Cost Basis	\$ 41,457,949	\$ 4,455,812	\$ 28,964,250	\$ 74,878,011

Customer Base	Common Area	South Area	North Area	One System / Total
Existing (MCEs)	9,686	9,641	45	9,686
Future (MCEs)	12,214	5,244	6,970	12,214
Total (MCEs)	21,900	14,885	7,015	21,900



# Water With Existing Structure

Meter		Updated South Area		Existing South Area		\$ Difference	
		SDC	Industrial SDC	SDC	Industrial SDC	SDC	Industrial SDC
3/4"	\$	4,870	\$ 68,228	\$ 4,778	\$ 28,270	\$ 92	\$ 39,958
1"		8,133	113,941	7,963	45,555	170	68,386
1.5"		16,218	227,200	15,925	88,632	293	138,568
2"		25,959	363,656	25,480	140,568	479	223,088
3"		51,966	727,995	50,960	281,092	1,006	446,903
4"		81,187	1,137,364	79,625	436,781	1,562	700,583
6"		162,326	2,274,047	159,250	868,727	3,076	1,405,320
8"		259,731	3,638,611	254,800	1,386,905	4,931	2,251,706

Meter		Updated North Area		Existing North Area		\$ Difference	
		SDC	Industrial SDC	SDC	Industrial SDC	SDC	Industrial SDC
3/4"	\$	7,434	\$ 101,493	\$ 7,310	\$ 44,723	\$ 124	\$ 56,770
1"		12,414	169,494	12,183	72,313	231	97,181
1.5"		24,755	337,973	24,365	141,151	390	196,822
2"		39,622	540,960	38,984	223,999	638	316,961
3"		79,319	1,082,935	77,968	446,958	1,351	635,977
4"		123,921	1,691,896	121,825	695,386	2,096	996,510
6"		247,768	3,382,777	243,650	1,384,939	4,118	1,997,838
8"		396,444	5,412,647	389,840	2,212,246	6,604	3,200,401





# Water Existing Structure – w. Est. CIAC

Meter	Updated South Area		Existing South Area		\$ Difference	
	SDC	Industrial SDC	SDC	Industrial SDC	SDC	Industrial SDC
3/4"	\$ 4,565	\$ 63,890	\$ 4,778	\$ 28,270	\$ (213)	\$ 35,620
1"	7,624	106,697	7,963	45,555	(339)	61,142
1.5"	15,202	212,754	15,925	88,632	(723)	124,122
2"	24,332	340,535	25,480	140,568	(1,148)	199,967
3"	48,710	681,708	50,960	281,092	(2,250)	400,616
4"	76,101	1,065,050	79,625	436,781	(3,524)	628,269
6"	152,157	2,129,461	159,250	868,727	(7,093)	1,260,734
8"	243,461	3,407,265	254,800	1,386,905	(11,339)	2,020,360

Meter	Updated North Area		Existing North Area		\$ Difference	
	SDC	Industrial SDC	SDC	Industrial SDC	SDC	Industrial SDC
3/4"	\$ 4,864	\$ 67,337	\$ 7,310	\$ 44,723	\$ (2,446)	\$ 22,614
1"	8,123	112,453	12,183	72,313	(4,060)	40,140
1.5"	16,197	224,233	24,365	141,151	(8,168)	83,082
2"	25,925	358,907	38,984	223,999	(13,059)	134,908
3"	51,899	718,488	77,968	446,958	(26,069)	271,530
4"	81,083	1,122,511	121,825	695,386	(40,742)	427,125
6"	162,117	2,244,349	243,650	1,384,939	(81,533)	859,410
8"	259,398	3,591,093	389,840	2,212,246	(130,442)	1,378,847



## Water One Charge – w. Area Differential

Meter	South Area		
	Updated	Existing	\$ Difference
3/4"	\$ 6,495	\$ 4,778	\$ 1,717
1"	10,846	7,963	2,883
1.5"	21,627	15,925	5,702
2"	34,616	25,480	9,136
3"	69,297	50,960	18,337
4"	108,265	79,625	28,640
6"	216,464	159,250	57,214
8"	346,356	254,800	91,556

North Area		
Updated	Existing	\$ Difference
\$ 9,801	\$ 7,310	\$ 2,491
16,367	12,183	4,184
32,636	24,365	8,271
52,237	38,984	13,253
104,572	77,968	26,604
163,375	121,825	41,550
326,653	243,650	83,003
522,664	389,840	132,824

### WITH ESTIMATED CIAC

Meter	South Area		
	Updated	Existing	\$ Difference
3/4"	\$ 6,078	\$ 4,778	\$ 1,300
1"	10,150	7,963	2,187
1.5"	20,239	15,925	4,314
2"	32,395	25,480	6,915
3"	64,850	50,960	13,890
4"	101,317	79,625	21,692
6"	202,572	159,250	43,322
8"	324,128	254,800	69,328

North Area		
Updated	Existing	\$ Difference
\$ 6,439	\$ 7,310	\$ (871)
10,753	12,183	(1,430)
21,442	24,365	(2,923)
34,321	38,984	(4,663)
68,706	77,968	(9,262)
107,341	121,825	(14,484)
214,618	243,650	(29,032)
343,401	389,840	(46,439)

Note: future large industrial connections will be assessed through an independent study.



# Water One System

Meter	Updated	South		North	
		Existing	\$ Difference	Existing	\$ Difference
3/4"	\$ 8,381	\$ 4,778	\$ 3,603	\$ 7,310	\$ 1,071
1"	13,996	7,963	6,033	12,183	1,813
1.5"	27,909	15,925	11,984	24,365	3,544
2"	44,671	25,480	19,191	38,984	5,687
3"	89,427	50,960	38,467	77,968	11,459
4"	139,713	79,625	60,088	121,825	17,888
6"	279,343	159,250	120,093	243,650	35,693
8"	446,966	254,800	192,166	389,840	57,126

## WITH ESTIMATED CIAC

Meter	Updated	South		North	
		Existing	\$ Difference	Existing	\$ Difference
3/4"	\$ 6,284	\$ 4,778	\$ 1,506	\$ 7,310	\$ (1,026)
1"	10,494	7,963	2,531	12,183	(1,689)
1.5"	20,926	15,925	5,001	24,365	(3,439)
2"	33,494	25,480	8,014	38,984	(5,490)
3"	67,050	50,960	16,090	77,968	(10,918)
4"	104,754	79,625	25,129	121,825	(17,071)
6"	209,446	159,250	50,196	243,650	(34,204)
8"	335,126	254,800	80,326	389,840	(54,714)

Note: future large industrial connections will be assessed through an independent study.



# Water Options Summary

## SOUTH AREA

Meter	Existing		Updated - Existing		Updated - Existing CIAC		One Charge		One System	
	SDC	Ind. SDC	SDC	Ind. SDC	SDC	Ind. SDC	SDC	w. CIAC	SDC	w. CIAC
3/4"	\$ 4,778	\$ 28,270	\$ 4,870	\$ 68,228	\$ 4,565	\$ 63,890	\$ 6,495	\$ 6,078	\$ 8,381	\$ 6,284
1"	7,963	45,555	8,133	113,941	7,624	106,697	10,846	10,150	13,996	10,494
1.5"	15,925	88,632	16,218	227,200	15,202	212,754	21,627	20,239	27,909	20,926
2"	25,480	140,568	25,959	363,656	24,332	340,535	34,616	32,395	44,671	33,494
3"	50,960	281,092	51,966	727,995	48,710	681,708	69,297	64,850	89,427	67,050
4"	79,625	436,781	81,187	1,137,364	76,101	1,065,050	108,265	101,317	139,713	104,754
6"	159,250	868,727	162,326	2,274,047	152,157	2,129,461	216,464	202,572	279,343	209,446
8"	254,800	1,386,905	259,731	3,638,611	243,461	3,407,265	346,356	324,128	446,966	335,126

## NORTH AREA

Meter	Existing		Updated - Existing		Updated - Existing CIAC		One Charge		One System	
	SDC	Ind. SDC	SDC	Ind. SDC	SDC	Ind. SDC	SDC	w. CIAC	SDC	w. CIAC
3/4"	\$ 7,310	\$ 44,723	\$ 7,434	\$ 101,493	\$ 4,864	\$ 67,337	\$ 9,801	\$ 6,439	\$ 8,381	\$ 6,284
1"	12,183	72,313	12,414	169,494	8,123	112,453	16,367	10,753	13,996	10,494
1.5"	24,365	141,151	24,755	337,973	16,197	224,233	32,636	21,442	27,909	20,926
2"	38,984	223,999	39,622	540,960	25,925	358,907	52,237	34,321	44,671	33,494
3"	77,968	446,958	79,319	1,082,935	51,899	718,488	104,572	68,706	89,427	67,050
4"	121,825	695,386	123,921	1,691,896	81,083	1,122,511	163,375	107,341	139,713	104,754
6"	243,650	1,384,939	247,768	3,382,777	162,117	2,244,349	326,653	214,618	279,343	209,446
8"	389,840	2,212,246	396,444	5,412,647	259,398	3,591,093	522,664	343,401	446,966	335,126



# Sewer Cost Basis

Existing Cost Basis	Common Area	South Area	North Area	One System / Total
Plant in Service	\$ 76,531,892			\$ 76,531,892
plus: CWIP	4,808,949			4,808,949
less: CIAC	(15,669,155)			(15,669,155)
plus: Interest on Net Assets	23,398,807			23,398,807
less: Net Debt Principal Outstanding	(18,033,185)			(18,033,185)
Net Existing Cost Basis	\$ 71,037,308	\$ -	\$ -	\$ 71,037,308

Future Cost Basis	Common Area	South Area	North Area	One System / Total
Total Allocable CIP	\$ 30,688,000	\$ 29,317,500	\$ 10,034,500	\$ 70,040,000
less: Comp. Plans & M&S	(450,000)	-	-	(450,000)
less: R&R (Including Upgrade Share)	(12,982,500)	(20,310,750)	(551,750)	(33,845,000)
less: CIAC (Capacity Share Only)	-	-	-	-
Net Future Cost Basis	\$ 17,255,500	\$ 9,006,750	\$ 9,482,750	\$ 35,745,000

Customer Base	Common Area	South Area	North Area	One System / Total
Existing (MCEs)	15,193	15,148	45	15,193
Future (MCEs)	19,673	14,647	5,026	19,673
Total (MCEs)	34,866	29,795	5,071	34,866



## Sewer – Per ERU w. Area Differential

Description	Updated	South Area Existing	\$ Difference
Residential Equivalent	\$ 3,529	\$ 2,493	\$ 1,036

Updated	North Area Existing	\$ Difference
\$ 4,801	\$ 4,420	\$ 381

WITH ESTIMATED CIAC

Description	Updated	South Area Existing	\$ Difference
Residential Equivalent	\$ 3,529	\$ 2,493	\$ 1,036

Updated	North Area Existing	\$ Difference
\$ 4,674	\$ 4,420	\$ 254



## Sewer – Per ERU One System Charge

Description	South Area			
	Updated	Existing	\$ Difference	
Residential Equivalent	\$ 3,854	\$ 2,493	\$ 1,361	

		North Area			
	Updated	Existing	\$ Difference		
	\$ 3,854	\$ 4,420	\$ (566)		

WITH ESTIMATED CIAC

Description	South Area			
	Updated	Existing	\$ Difference	
Residential Equivalent	\$ 3,822	\$ 2,493	\$ 1,328	

		North Area			
	Updated	Existing	\$ Difference		
	\$ 3,822	\$ 4,420	\$ (598)		

## MARKETING AGREEMENT

This MARKETING AGREEMENT ("Agreement") is entered into as of \_\_\_\_\_, 20\_\_ ("**Effective Date**"), by and between the City of Camas, Washington ("**City**"), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("**Company**"), herein collectively referred to singularly as "Party" and collectively as the "Parties".

### RECITALS:

**WHEREAS**, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the City ("**Residential Property Owner**"); and

**WHEREAS**, City desires to offer Residential Property Owners the opportunity, but not the obligation, to purchase a service line warranty and other similar products set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a "**Product**" and collectively, the "**Products**"); and

**WHEREAS**, Company, a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to Residential Property Owners subject to the terms and conditions contained herein; and

**NOW, THEREFORE**, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. **Purpose.** City hereby grants to Company the right to offer and market the Products to Residential Property Owners subject to the terms and conditions herein.

2. **Grant of License.** City hereby grants to Company a non-exclusive license ("**License**") to use City's name and logo on letterhead, bills and marketing materials to be sent to Residential Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company's sole cost and expense and subject to City's prior review and approval. All advertising, mailings, notices and other materials containing the City's logo shall clearly indicate that the Program and Products are not a service of the City, but are being presented by a third party under a License with the City. In the event that City extends a similar license to a direct competitor of Company during the Term and any Renewal Term of this Agreement, Company may immediately terminate this Agreement.

3. **Term.** The term of this Agreement ("**Term**") shall be for three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms ("**Renewal Term**") unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Term or of a Renewal Term that the Party does not intend to renew this Agreement.



In the event that Company is in material breach of this Agreement, the City may terminate this Agreement thirty (30) days after giving written notice to Company of such breach, if said breach is not cured during said thirty (30) day period. Company will be permitted to complete any marketing initiative initiated or planned prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate.

4. **Indemnification.** Company hereby agrees to protect, indemnify, and hold the City, its elected officials, officers, employees and agents (collectively or individually, "**Indemnatee**") harmless from and against any and all third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees and court costs (individually or collectively, "**Claim**"), which an Indemnatee may suffer or which may be sought against or are recovered or obtainable from an Indemnatee, as a result of or arising out of any breach of this Agreement by the Company, or any negligent or fraudulent act or omission of the Company or its officers, employees, contractors, subcontractors, or agents in the performance of services under the Products; provided that the applicable Indemnatee notifies Company of any such Claim within a time that does not prejudice the ability of Company to defend against such Claim. Any Indemnatee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

5. **Notice.** Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by personal service, (ii) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

**To:** City:  
ATTN: Public Works Director  
City of Camas  
616 NE 4th Ave  
Camas, WA 98607  
Phone: 360-834-6864

**To:** Company:  
ATTN: Chief Sales Officer  
Utility Service Partners Private Label, Inc.  
11 Grandview Circle, Suite 100  
Canonsburg, PA 15317  
Phone: (866) 974-4801

6. **Modifications or Amendments/Entire Agreement.** Any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a party unless in writing signed by that Party.

7. **Assignment.** This Agreement and the License granted herein may not be assigned by Company other than to an affiliate or an acquirer of all or substantially all of its assets, without the prior written consent of the City, such consent not to be unreasonably withheld.

8. **Counterparts/Electronic Delivery; No Third Party Beneficiary.** This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third- party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

9. **Choice of Law/Attorney Fees.** The governing law shall be the laws of the State of Washington. In the event that at any time during the Term or any Renewal Term either Party institutes any action or proceeding against the other relating to the provisions of this Agreement or any default hereunder, then the unsuccessful Party shall be responsible for the reasonable expenses of such action including reasonable attorney's fees, incurred therein by the successful Party.

10. **Incorporation of Recitals and Exhibits.** The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement on the day and year first written above.

**CITY OF CAMAS**

---

Name:

Title:

**UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.**

---

Name: Michael Backus

Title: Chief Sales Officer

**Exhibit A**  
NLC Service Line Warranty Program  
City of Camas  
Term Sheet  
June 7, 2018

I. Initial Term. Three years

II. License Conditions.

- a. City logo on letterhead, advertising, billing, and marketing materials
- b. Signature by City official

III. Products.

- a. External water service line warranty (initially, \$5.99 per month)
- b. External sewer/septic line warranty (initially, \$7.99 per month)
- c. Interior plumbing and drainage warranty (initially, \$9.49 per month)

Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed \$.50 per month in any 12-month period, unless otherwise agreed by the Parties in writing.

IV. Scope of Coverage.

- a. External water service line warranty:
  - Homeowner responsibility: From the meter and/or curb box to the external wall of the home.
  - Covers thawing of frozen external water lines.
  - Covers well service lines if applicable.
- b. External sewer/septic line warranty:
  - Homeowner responsibility: From the exit point of the home to the main.
  - Covers sewer line from the exit point of the home to the storage tank in a STEP system if applicable.
  - Covers septic lines if applicable.
- c. Interior plumbing and drainage warranty:
  - To be offered when Product is available in Washington.
  - Water supply pipes and drainage pipes within the interior of the home.

V. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Once available, Company anticipates offering the Interior plumbing and drainage warranty Product via in-bound channels only. City shall review and approve all marketing materials sent to customers.

**PROFESSIONAL SERVICES AGREEMENT FOR ILLICIT  
DISCHARGE DETECTION AND ELIMINATION FIELD SCREENING  
BETWEEN CITY OF CAMAS AND OTAK, INC.**

*THIS PROFESSIONAL SERVICES AGREEMENT* is made by and between **The City of Camas, Washington**, (hereinafter referred to as "City"), whose address is 616 4th Street, Camas, Washington 98607 and **Otak, Inc.** (hereinafter referred to as "Consultant"), of 700 Washington Street, Vancouver, WA 98660-3306.

City and Consultant agree to the terms itemized below and the attached Terms and Conditions, identified on Exhibit "A".

1. Scope Of Services.

Consultant agrees to perform the field screening services, identified on Exhibit "B" attached hereto, including the provision of all labor, materials, equipment, supplies and expenses in an amount not to exceed \$59,027.10.

2. Payment.

Payment for the work provided by Consultant shall be made as provided on Exhibit "C" (Fee Estimate) attached hereto, and the total payment to Consultant shall not exceed the total amount shown in Exhibit "C", inclusive of labor, materials, equipment, supplies, and expenses, without written approval from the City of Camas.

3. The end date for this agreement is December 31, 2018.

DATED: \_\_\_\_\_, 2018

OTAK, INC.

CITY OF CAMAS

\_\_\_\_\_  
Ryan Makie, PE

\_\_\_\_\_  
Steve Wall -Public Works Director





## *Professional Services Terms and Conditions*

### **TERMS and CONDITIONS**

#### **Compensation**

1. Client agrees to compensate Otak for the Services as provided above. Hourly rates may be adjusted.
2. Otak will not exceed the estimated fee without Client's prior written authorization.
3. On signing, Client shall pay Otak the following amount to be applied against the last invoice: \$0.
4. Outsourced expenses will be invoiced as provided above.
6. Estimated fees are only for Services identified above. If Client changes the Project or changes the scope, manner, or timing of Otak's professional services, the parties shall negotiate an adjustment to the terms, compensation, and/or schedule. All unadjusted terms of this Agreement shall continue to apply.
7. Client shall pay each invoice within thirty (30) days of the date of the invoice. Failure to then pay shall constitute default, and interest at the higher of 18% per annum or the legal rate shall accrue. On default, Otak may suspend all Services until Client pays in full, and may terminate this Agreement as of the 30<sup>th</sup> day of default. Otak shall not be liable for any damages or costs incurred by Client, its subcontractors, agents, employees, or assigns because of any suspension or termination, including but not limited to indirect, incidental, consequential, punitive or economic damages. On suspension or termination, Otak may require an additional deposit to resume performance, to be applied to the last invoice and any excess returned.
8. If the Project is idle more than sixty (60) days, Otak may revise its estimate of fees and scope of work.
9. Client shall also pay Otak at its then-applicable hourly rates, and reimburse all actual costs, to comply with demands for documents or testimony involving the Project in any proceeding where Otak is not a party.
10. Disputes or questions regarding an invoice or portion thereof shall not be cause for Client to withhold payment for other portions due. No deductions, offsets, or withholdings shall be made for any reason unless Otak agrees in advance to such adjustments or has been found to be legally liable for such amounts, nor shall payment to Otak be withheld, postponed, or contingent upon receipt by the Client of offsetting reimbursement or credit from the contractor or other parties causing additional expenses.

#### **Insurance**

11. Client understands and agrees that Otak's errors and omissions professional liability insurance is a policy under which the costs of defense, including attorneys' fees, are deducted from the policy principal.
12. If Client offers insurance specific to the Project, Client shall offer Otak the option to enroll if applicable.
13. The Client and Otak waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, but only to the extent covered by any property or other insurance. The Client and Otak shall each require similar waivers from their contractors, consultants, and agents.
14. If the Client requires types and limits of insurance in addition to the types and limits Otak normally maintains, Client shall pay Otak for costs incurred for the additional coverages.

#### **Standard of Care; Information; Safety; Schedule; Submitted Information; Confidentiality**

15. The standard of care for all professional services by Otak will be the skill and care used by members of the same profession performing similar services and practicing under similar circumstances at the same time and in the same locale. Otak makes no warranties, express or implied, as to Otak's services.
16. Otak may rely without liability on the accuracy and completeness of information provided by Client, its consultants and contractors, and information from public records, without independent verification.
17. Otak shall have no responsibility for, or control over, the construction means, manner, methods, techniques, or safety precautions employed by others in the development or construction of the Project.
18. If Otak's duties include Project site observation or visits, Otak shall visit the site as described above to become generally familiar with the quality and progress of the Project. Otak shall not be required to make continuous or exhaustive inspections to check the quality or quantity of the work being done on the Project.
19. Otak's review of a contractor's submittal, shop drawings, product data, or samples is only for general conformance with the information given in the contract documents. It is not conducted to determine the accuracy of details such as dimensions or quantities, or for substantiating instructions for installation or performance of equipment or systems. The contractor(s) remain responsible for accurate content in submitted documents, coordination of their work with other trades, and confirming and correlating dimensions. Review is not approval of safety precautions, construction means, methods, techniques, sequences, or procedures.
20. Otak agrees to not disclose confidential or proprietary information received from Client if marked as "Confidential" or "Proprietary." Otak will not use such information for its own benefit, or disclose to any third party without Client's written consent. This shall not apply to any information (a) in the public domain at the

time disclosed, (b) already known without restriction to the party receiving it at the time disclosed, (c) lawfully learned from a third party, or (d) required by law to be disclosed.

### **Limitations of Liability**

21. **No control over markets:** Otak does not have control over market conditions, or contractors' methods of pricing or performance, including the cost of labor, material, equipment, or services furnished by others, which may affect any opinions of probable cost, financial evaluations, feasibility studies, economic analyses of alternate solutions, and utilitarian considerations of operations and maintenance costs.
22. **Certification limitation:** Otak shall not certify or warrant conditions Otak cannot ascertain.
23. **Limitation of liability:** The total aggregate liability of Otak and its officers, directors, employees, agents, and consultants to Client and anyone claiming through Client for any and all injuries, claims, losses, expenses, or damages related to the Services, the Project, or this Agreement, from any cause or causes whatsoever arising in tort, statute, or contract, shall not exceed the greater of Otak's total compensation for the Services or Otak's applicable insurance.
24. **Waiver of consequential damages:** Neither party shall be liable to the other for incidental, indirect, or consequential damages arising out of, or connected in any way to the Project or this Agreement. This includes, but is not limited to, loss of use, loss of profits, loss of income, loss of reputation, unrealized savings or diminution of property value and shall apply to any cause of action under any theory.
25. **No liability for Client actions:** Otak shall not be responsible for a Client's directive, substitution, or acceptance of non-conforming work made or given without Otak's written approval.
26. **No individual liability:** No shareholder, principal, member, officer, director, partner, employee, or other representative of Otak shall have personal liability to Client, or any other party, relating to this Agreement.
27. **Force majeure:** Otak shall not be liable for delay or failure outside of Otak's reasonable control, including without limitation inclement weather, strikes, lockouts, labor troubles, accidents, fire, earthquake, civil commotion, war or consequences of war, government acts, restrictions or requisitions, failure of manufacturers or suppliers, suspension of shipping facilities, or any act or default of a carrier. In such a situation, Client shall accept the Services and pay for the same when provided, so long as a mutually acceptable revision is made to the scope of services and compensation.
28. **Accrual of claims:** Any cause of action between the parties to this Agreement arising out of any damages caused by the performance of, or failure to perform under, this Agreement, shall be deemed to have accrued, and all statutes of limitations and repose shall commence to run by the earlier of the date of substantial completion of the Project or 30 days following the date of Otak's final invoice.

### **Dispute Resolution**

29. **Termination:** Either party may terminate this Agreement with ten (10) calendar days' written notice. If Client terminates, Client shall pay Otak for Services performed to the date of termination plus termination expenses, such as but not limited to reassignment of personnel, subcontract termination costs, and related closeout costs. If Otak terminates, Client shall pay Otak for Services performed to the date of termination when Otak delivers all Instruments of Service as defined below completed in whole or in part.
30. **Mediation:** Before initiating any legal proceeding, the parties agree to submit all claims or disputes to non-binding mediation with an agreed mediator by written request to the other party. This shall survive completion or termination of this Agreement, but neither party may call for mediation if time-barred under applicable law.
31. **Law and Venue:**
  - a. This Agreement shall be construed according to the state law of the Project's location.
  - b. Any litigation between Otak and Client related to this Agreement shall occur in Multnomah County, Oregon, or the Oregon federal district court in Portland, Oregon.
  - c. This paragraph shall not apply to lien foreclosure proceedings by Otak where the Project is located.
32. **Indemnification:**
  - a. Client shall indemnify and hold harmless Otak and its related companies, and their respective officers, directors, employees and subcontractors, from and against all damages arising out of or relating to the following: (a) development of the Project where such damages are caused by the negligence or willful misconduct of Client and/or its principals, employees, or subcontractors; (b) Client's use of information prepared by Otak other than for the Project without Otak's written consent; (c) hazardous substances at or adjacent to the Project; and (d) any certificate regarding the Project by Otak for a government entity, lender, or other third party, except as to Otak's negligence.
  - b. Otak shall indemnify and hold harmless Client and its officers, directors, and employees from and against damages arising out of or relating to Otak's work on the Project to the extent such damages are caused by the negligence of Otak, and/or its officers, directors, or employees in performing the Services. This indemnification obligation shall not extend beyond the date when legal or equitable proceedings would be time-barred.



### **Intellectual property**

33. Otak and its consultants shall be deemed the authors and owners of their respective reports, notes, drawings, specifications, data, calculations, and other documents, including those in electronic form ("Instruments of Service") and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet regulatory requirements is not publication in derogation of the reserved rights.
34. Otak grants to Client a nonexclusive license to use Otak's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering, and adding to the Project, if Client substantially performs under this Agreement. Otak shall obtain similar nonexclusive licenses from its consultants. If Otak suspends or terminates this Agreement, this license shall terminate. Otak shall not assign, delegate, sublicense, pledge, or transfer such license to another party without Client's prior written agreement. Unauthorized use of the Instruments of Service is at the Client's risk without liability to Otak.
35. If Client uses Instruments of Service without retaining their author(s) or beyond the scope of Client's license, Client releases Otak and its consultant(s) and shall defend, indemnify, and hold harmless Otak and its consultants from all costs and expenses of claims asserted by any third party from such use.

### **Electronic Media Release**

36. Client may request Otak to provide it plans, specifications, Building Information Model files, or other electronic files in electronic form (collectively "electronic media" or "EM").
37. Client acknowledges that the EM are supplemental information provided only for convenience. The EM are not legally binding contract documents; may not be reliable; are not for fabrication or construction; may not include all revisions; may be inaccurate from electronic storage, transmission, or technology incompatibility; may be revised by others without Otak's consent; may vary when plotted; or may corrupt the Client's data.
38. Any use and/or change to the EM including by Client, its subcontractors, and consultants will be at Client's sole risk, and without liability, risk, or expense to Otak. Any altered EM shall have all indices of Otak's ownership, professional name, and/or involvement in the Project removed.
39. Client agrees to release, defend, indemnify, and hold harmless Otak, its consultants, and their respective officers and employees from and against any and all claims, demands, losses, expenses, damages, penalties, and liabilities including, without limitation, attorneys' fees including pre-claim and on appeal, arising from reliance on, use of, or change to the EM, and to require this of any agent to which Client provides EM.
40. Otak makes no warranties, either expressed or implied, as to the EM, including but not limited to warranties of merchantability or of fitness for any particular purpose.

### **Hazardous materials**

41. Except to the extent of its gross negligence or willful misconduct, Otak has no liability or responsibility for any hazardous materials including but not limited to identification, handling, mitigation, and/or disposal.

### **The contract documents**

42. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, written and oral, courses of dealing, or other understandings between the parties. No modification of this Agreement shall be binding unless acknowledged by both parties.
43. There are no third-party beneficiaries to this Agreement.
44. Neither party shall assign the entire Agreement without the other's written consent.
45. Any term or provision of this Agreement held unenforceable shall be stricken with no effect on the remainder.

ACKNOWLEDGED AND AGREED:

Signed: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## Exhibit B

# City of Camas Illicit Discharge Detection and Elimination Field Screening Scope of Work Otak Project #: 18917 July 10, 2018

## Project Description

The City of Camas (City) is regulated by the Washington State Department of Ecology (Ecology) National Pollutant Discharge Elimination System (NPDES) Phase 2 Municipal Stormwater Permit (Permit). On April 30, 2018, the City submitted a G20 Non-Compliance Notification to Ecology reporting the City had not met the conditions of section S5.C.3.c.i Illicit Discharge Detection and Elimination (IDDE). That Permit condition requires the City to complete field screening for at least 40% of the MS4 no later than December 31, 2017. The Permit also requires the City to screen an additional 12% each year after 2017. As of April 30, 2018, the City had not recently field screened any of the outfalls from the City's storm drainage system.

The City has a 'Storm Drainage System' map dated March 2016 that includes the locations of 107 outfalls. The City is coordinating with a consultant to update the map and has asked Otak to assist in field screening the known outfalls.

## Scope of Work

### Task 1 – Project Management

The Project team will plan, manage, and execute the tasks described herein in accordance with the schedule, budget, and quality expectations. This project management task includes the following work activities:

- Manage the quality control review of all work activities and project deliverables.
- Prepare and submit a monthly invoice and progress report.
- Monthly project coordination, telephone conversations, and email correspondence.

### Task 2 – IDDE Field Screening

#### *Task 2.1 – Fieldwork*

Otak staff will conduct field screening using outfall inspection as the methodology. Screening will include the following tasks:

- Field-verify outfall location using GPS
- Photograph outfalls
- Inspect outfalls for indications of illicit discharges, including flow, odor, discoloration, oil sheens, etc.
  - If flow is detected, the field crew will collect flow rate, temperature, pH and ammonia using portable equipment and supplies, such as thermometer and test strips
- Characterize outfalls with respect to presence of an illicit discharge as unlikely, potential, suspect or obvious, based on field observations
- If an obvious illicit discharge is present, Otak will record any observations of a source if one appears to be in the immediate vicinity

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- Record notes about access issues, or inability to access an outfall, when pertinent

Field procedures will be guided by *Illicit Connection and Illicit Discharge Field Screening and Source Tracing Guidance Manual* (by Herrera Environmental Consultants, Inc. for Department of Ecology, 2013). For outfalls with potential or suspected illicit discharges, Otak will refer inspection reports to the City's Project Manager within two business days.

### **Task 2.2 – Data Management**

Once field screening is complete, Otak will upload the collected information into Google Earth or GIS Database and provide the data to the City.

### **Task 2 Assumptions**

- Fieldwork preparation is included, such as setting up GPS equipment, mapping routes, and obtaining supplies
- A crew of two staff (planning associates and/or engineering designers) will conduct the screening fieldwork
- A scientist will accompany the field crew on one full day and be available for questions and troubleshooting
- Field investigations will take place between July and the end of September
- Field screening will be scheduled only on dry days preceded by a 48-hour dry period
- A crew can inspect approximately 10 outfalls per day, but difficult conditions may reduce the number
- Otak will inspect as many outfalls as possible until the contract maximum dollar amount is reached

### **Task 2 Deliverables**

- Digital outfall location data and photographs
- Hard copy or scanned outfall data sheets
- Timely referrals of potential or suspected illicit discharges to the City's PM by email
- List of outfalls where illicit discharges were suspected

## **Task 3 – Contingency**

Task 3 is a contingency to be used only with written authorization, which includes e-mail, from an authorized City representative.

## **Schedule**

All field screening will take place during the dry season, July through September. The completed data and outfall data sheets will be provided to the City by December 1, 2018.

## **Exclusions**

The scope of work does not include sample collection for laboratory analysis or source tracing of potential or suspected illicit discharges.

## Exhibit C

## City of Camas IDDE Field Screening

Fee Estimate

Otak, Inc.

Otak Project 18917

Task	Primary Services	Civil Engineer VIII	Engineering Designer III	Planner Associate IV	Planner Associate II	Scientist IV	Project Admin. Asst	Total Hours	Total Budget by Task
<b>TASK 1: PROJECT MANAGEMENT</b>									
	Project Management	4		8	2		1	15	\$1,756.40
<b>TASK 2: FIELD SCREENING</b>									
2.1	Fieldwork	1	90	84	180	24	4	383	\$36,718.35
2.2	Data Processing	1	40	8	16			65	\$6,052.35
<b>TASK 3: CONTINGENCY - PRIOR AUTHORIZATION REQUIRED</b>									
	Contingency								\$10,000.00
	<i>Total Hours</i>	6	130	100	198	24	5	463	
	<i>Billing Rate</i>	\$156	\$91	\$110	\$86	\$139	\$79		
	<i>Total Labor Cost</i>	\$938	\$11,830	\$11,000	\$17,028	\$3,336	\$395		<b>\$44,527.10</b>
	<i>Direct Expenses (10%)</i>								<b>\$4,500.00</b>
	<b>Total</b>	\$938	\$11,830	\$11,000	\$17,028	\$3,336	\$395		<b>\$59,027.10</b>