

WEST SOUND UTILITY DISTRICT

Board of Commissioners
Regular Board Meeting

May 3, 2023
1:00 PM

Please direct your smart device or computer to www.wsud.us/meetings for information on virtual attendance.

AGENDA

PUBLIC COMMENTS

CONSENT AGENDA

1. Approval of the Regular Board Meeting Minutes of April 19, 2023
2. Approval of Vouchers WSUD #31350 through #31374 in the amount of \$49,298.64
3. Approval of Vouchers SKWRF #17435 through #17457 in the amount of \$24,704.73

BOARD DISCUSSION/ACTION ITEM

1. Discussion, Fish Barriers Project, Highway 160/SE Mile Hill Drive
2. Discussion, Accessory Dwelling Units
3. Discussion, Fire Line/Fire Suppression
4. Resolution 1078-23, First Reading, Retrospective Rating Agreement
5. Resolution 1079-23, SKWRF Load Bank Replacement
6. Resolution 1080-23, Developers Extension Contract, 2102 Sedgwick, LLC.

STAFF REPORTS

1. Plant Manager
2. Operations Manager
3. Finance Manager
4. General Manager

COMMISSIONERS' REPORTS

EXECUTIVE SESSION

Executive Sessions may be scheduled or announced for discussions per RCW 42.30.110.

FUTURE MEETINGS

May 17	Regular Board Meeting
June 7	Regular Board Meeting
June 21	Regular Board Meeting
June 21	Sewer Advisory Committee (Venue TBD)

Executive Sessions may be scheduled as needed for personnel, legal and other similar matters.

The Board may add and take action on other items not listed on the agenda

WEST SOUND UTILITY DISTRICT
Minutes of Meeting of the Board of Commissioners
2924 SE Lund Avenue, Port Orchard, WA 98366
Wednesday, April 19, 2023, at 1:00 p.m.

Chairperson: Susan Way (Virtual)
Vice Chairperson: James J. Hart (Virtual)
Commissioner: Jerry Lundberg

Attending: Randy Screws, General Manager
John Tapia, Operation Manager
Marty Grabill, Plant Manager
Joy Ramsdell, Finance Manager
Michaela Horishige, Accounting/Office Assistant

The meeting was called to order by Commissioner Lundberg at 1:00 p.m.

PUBLIC COMMENTS

CONSENT AGENDA

1. Approval of the Regular Board Meeting Minutes of April 5, 2023
2. Approval of Vouchers WSUD #31312 through #31349 in the amount of \$78,544.53
3. Approval of Vouchers SKWRF #17415 through #17435 in the amount of \$61,642.50
4. Approval of the April Payroll in the amount of \$252,658.96

Commissioner Hart moved to approve the items in the Consent Agenda. The motion was seconded by Commissioner Way; the motion was approved 3-0.

BOARD DISCUSSION/ACTION ITEM

Resolution 1076-23, Sole Source Procurement, Water Meters
Passed 3-0

Resolution 1077-23, Amending the 2023 Water Capital Outlays
Passed 3-0

STAFF REPORTS

PLANT MANAGER'S REPORT

Plant Manager Marty Grabill reported:

- Testing and monitoring as required by the NPDES Permits.
- Primary skimmers are on order, delivery date updated to the third week of May.
- Received multiple quotes for the grit pump replacement, no update.
- Reaching out for quotes on generator load bank replacement. The electrician will be on site April 19th to quote.

- Currently looking at different preventative maintenance software for the treatment plant.
- Annual Blower & PSI Vessel Inspections on Tuesday & Wednesday of this week.
- Had a student tour on April 12th.
- Plant tour scheduled April 20th.

PSE Conservation Grant Agreement (2021-2023)

- Continuous work with PSE on Conservation Grant Agreement.
- Had the Spring workshop on Wednesday the 12th.
- RDT Grant funding meeting last Thursday, the 13th. Funding is available for this project. I have some follow-up data to submit to PSE, but the initial funding is around \$100,000.00.

Rotary Drum Thickener-ESCO (2022)

- Trane and Contractor on site April 19th.
- The thickener delivery date was changed to next week, April 26th.
- Job Shack will be on site May 8th.
- Mobilization is set to begin on May 12th.
- Closeout is set for July 1st, with full completion by the end of August.

Nutrient General Permit (2022)

- Currently attempting to get testing approved in-house. There are a couple of steps left in the process on our end before submitting to Ecology.
- Grant funding is active. Submitted first quarter Grant Progress Report.

OPERATION MANAGER'S REPORT

Operations Manager John Tapia reported:

CIP - South Park Main Replacement

- Locate and survey completed for the site.
- WSE is working on the recommended easement.

Powell Booster Station Engineering

- HDR is working on 100% plan details.
- Plans sent over for final review.

Fircrest/Mile Hill Main Replacement

- 2" galvanized to be replaced.
- Possible development going in, no update.

Olney Sewer Replacement

- An engineering contract has been signed with WSE.
- Project design has started with the locate being complete.
- Going through project options with WSE.

Intertie with Manchester

- The engineering has been completed by WSE and we have received updated costs. We can take the next step once the water system is approved.
- Moved out for a future project. Manchester isn't ready.

Crew

- St. Vincent DePaul project: City contacted about the permit. Reached out to Caseco for time update. Not enough workers lately.
- Commercial Water meter replacements continue.
- Residential water meter replacements continue.
- Vac-con ordered; delivery estimated at the end of June.
- The TV van will be done May 1st.
- Dale has 2 more weeks of CDL school.
- Working on having all sewer rounds on tablets.
- Pumps are being installed in Villa Carmel.
- WSDOT Franchise permit is moving forward.
- No issues with the gate being open at Retsil Park.
- Spring cleaning has started.
- Working on Risk Pool inventory for assets and parts.

Water Production: Through March

- 2022- 120,830,000 gal.
- 2023- 113,790,000 gal.
- 1.23 million per day average
- Difference- 7,000,000 gallons less.

Rain Gauge:

- 2022- 19.82"
- 2023- 11.93"
- Difference- 7.89" LESS than last year

FINANCE MANAGER'S REPORT

Finance Manager Joy Ramsdell reported:

- As of today, we have only 20 accounts with 90-day past due balances totaling \$15k. 19 of them have a payment plan. Compared with one year ago, the number of past due accounts and amount are dramatically reduced. Debbie and Amber did a great job.
- We sent out 96 past due letters and only 3 accounts were shut off.
- Customer Service added the number of units on all (close to 7,000) accounts so we can count ERUs much more accurately and efficiently. This was a very time-consuming task, but Customer Service, especially Janet, did this in-house which saved the district over \$2k.
- Q1 reports were filed.
- Finance Staff are updating the annual risk pool asset listing. The departments are still working on the disposal forms for surplus items approved last month.
- I'm working on the district annual report. SKWRF is done and on review.

GENERAL MANAGER'S REPORT

General Manager Randy Screws reported:

- Staff are continuing to assess and procure a carport-type area to protect the district vehicles currently in the open.
- Staff continue working on the re-establishment of a franchise agreement with WSDOT for water utilities.
- Nearing completion of ADU assessment.
- Attended the WASWD Conference last week.
- Working with WSDOT contracted engineering firm on the fish barriers project within our service area. Attended a meeting today to discuss the schedule, conceptual structure and maintenance of traffic plans, utility conflict plans, discuss potential utility relocation agreements.
- Water System Plan update: In 2022, the Board was informed that the Water System Plan should be through the review process with the Department of Health within the first quarter of 2023. DOH was contacted regarding the status of the Plan as no comments have been issued by DOH. The district was informed that the planner that was reviewing the plan left a couple of weeks ago and it was all very abrupt. The plan has been turned over to another planner within DOH. However, this delay within DOH may prevent the district from applying for Public Works Board Funding in 2023 as systems plan that is current, complete, and approved within the last 5 years is required in order to submit an application for Works Board Funding.
- No Executive Session was requested.

COMMISSIONERS’ REPORTS

Commissioner Hart attended the WASWD Spring Conference and reported discussions regarding potential low-income housing and the effects on the district. Commissioners Way and Lundberg had nothing to report.

EXECUTIVE SESSION

None requested.

ADJOURN

Commissioner Lundberg moved to adjourn the meeting at 1:33 p.m. Motion was seconded by Commissioner Hart; the motion was approved 3-0.

Susan Way
Chairperson

James Jay Hart
Vice-Chairperson

Jerry Lundberg
Secretary

**WEST SOUND UTILITY DISTRICT
RESOLUTION 1078-23**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
APPROVING A REVISED
RETROSPECTIVE RATING AGREEMENT
WITH THE WASHINGTON ASSOCIATION OF
SEWER AND WATER DISTRICTS**

WHEREAS, the Washington Association of Sewer and Water District (WASWD) is a retrospective rating group sponsoring entity; and

WHEREAS, West Sound Utility District (WSUD) is an employer that qualified for the retrospective rating plan and is a member of the WASWD retrospective rating group; and

WHEREAS, an agreement setting forth the respective duties and rights with regard to the retrospective rating plan was entered into by WASWD and WSUD on June 16, 2014, Resolution 503-14; and

WHEREAS, WSUD on January 8, 2018, Resolution 694-17 adopted a revised agreement whereby WASWD updated the retrospective rating agreements by aligning retrospective rating group rules with the new agreements; and

WHEREAS, WASWD selected a new Third Party Administrator (Archbright) which provided for an expansion of employer services and the District determined to continue with the Retrospective Rating Program by Resolution 877-20 on May 4, 2020; and

WHEREAS, The WASWD Board had determined by a vote of its members on April 14, 2023 that it would be beneficial to participants to expand membership to other types of organizations and to amend the program agreement and rules to improve performance of the group (Exhibit "A"); and

WHEREAS, the District desires to continue with the Retrospective Rating Program participation which requires a new agreement between WSUD and WASWD;
NOW THEREFORE,

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

Section 1. The District’s continued participation in the Retrospective Rating Program is approved. The Board further authorizes the General Manager to sign the amended Retrospective Rating Program Agreement (Exhibit “B”) with WASWD.

Section 2. The Board hereby approves repeal of prior Resolutions (Exhibit “C”) addressing the Retrospective Rating Program identified as Resolution 503-14 dated June 16, 2014, Resolution 694-17 dated January 8, 2018, and Resolution 877-20 dated May 4, 2020.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a Board meeting scheduled May 3, 2023.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington

Susan Way
Chairperson

James J. Hart
Vice Chairperson

Jerry Lundberg
Secretary



RETROSPECTIVE RATING PLAN AGREEMENT DRAFT REVISIONS MARCH 2023

THIS AGREEMENT is made by and between the WASHINGTON STATE ASSOCIATION OF SEWER & WATER DISTRICTS, a Washington nonprofit corporation (“WASWD”) and _____, a Washington _____ (“Member”).

RECITALS

- A. WASWD is a retrospective rating group sponsoring entity under Chapter 51.18 RCW and has entered into a retrospective rating group agreement with the Department of Labor and Industries (“Department”).
- ~~B. WASWD General Members and Associate Members that provide sewer and/or water services, as defined by the WASWD Bylaws, are eligible members of WASWD’s retrospective rating group (“group”). The Member is an eligible member of the group.~~
- C.B. The Member is an employer that qualifies for the retrospective rating plan under Chapter 51.18 RCW and its implementing regulations, ~~and~~ has been approved by the Department to be a participant in the plan, and has been approved for membership by the WASWD Board.
- D.C. WASWD enrolls in a plan each year to enhance the safety of all members, and to maximize refunds while minimizing potential liability to WASWD group members. The coverage period for each plan year is July 1 through June 30 (“coverage period”).
- E.D. The Member desires to participate in WASWD’s group. WASWD and the Member desire to enter into this Agreement to state their respective duties and rights with regard to the retrospective rating plan.

AGREEMENT

The parties agree as follows:

1. Plan administration.
 - 1.1 WASWD shall provide for administration of the retrospective rating plan (“plan”) through either a Third Party Administrator (TPA) or WASWD employees, at the discretion of WASWD.
 - 1.2 The Member shall cooperate with the Department of Labor & Industries, TPA staff members or their representatives, and any others authorized by the Committee to assist the group in claims review, claims management, claims appeal and adjudication, and any other reasonable request that will reduce claims costs.
 - ~~1.3 The Member agrees to report all industrial injuries/illnesses to TPA within 24 hours of knowledge or notification.~~
 - ~~1.4 The Member will allow TPA staff members or their representatives to perform safety and health inspections for review of the safety procedures~~

~~and practices, frequency and severity of illnesses and accidents, etc., of member, and to follow all reasonable recommendations that result from those safety and health inspections.~~

2. Payment for plan administration. For plan administration during a coverage period, the Member shall pay five percent (5%) of its Department composite premium for the four quarters immediately preceding the coverage period. Within the first 2 months of a coverage period, WASWD shall send to the Member an invoice for the administration payment, which shall be due within 60 days of the date of the invoice.

3. Group refunds and additional assessments.

3.1 Approximately 10 months after a coverage period, and twice annually thereafter, the Department will evaluate the group's losses for the coverage period, and will notify WASWD of a group refund or additional assessment for the coverage period. The Member is encouraged to track its own positive loss ratio reports, which are prepared by the Department. WASWD may protest or appeal the evaluation decision within ~~30~~ 60 days of the date of the notice. ~~Within 3 business days of receiving the Department notice, WASWD shall give a copy of the notice to the Member and shall request the Retrospective Rating Committee to convene a meeting for the purpose of making a recommendation on whether or not to file a protest or appeal.~~ The Committee shall hold ~~the a~~ a meeting at least 7 business days before the deadline for filing a protest or appeal, and submit its recommendation, together with analysis and documentation, to WASWD at least 5 business days before the deadline for filing a protest or appeal. The WASWD Executive Director shall determine whether to file a protest or appeal based on the best interests of WASWD.

3.2 If a protest or appeal of an evaluation decision is filed, the Member shall be responsible for its prorated share of the costs of the protest or appeal, including attorneys' fees and interest, based upon the Member's percentage of the total premiums paid by all Members participating in the plan during the coverage period.

3.3 The Member and WASWD agree that the timing and total amount of refund issued by the Department will be distributed at
~~distribution of all or any part of the refunds will be within the discretion of the WASWD Retro Committee., and such~~

~~dDistributions will be based on the following criteriadone as follows:~~

~~— Premium returns will be distributed only to members who, at the time of the distribution, are in good standing with WASWD, and who have complied with all terms of this Agreement.~~

~~— All distributions will be made to the member under the Department's account number, and the member must~~

~~maintain a relationship with WASWD under such account number during the term of this Agreement including all Adjustment Periods.~~

~~If a member leaves active participation in the Retro program, in order to maintain rights to future refunds they will have to pay 10% of the premium for the past four quarters for each of the three years of remaining refund potential. This service fee will be invoiced and must be paid upon exiting the program. Refusal to pay will result in forfeit of any future refund member may have earned. In the event of an assessment during the three year adjustment period following departure from the Retro program, the member shall be responsible for some portion of the assessment, as determined by the committee.~~

~~Member authorizes the WASWD Retro Committee to withhold from any premium refund distribution to the member, and to pay to WASWD any and all amounts due and payable from member to WASWD including any assessments for failure to comply with the rules contained in this agreement.~~

~~3.3.3.1 The timing and amount of program distributions will be based on the WASWD Retro Committee's evaluation of potential future retrospective adjustments for the Plan Year and the objective to return as much as possible of the retrospective premium return. Refunds not returned in a given year will be held in the Retro bank account to be distributed as early as is practical.~~

~~3.3.1 The timing and amount of distributions to each Member will be determined in accordance with a formula established by the Committee based on the following:~~

~~3.3.1.1 Each Member's percentage of the Plan's total Standard Premium for the Plan Year,~~

~~3.3.1.2 Each Member's individual loss record for the Plan Year, and~~

~~3.3.1.3 Each Member's compliance with programs designed to maximize the Plan's returns, and~~

~~3.3.1.4 Compliance with the terms of this Agreement.~~

3.3.1.5 The Committee will determine the relative weight given each of these factors.

3.4 Distributions will be done as follows:

3.4.1 Premium returns will be distributed Distributions are made only to members who, at the time of the distribution, are in good standing with WASWD, and who have complied with all terms of this Agreement.

3.4.2 All distributions will be made to the member under the Department's account number, including subaccounts, and the member must maintain a relationship with WASWD under such account number during the term of this Agreement including all Adjustment Periods.

~~If a member leaves active participation in the Retro program, In order to maintain rights to future refunds if a member leaves active participation in the Retro program they will have to pay 10% of the premium for the past four quarters for each of the three years of remaining refund potential. This service fee will be invoiced and must be paid upon exiting the program. Refusal to pay will result in forfeit of any future refund member may have earned. In the event of an assessment during the member's participation in a plan year, the member shall be responsible for their portion of the assessment, pursuant to the terms of this Agreement.~~

3.4.3 Member authorizes the WASWD Retro Committee to withhold from any premium refund distribution to the member, and to pay to WASWD any and all amounts due and payable from member to WASWD including any assessments for failure to comply with the rules contained in this agreement.

3.5 Whenever there is enough return to do so, all participants will receive an amount equal to the service fee they paid to participate.

3.6 WASWD reserves the right to withhold from the Member refund or net refund any plan administration fee and any costs of a protest or appeal that are due and owing.

3.7 WASWD reserves the right to withhold from the Member refund or net refund any debt owed by the Member to the Department that the Department has withheld from the group refund.

3.8 WASWD reserves the right to pay the additional assessment to the Department in installments as authorized by statute and regulation.

~~3.4 The refund for the Member for a coverage period shall be the group refund for that year, multiplied by the Member's percentage of the total premiums paid by all Members participating in the plan during the coverage period.~~

~~3.53.9~~ The additional assessment for the Member for a coverage period shall be the group additional assessment for that year, multiplied by the Member's percentage of the total premiums paid by all Members participating in the plan during the coverage period.

~~3.6~~ Where WASWD receives refunds and additional assessments for multiple coverage periods, it shall add together the refunds and additional assessments for those coverage periods. If the sum of the refunds and additional assessments results in a net refund to the Member, WASWD shall pay the net refund to the Member. If the sum of the refunds and additional assessments results in a net additional assessment owing by the Member, the Member shall pay the net additional assessment to WASWD.

~~3.73.10~~ WASWD shall ~~pay a~~ distribute refunds as soon as is practical. ~~or net refund to the Member within 60 days of receipt of the group notice, or within 30 days of the final decision on a WASWD appeal of the notice, whichever occurs last.~~ WASWD shall send an invoice for an additional assessment or net additional assessment, together with the costs of the protest or appeal if any, to the Member within 60 days of receipt of the group notice, or within 30 days of the final decision on a WASWD appeal of the notice, whichever occurs last. The Member shall pay the invoice within 45 days of receipt. Delinquent invoices shall accrue interest at the rate of 12 percent per year.

~~3.83.3~~ WASWD reserves the right to withhold from the Member refund or net refund any plan administration fee and any costs of a protest or appeal that are due and owing.

~~3.93.3~~ WASWD reserves the right to withhold from the Member refund or net refund any debt owed by the Member to the Department that the Department has withheld from the group refund.

~~3.103.3~~ WASWD reserves the right to pay the additional assessment to the Department in installments as authorized by statute and regulation.

4 Selection of additional members. The Member acknowledges that the Retrospective Rating Committee may admit to the group ~~a WASWD General Member or Associate Member that provides sewer and/or water services, as defined by the WASWD Bylaws ("Member")~~, members of any kind which satisfies the requirements of Chapter 51.18 RCW and Chapter 296-17B WAC, and their amendments, and any rules adopted by the Retrospective Rating Committee. WASWD reserves the right to enter into an agreement with such qualified Member that is materially and substantially similar to this Agreement.

5 Other Responsibilities of Member:

5.1 Member agrees to be bound by all rules and regulations governing Group Retrospective Rating Plans in the State of Washington, and by all Committee decisions and actions.

5.2 Member agrees to develop and maintain the following programs to facilitate the return of injured employees to the workplace:

- 5.2.1 To develop and maintain a formal transitional light duty return to work program as required by the Committee in order to facilitate the early and timely return of injured employees to the workplace. Member agrees to provide light duty for at least 150 days from the day the injured worker is provided restrictions or modified duties by the injured worker's health care provider, unless the Worker is able to return to job of injury sooner. Member understands and acknowledges that transitional light duty programs are a primary means and the expected responsibility of Member to assist with managing its workers' compensation claims effectively.
- 5.2.2 To adopt and maintain a formal KOS Program in order to create a back-up procedure to Member's transitional light duty programs.
- 5.2.3 In the event Member fails or decides not to engage in transitional light duty programs to facilitate returning an injured employee to work, Member agrees to maintain the individual on full wages and benefits for up to one hundred and fifty (150) days through a KOS Program. The 150-day KOS period will begin from the day the injured worker is provided restrictions or modified duties by the injured worker's health care provider, upon verification by the TPA staff that Member has failed or decided not to return the individual to work under its light duty programs.
- 5.2.4 Failure to implement or utilize transitional light duty programs, and/or a KOS Program, will be considered material noncompliance by the member and may result in additional assessments against member, reduced individual premium return distributions, and/or required returns of previously distributed premium refunds, invoiced fees if the individual return is non-existent or insufficient and/or denying participation in subsequent plan years, as determined by WASWD Retro Committee.
- 5.3 The Member will allow TPA staff members or their representatives to perform safety and health inspections for review of the safety procedures and practices, frequency and severity of illnesses and accidents, etc., of member, and to follow all ~~reasonable~~ recommendations that result from those safety and health inspections.
- 5.4 ~~To~~ The member will cooperate fully with the Department, TPA staff members or their representatives, and any others authorized by the Committee to assist the group in claims review, claims management, claims appeal and adjudication, and any other reasonable request that will reduce claims costs.

~~5.5 To abide by WASWD Retro Committee decisions for claim management~~ The member agrees that decisions regarding all aspects of claims management including but not limited to claim allowance, claim rejections, and the nature and scope of benefits ~~to be paid~~, decisions to protest or appeal any Department action, and any decisions made regarding the status and resolution of any claim shall be made by TPA with input from the member, the WASWD Retro Committee, and WASWD, if those entities so desire. The member also agrees to cooperate fully with the TPA in any proceedings before the Department, the Board of Industrial Insurance Appeals, or any reviewing court in the event there is an appeal, filed by any aggrieved party in any matter in which the member is a party or a potential party. ~~Accordingly, Employer Member agrees that TPA secured by WASWD has the full authority for the management and administration of a claim to the extent allowed by law, and member agrees to abide by any and all decisions made regarding the status and resolution of a claim, including but not limited to, decisions made to appeal such orders entered by the Department, as determined by TPA. Member also agrees to cooperate fully with TPA in any decisions made to appeal or otherwise participate in any appeal filed from any order entered by the Department by any party, including Employer Member and TPA.~~

~~4.5.6~~

~~5.6~~ Member withdrawal from Plan.

~~5.16.1~~ The Member may withdraw from the plan only at the end of a coverage period (July 1 through June 30). If the Member desires to withdraw from the plan at the end of a coverage period, it shall ~~personally deliver or send to WASWD, by certified mail, return receipt requested,~~ notify WASWD in writing by May 31st of the coverage period, a notification of withdrawal from the plan. WASWD shall file a notification of the withdrawal with the Department by June ~~30th~~¹⁵ of the coverage period.

~~5.26.2~~ If a member leaves active participation in the Retro program, ~~in order to maintain rights to future refunds if a member leaves active participation in the Retro program they will have to pay 10% of the premium for the past four quarters for each of the three years of remaining refund potential. This service fee will be invoiced and must be paid upon exiting the program. Refusal to pay will result in forfeit of any future refund member may have earned. In the event of an assessment during the member's participation in a plan year, the member shall be responsible for their portion of the assessment, pursuant to the terms of this Agreement.~~ ~~After withdrawal from the plan, the Member shall continue to receive and be liable for Department adjustments (refunds or additional assessments) for the coverage periods during which the Member was a member of the group and a participant in the plan.~~

6.7 Statute and rule compliance. The Member and WASWD agree to be subject to and comply with Chapter 51.18 RCW and its implementing regulations, Chapter 296-17B WAC, and their amendments.

7.8 Release and waiver of liability. The Member releases WASWD, its officers, board of directors, employees and consultants, from any liability whatsoever arising from any claim, damage or loss asserted by the Member due to the Member's participation in the plan.

8.9 Retrospective Rating Committee. The Member acknowledges that to carry out the plan consistent with this Agreement, WASWD has established a Retrospective Rating Committee as follows:

8.19.1 Membership. The Committee consists of 9 members elected by the Members of the group; provided, that if there are less than 9 members of the group, the Committee will consist of an odd number of members that is equal to or less than the number of Members in the group. Of the 9 seats, up to 3 can be held by non-general members, but at least one of those 3 seats shall be held by a non-district utility member. If there are no candidates for the one non-district utility member position, the Committee may appoint any other type of member to fill that position. A member is a commissioner, Director or employee of a Member participating in WASWD's retrospective rating plan. Each Member can have only one member on the Committee.

8.29.2 Committee meetings. The meetings of the Committee are open to all ~~General Members and Associate~~ Members of WASWD, as defined in the WASWD Bylaws.

8.39.3 Terms of members. The terms of the members are 2 years, with the initial terms of 4 members being 1 year and 5 members being 2 years.

8.49.4 Quorum. If there are 9 Committee members, a quorum is 5 Committee members. If there are less than 9 Committee members, a quorum is a majority of the Committee members. A Committee member must appear in person or ~~by telephone~~ remotely at a meeting, and cannot be replaced by a representative or delegate.

9.5 Committee rules. Consistent with this Paragraph, the Committee is authorized to adopt its own rules of procedure, a copy of which must be filed with WASWD staff within 14 business days of adoption. The rules may include criteria and requirements for admission of new members to the group, readmission of former members to the group, and removal of members of the group. A copy of the current rules is attached to this Agreement. If the Committee amends the rules, WASWD staff will send a copy of the amended rules to the Members. The member acknowledges and agrees to the Retrospective Rating Program Group Rules, herein incorporated by reference.

~~8.5~~

9.10 Effective date and termination.

~~9.1~~10.1 This Agreement shall be effective on ~~October~~July 1, 2023~~2~~ and shall be effective until terminated by either party as stated in this paragraph.

~~9.2~~10.2 If the Member elects to terminate its membership in WASWD, this Agreement shall terminate at the end of the coverage period; ~~provided that if WASWD continues as a sponsoring entity after the termination, the terms and conditions of paragraphs 3, 5.2, 7, 10 and 13 of this Agreement shall survive and remain in effect for 4 years after the termination date.~~

~~9.3~~10.3 Either party may terminate this Agreement by notice of termination personally delivered or sent to the other ~~by certified mail, return receipt requested~~in writing, by May 31st of a coverage period, to be effective at the end of the coverage period; ~~provided, that if WASWD continues as a sponsoring entity after the termination, the terms and conditions of paragraphs 3, 5.2, 7, 10 and 13 of this Agreement shall survive and remain in effect for 4 years after the termination date.~~

~~9.4~~10.4 If the Member withdraws from the plan at the end of a coverage period, this Agreement shall be terminated; ~~provided, that the terms and conditions of paragraphs 3, 5.2, 7, 10 and 13 of this Agreement shall survive and remain in effect for 4 years after the termination date.~~

~~10.11~~ Attorney's fees. In the event of any conflict, claim or dispute between the parties arising out of or relating to this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party all reasonable costs and expenses of every sort whatsoever including, but not limited to, mediation fees and actual attorneys' fees incurred or expended, whether incurred or expended in arbitration or trial or on appeal.

~~11.12~~ Entire agreement. This Agreement contains all terms, conditions and provisions agreed upon by the parties, and shall not be modified except by written amendment of the parties.

~~12.13~~ Venue and jurisdiction. The Superior Court of King County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

~~13.14~~ Successors in interest. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective successors in interest and assigns of the parties.

WASHINGTON ASSOCIATION OF
SEWER & WATER DISTRICTS

By _____
Its President

By _____
Its _____

Dated: _____

Dated: _____

By _____
Its Secretary

Dated: _____

Washington Association of Sewer and Water Districts
Retrospective Rating Group Rules
DRAFT REVISIONS MARCH 2023

- 1) Retrospective Rating Committee—Establishment, Election, and Terms.
 - a) The Committee shall consist of 9 members, elected by members of the Retrospective Rating Group (Retrospective Members).
 - ~~a)b) Of the 9 seats, up to 3 can be held by non-general members, but at least one of those 3 seats shall be held by a non-district utility member. If there are no candidates for the one non-district utility member position, the Committee may appoint any other type of member to fill that position.~~
 - ~~b) Of the 9 seats up to 3 but no less than one shall be held by a non-general member if one is available and interest in participation. Up to three spots~~
 - c) A member may be a Commissioner, Director or employee of a Retrospective Member.
 - d) There shall be only 1 member from a Retrospective Member.
 - e) The term of a member shall be 2 years, commencing on October 1.
 - f) The terms of the members shall be in 2 groups of 4 and 5, respectively.
 - g) There shall be no term limits for the members.
 - h) If a member is unable to serve for any reason, or notifies the Committee that the member no longer desires to serve on the Committee, the remaining members shall fill the vacancy by appointing a new member (that is, a Retrospective Member cannot replace the member, temporarily or permanently). The appointee shall serve for the unexpired term of the replaced member.
 - i) In August of each year, WASWD staff shall notify all Retrospective Members of all member positions that are up for election that year by mail or email. In August, any Retrospective Member may nominate 1 candidate from itself and 1 candidate from another Retrospective Member for any member position up for election; provided, that if a Commissioner, Director or employee of a Retrospective Member holds a member position that is not being elected that year, such Retrospective Member cannot nominate a candidate from itself. By the end of August, WASWD staff shall send to all Retrospective Members ballots for each member position up for election by mail or email. On or before September 15, each Retrospective Member may vote for only one candidate for each member position up for election.
 - j) The candidate receiving the most votes for a member position shall be elected as the new member.

- 2) Retrospective Rating Committee—Rules, Meetings, Procedures and Specific Duties.
 - a) The WASWD Board of Directors has authorized the Committee to adopt its own Rules, consistent with the terms of the agreement between WASWD and the Retrospective Districts, currently called “Retrospective Rating Plan Agreement.” The Committee must file any amendments to the Rules with the WASWD staff within 14 business days of adoption.

- b) The Committee shall meet at least once a calendar year, and at such other times as determined by the Committee.
 - c) A quorum for the conduct of business shall be 5 members. If there are less than 9 Committee members, a quorum is a majority of the Committee members.
 - d) A member may participate in a meeting ~~by telephone~~ remotely.
 - e) A member cannot be replaced at any meeting by a representative or delegate of the member.
 - f) The members may take action by unanimous consent of all members, as evidenced by any method or form that clearly describes the action taken and shows the consent of all members, including but not limited to email communications and ballots.
 - g) Committee meetings shall be open to all WASWD members ~~General Members and Associate Members of WASWD,~~ as defined by the WASWD Bylaws.
 - h) ~~If the WASWD Board of Directors proposes to retain a Third Party Administrator to administer the retrospective rating plan, the~~ The Committee shall give a recommendation on the Third Party Administrator to the WASWD Board of Directors to retain a Third Party Administrator to administer the retrospective rating plan.
- 3) Retrospective Rating Group—Eligibility and Acceptance.
- a) Membership in the Retrospective Rating Group shall be determined by the Committee.
 - b) ~~WASWD General Members and Associate Members that provide sewer and/or water services, as defined by the WASWD Bylaws~~ General members, Non-District Utility members and Retro-only WASWD members ~~of all types,~~ may apply for membership in the Retrospective Rating Program by submitting an application to the Committee in a form approved by the Committee, with a copy to the WASWD Executive Director.
 - c) The Applicant must meet or satisfy at least the following requirements in order to be considered for membership, in addition to any others identified by the Third Party Administrator and the Committee:
 - i) The Applicant is in an acceptable risk class as defined by the Department of Labor & Industries.
 - ii) The Applicant has a positive loss ratio (more premium dollars paid than developed losses) for 2 of the last 3 years as reported by the Department of Labor & Industries.
 - iii) The Applicant is in good standing with and current in all obligations of the Department of Labor & Industries.
 - iv) The Applicant has signed the WASWD standard form agreement for inclusion in the WASWD Retrospective Rating Plan.
 - v) The Applicant has completed and signed, if required, all documents required by any applicable Department of Labor and Industries rules, WASWD rules, or Committee rules.
 - vi) The Applicant has paid any fees assessed by WASWD or the Committee.
 - vii) The Applicant has been accepted into the Group Retrospective Rating Plan by the Department of Labor & Industries.

- 4) Retrospective Rating Group--Continuing Eligibility.
- a) To continue as a member of the Retrospective Rating Group, the Retrospective Member must continue to meet or satisfy the following requirements:
- ~~i) Be a WASWD General Member or Associate Member that provides sewer and/or water services, as applicable, as defined by the WASWD Bylaws.~~ Be a WASWD member.
 - ~~ii) Be in an acceptable risk class as defined by the Department of Labor & Industries.~~
 - ~~iii) Possess a positive loss ratio (more premium dollars paid than developed losses) for 2 of the last 3 years as reported by the Department of Labor & Industries.~~ Pass all continuous underwriting requirements of WASWD
 - ~~iv) Retro committee and their TPA that will include factors such as history of claims, safety programs and compliance with the agreement,~~

v)iii) Be in good standing with and current in all obligations of the Department of Labor & Industries.

vi)iv) Have paid any fees assessed by WASWD or the Retrospective Rating Committee.

5) Notice of and Disqualification from Retrospective Rating Group.

- a) If any Retrospective Member fails to achieve an annual positive developed loss ratio, the WASWD staff, after notice to and consultation with the Chair of the Committee, shall give notice to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member by mail or email, stating that a second consecutive year without a positive developed loss ratio may result in removal of the Retrospective Member from the Retrospective Rating Group and Plan.
- b) If the Retrospective Member has a second consecutive year without a positive developed loss ratio, the WASWD staff, after notice to and consultation with the Chair of the Committee, shall give notice to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member by mail or email, stating that the Member has had a second consecutive year without a positive developed loss ratio, that the Member may be removed from the Retrospective Rating Group and Plan by the Committee, and that the Committee will consider removal at a meeting, the date, time, and location of which is stated in the notice.
 - i) The date of the Committee meeting must be at least 15 calendar days after the date of the notice.
- c) The Retrospective Member may submit written comments and information to the Committee before or at the meeting, and shall have an opportunity to address the Committee at the meeting.
- d) The Committee's vote on the Retrospective Member's removal from the Retrospective Rating Group and Plan must include a brief explanation of the reason(s) for the decision and must be approved by a majority of all members of the Committee holding office at the time of the vote.
- e) The WASWD staff, after consultation with the Chair of the Committee, shall give notice of the decision to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member.
- f) The Committee's decision shall be WASWD's final decision on the removal of the Retrospective Member from the Retrospective Rating Group and Plan.

EXHIBIT 1

Committee Member	Organization	Term Expiration Date
Jessica Williams	Silverdale Water District	September 30, 2023
Robert Fulton	Valley Water District	September 30, 2023
Sam Amira	King County Water District 90	September 30, 2023
J.R. Erickson	Mukilteo Water & Wastewater District	September 30, 2023
Mike West	Valley View Sewer District	September 30, 2023
Curt Brees	Silver Lake Water & Sewer District	September 30, 2024
Kelly Boswell	Olympic View Water & Sewer District	September 30, 2024
Larry Jones	Firgrove Mutual Inc.	September 30, 2024
Robert Russell	Coal Creek Utility District	September 30, 2024
Mike West	Valley View Sewer District	September 30, 2021
Jessica Williams	Silverdale Water District	September 30, 2021
Robert Fulton	Valley Water District	September 30, 2021
Sam Amira	King County Water District 90	September 30, 2021
Tom McGrath	Mukilteo Water & Wastewater District	September 30, 2021
Marci Oda	Soos Creek Water & Sewer District	September 30, 2022
Matt Everett	Highline Water District	September 30, 2022
Larry Jones	Firgrove Mutual Inc.	September 30, 2022
	Coal Creek Utility District	September 30, 2022



RETROSPECTIVE RATING PLAN AGREEMENT UPDATED APRIL 2023

THIS AGREEMENT is made by and between the WASHINGTON ASSOCIATION OF SEWER & WATER DISTRICTS, a Washington nonprofit corporation (“WASWD”) and _____, a Washington _____ (“Member”).

RECITALS

- A. WASWD is a retrospective rating group sponsoring entity under Chapter 51.18 RCW and has entered into a retrospective rating group agreement with the Department of Labor and Industries (“Department”).
- B. The Member is an employer that qualifies for the retrospective rating plan under Chapter 51.18 RCW and its implementing regulations, has been approved by the Department to be a participant in the plan, and has been approved for membership by the WASWD Board.
- C. WASWD enrolls in a plan each year to enhance the safety of all members and to maximize refunds while minimizing potential liability to WASWD group members. The coverage period for each plan year is July 1 through June 30 (“coverage period”).
- D. The Member desires to participate in WASWD’s group. WASWD and the Member desire to enter into this Agreement to state their respective duties and rights with regard to the retrospective rating plan.

AGREEMENT

The parties agree as follows:

- 1. Plan administration.
 - 1.1 WASWD shall provide for administration of the retrospective rating plan (“plan”) through either a Third Party Administrator (TPA) or WASWD employees, at the discretion of WASWD.
 - 1.2 The Member shall cooperate with the Department of Labor & Industries, TPA staff members or their representatives, and any others authorized by the WASWD Retro Committee (Committee) to assist the group in claims review, claims management, claims appeal and adjudication, and any other reasonable request that will reduce claims costs.
- 2. Payment for plan administration. For plan administration during a coverage period, the Member shall pay five percent (5%) of its Department composite premium for the four quarters immediately preceding the coverage period. Within the first 2 months of a coverage period, WASWD shall send to the Member an invoice for the administration payment, which shall be due within 60 days of the date of the invoice.

3. Group refunds and additional assessments.

3.1 Approximately 10 months after a coverage period, and twice annually thereafter, the Department will evaluate the group's losses for the coverage period, and will notify WASWD of a group refund or additional assessment for the coverage period. The Member is encouraged to track its own positive loss ratio reports, which are prepared by the Department. WASWD may protest or appeal the evaluation decision within 60 days of the date of the notice. The Committee shall hold a meeting at least 7 business days before the deadline for filing a protest or appeal, and submit its recommendation, together with analysis and documentation, to WASWD at least 5 business days before the deadline for filing a protest or appeal. The WASWD Executive Director shall determine whether to file a protest or appeal based on the best interests of WASWD.

3.2 If a protest or appeal of an evaluation decision is filed, the Member shall be responsible for its prorated share of the costs of the protest or appeal, including attorneys' fees and interest, based upon the Member's percentage of the total premiums paid by all Members participating in the plan during the coverage period.

3.3 The Member and WASWD agree that the total amount of refund issued by the Department will be distributed at the discretion of the WASWD Retro Committee consistent with the following guidance:

3.3.1 The timing and amount of program distributions will be based on the WASWD Retro Committee's evaluation of potential future retrospective adjustments for the Plan Year and the objective to return as much as possible of the retrospective premium return. Refunds not returned in a given year will be held in the Retro bank account to be distributed as early as is practical.

3.3.2 The timing and amount of distributions to each Member will be determined in accordance with a formula established by the Committee based on the following:

3.3.2.1 Each Member's percentage of the Plan's total Standard Premium for the Plan Year, and

3.3.2.2 Each Member's individual loss record for the Plan Year, and

3.3.2.3 Each Member's compliance with programs designed to maximize the Plan's returns, and

3.3.2.4 Compliance with the terms of this Agreement, and

3.3.2.5 The Committee will determine the relative weight given each of these factors.

3.4 Distributions will be made as follows:

- 3.4.1 Distributions are made only to members who, at the time of the distribution, are in good standing with WASWD, and who have complied with all terms of this Agreement.
 - 3.4.2 All distributions will be made to the Member under the Department's account number, including subaccounts, and the Member must maintain a relationship with WASWD under such account number during the term of this Agreement including all Adjustment Periods.
 - 3.4.3 Member authorizes the WASWD Retro Committee to withhold from any premium refund distribution to the Member, and to pay to WASWD any and all amounts due and payable from Member to WASWD including any assessments for failure to comply with the rules contained in this Agreement.
 - 3.5 Whenever there is enough return to do so, all participants will receive an amount equal to the service fee they paid to participate.
 - 3.6 WASWD reserves the right to withhold from the Member refund or net refund any plan administration fee and any costs of a protest or appeal that are due and owing.
 - 3.7 WASWD reserves the right to withhold from the Member refund or net refund any debt owed by the Member to the Department that the Department has withheld from the group refund.
 - 3.8 WASWD reserves the right to pay the additional assessment to the Department in installments as authorized by statute and regulation.
 - 3.9 The additional assessment for the Member for a coverage period shall be the group additional assessment for that year, multiplied by the Member's percentage of the total premiums paid by all Members participating in the plan during the coverage period.
 - 3.10 WASWD shall distribute refunds as soon as is practical. WASWD shall send an invoice for an additional assessment or net additional assessment, together with the costs of the protest or appeal if any, to the Member within 60 days of receipt of the group notice, or within 30 days of the final decision on a WASWD appeal of the notice, whichever occurs last. The Member shall pay the invoice within 45 days of receipt. Delinquent invoices shall accrue interest at the rate of 12 percent per year.
4. Selection of additional Members. The Member acknowledges that the Retrospective Rating Committee may admit to the group WASWD members of any kind which satisfies the requirements of Chapter 51.18 RCW and Chapter 296-17B WAC, and their amendments, and any rules adopted by the Retrospective Rating Committee. WASWD reserves the right to enter into an agreement with such qualified Member that is materially and substantially similar to this Agreement.
5. Other Responsibilities of Member.

- 5.1 Member agrees to be bound by all rules and regulations governing Group Retrospective Rating Plans in the State of Washington, and by all Committee decisions and actions.
- 5.2 Member agrees to develop and maintain the following programs to facilitate the return of injured employees to the workplace:
 - 5.2.1 To develop and maintain a formal transitional light duty return to work program as required by the Committee in order to facilitate the early and timely return of injured employees to the workplace. Member agrees to provide light duty for at least 150 days from the day the injured worker is provided restrictions or modified duties by the injured worker's health care provider, unless the worker is able to return to job of injury sooner. Member understands and acknowledges that transitional light duty programs are a primary means and the expected responsibility of Member to assist with managing its workers' compensation claims effectively.
 - 5.2.2 To adopt a Kept on Salary (KOS) back-up procedure to Member's transitional light duty programs.
 - 5.2.3 In the event Member fails or decides not to engage in transitional light duty programs to facilitate returning an injured employee to work, Member agrees to maintain the individual on full wages and benefits for up to one hundred and fifty (150) days through a KOS Program. The 150-day KOS period will begin from the day the injured worker is provided restrictions or modified duties by the injured worker's health care provider, upon verification by the TPA staff that Member has failed or decided not to return the individual to work under its light duty programs.
 - 5.2.4 Failure to implement or utilize transitional light duty programs, and/or a KOS Program, will be considered material noncompliance by the Member and may result in additional assessments against Member, reduced individual premium return distributions, and/or required returns of previously distributed premium refunds, invoiced fees if the individual return is non-existent or insufficient and/or denying participation in subsequent plan years, as determined by the WASWD Retro Committee.
- 5.3 The Member will allow TPA staff members or their representatives to perform safety and health inspections for review of the safety procedures and practices, frequency and severity of illnesses and accidents, etc., of Member, and to follow all recommendations that result from those safety and health inspections.
- 5.4 The Member will cooperate fully with the Department, TPA staff members or their representatives, and any others authorized by the Committee to assist the group in claims review, claims management, claims appeal and adjudication, and any other reasonable request that will reduce claims costs.
- 5.5 The Member agrees that decisions regarding all aspects of claims management including but not limited to claim allowance, claim rejections, and the nature and scope of benefits paid, decisions to protest or appeal any Department action, and any decisions made regarding the status and

resolution of any claim shall be made by TPA with input from the Member, the WASWD Retro Committee, and WASWD, if those entities so desire. The Member also agrees to cooperate fully with the TPA in any proceedings before the Department, the Board of Industrial Insurance Appeals, or any reviewing court in the event there is an appeal, filed by any aggrieved party in any matter in which the Member is a party or a potential party.

6. Member withdrawal from Plan.

6.1 The Member may withdraw from the plan only at the end of a coverage period (July 1 through June 30). If the Member desires to withdraw from the plan at the end of a coverage period, it shall notify WASWD in writing by May 31st of the coverage period of its intent to withdraw from the plan. WASWD shall file a notification of the withdrawal with the Department by June 30th of the coverage period.

6.2 If a Member leaves active participation in the Retro program, in order to maintain rights to future refunds the Member will have to pay 10% of the premium for the past four quarters for each of the three years of remaining refund potential. This service fee will be invoiced and must be paid upon exiting the program. Refusal to pay will result in forfeit of any future refund Member may have earned. In the event of an assessment during the Member's participation in a plan year, the Member shall be responsible for their portion of the assessment, pursuant to the terms of this Agreement.

7. Statute and rule compliance. The Member and WASWD agree to be subject to and comply with Chapter 51.18 RCW and its implementing regulations, Chapter 296-17B WAC, and their amendments.

8. Release and waiver of liability. The Member releases WASWD, its officers, board of directors, employees and consultants, from any liability whatsoever arising from any claim, damage or loss asserted by the Member due to the Member's participation in the plan.

9. Retrospective Rating Committee. The Member acknowledges that to carry out the plan consistent with this Agreement, WASWD has established a Retrospective Rating Committee as follows:

9.1 Membership. The Committee consists of 9 Members elected by the Members of the group; provided that if there are less than 9 Members of the group, the Committee will consist of an odd number of Members that is equal to or less than the number of Members in the group. Of the 9 seats, up to 3 can be held by non-general members, but at least one of those 3 seats shall be held by a non-district utility member. If there are no candidates for the one non-district utility member position, the Committee may appoint any other type of member to fill that position. A member is a commissioner, Director or employee of a Member participating in WASWD's retrospective rating plan. Each Member can have only one member on the Committee.

- 9.2 Committee meetings. The meetings of the Committee are open to all members of WASWD, as defined in the WASWD Bylaws.
 - 9.3 Terms of Members. The terms of the members are 2 years, with the initial terms of 4 members being 1 year and 5 members being 2 years.
 - 9.4 Quorum. If there are 9 Committee members, a quorum is 5 Committee members. If there are less than 9 Committee members, a quorum is a majority of the Committee members. A Committee member must appear in person or remotely at a meeting, and cannot be replaced by a representative or delegate.
 - 9.5 Committee rules. Consistent with this Paragraph, the Committee is authorized to adopt its own rules of procedure, a copy of which must be filed with WASWD staff within 14 business days of adoption. The rules may include criteria and requirements for admission of new members to the group, readmission of former members to the group, and removal of members of the group. A copy of the current rules is attached to this Agreement. If the Committee amends the rules, WASWD staff will send a copy of the amended rules to the Members. The Member acknowledges and agrees to the Retrospective Rating Program Group Rules, herein incorporated by reference.
10. Effective date and termination.
 - 10.1 This Agreement shall be effective on July 1, 2023 and shall be effective until terminated by either party as stated in this paragraph.
 - 10.2 If the Member elects to terminate its membership in WASWD, this Agreement shall terminate at the end of the coverage period.
 - 10.3 Either party may terminate this Agreement by notice of termination personally delivered or sent to the other in writing, by May 31st of a coverage period, to be effective at the end of the coverage period.
 - 10.4 If the Member withdraws from the plan at the end of a coverage period, this Agreement shall be terminated.
 11. Attorney's fees. In the event of any conflict, claim or dispute between the parties arising out of or relating to this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party all reasonable costs and expenses of every sort whatsoever including, but not limited to, mediation fees and actual attorneys' fees incurred or expended, whether incurred or expended in arbitration or trial or on appeal.
 12. Entire agreement. This Agreement contains all terms, conditions and provisions agreed upon by the parties, and shall not be modified except by written amendment of the parties.

- 13. Venue and jurisdiction. The Superior Court of King County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

- 14. Successors in interest. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective successors in interest and assigns of the parties.

WASHINGTON ASSOCIATION OF
SEWER & WATER DISTRICTS

By _____
Its President

By _____
Its _____

Dated: _____

Dated: _____

By _____
Its Secretary

Dated: _____

**Washington Association of Sewer and Water Districts
Retrospective Rating Group Rules
Updated April 2023**

- 1) Retrospective Rating Committee—Establishment, Election, and Terms.
 - a) The Committee shall consist of 9 members, elected by members of the Retrospective Rating Group (Retrospective Members).
 - b) Of the 9 seats, up to 3 can be held by non-general members, but at least one of those 3 seats shall be held by a non-district utility member. If there are no candidates for the one non-district utility member position, the Committee may appoint any other type of member to fill that position.
 - c) A member may be a Commissioner, Director or employee of a Retrospective Member.
 - d) There shall be only 1 member from a Retrospective Member.
 - e) The term of a member shall be 2 years, commencing on October 1.
 - f) The terms of the members shall be in 2 groups of 4 and 5, respectively.
 - g) There shall be no term limits for the members.
 - h) If a member is unable to serve for any reason, or notifies the Committee that the member no longer desires to serve on the Committee, the remaining members shall fill the vacancy by appointing a new member (that is, a Retrospective Member cannot replace the member, temporarily or permanently). The appointee shall serve for the unexpired term of the replaced member.
 - i) In August of each year, WASWD staff shall notify all Retrospective Members of all member positions that are up for election that year by mail or email. In August, any Retrospective Member may nominate 1 candidate from itself and 1 candidate from another Retrospective Member for any member position up for election; provided, that if a Commissioner, Director or employee of a Retrospective Member holds a member position that is not being elected that year, such Retrospective Member cannot nominate a candidate from itself. By the end of August, WASWD staff shall send to all Retrospective Members ballots for each member position up for election by mail or email. On or before September 15, each Retrospective Member may vote for only one candidate for each member position up for election.
 - j) The candidate receiving the most votes for a member position shall be elected as the new member.

- 2) Retrospective Rating Committee—Rules, Meetings, Procedures and Specific Duties.
 - a) The WASWD Board of Directors has authorized the Committee to adopt its own Rules, consistent with the terms of the agreement between WASWD and the Retrospective Districts, currently called “Retrospective Rating Plan Agreement.” The Committee must file any amendments to the Rules with the WASWD staff within 14 business days of adoption.
 - b) The Committee shall meet at least once a calendar year, and at such other times as determined by the Committee.
 - c) A quorum for the conduct of business shall be 5 members. If there are less than 9

- Committee members, a quorum is a majority of the Committee members.
- d) A member may participate in a meeting remotely.
 - e) A member cannot be replaced at any meeting by a representative or delegate of the member.
 - f) The members may take action by unanimous consent of all members, as evidenced by any method or form that clearly describes the action taken and shows the consent of all members, including but not limited to email communications and ballots.
 - g) Committee meetings shall be open to all WASWD members as defined by the WASWD Bylaws.
 - h) The Committee shall give a recommendation on the Third Party Administrator to the WASWD Board of Directors to retain a Third Party Administrator to administer the retrospective rating plan.
- 3) Retrospective Rating Group—Eligibility and Acceptance.
- a) Membership in the Retrospective Rating Group shall be determined by the Committee.
 - b) General members, Non-District Utility members and Retro-only WASWD members may apply for membership in the Retrospective Rating Program by submitting an application to the Committee in a form approved by the Committee, with a copy to the WASWD Executive Director.
 - c) The Applicant must meet or satisfy at least the following requirements in order to be considered for membership, in addition to any others identified by the Third Party Administrator and the Committee:
 - i) The Applicant is in an acceptable risk class as defined by the Department of Labor & Industries.
 - ii) The Applicant has a positive loss ratio (more premium dollars paid than developed losses) for 2 of the last 3 years as reported by the Department of Labor & Industries.
 - iii) The Applicant is in good standing with and current in all obligations of the Department of Labor & Industries.
 - iv) The Applicant has signed the WASWD standard form agreement for inclusion in the WASWD Retrospective Rating Plan.
 - v) The Applicant has completed and signed, if required, all documents required by any applicable Department of Labor and Industries rules, WASWD rules, or Committee rules.
 - vi) The Applicant has paid any fees assessed by WASWD or the Committee.
 - vii) The Applicant has been accepted into the Group Retrospective Rating Plan by the Department of Labor & Industries.
- 4) Retrospective Rating Group--Continuing Eligibility.
- a) To continue as a member of the Retrospective Rating Group, the Retrospective Member must continue to meet or satisfy the following requirements:
 - i) Be a WASWD member. Be in an acceptable risk class as defined by the Department of Labor & Industries.
 - ii) Pass all continuous underwriting requirements of WASWD Retro committee and their TPA that will include factors such as history of claims,

safety programs and compliance with the agreement, Be in good standing with and current in all obligations of the Department of Labor & Industries.

iii) Have paid any fees assessed by WASWD or the Retrospective Rating Committee.

5) Notice of and Disqualification from Retrospective Rating Group.

- a) If any Retrospective Member fails to achieve an annual positive developed loss ratio, the WASWD staff, after notice to and consultation with the Chair of the Committee, shall give notice to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member by mail or email, stating that a second consecutive year without a positive developed loss ratio may result in removal of the Retrospective Member from the Retrospective Rating Group and Plan.
- b) If the Retrospective Member has a second consecutive year without a positive developed loss ratio, the WASWD staff, after notice to and consultation with the Chair of the Committee, shall give notice to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member by mail or email, stating that the Member has had a second consecutive year without a positive developed loss ratio, that the Member may be removed from the Retrospective Rating Group and Plan by the Committee, and that the Committee will consider removal at a meeting, the date, time, and location of which is stated in the notice.
 - i) The date of the Committee meeting must be at least 15 calendar days after the date of the notice.
- c) The Retrospective Member may submit written comments and information to the Committee before or at the meeting, and shall have an opportunity to address the Committee at the meeting.
- d) The Committee's vote on the Retrospective Member's removal from the Retrospective Rating Group and Plan must include a brief explanation of the reason(s) for the decision and must be approved by a majority of all members of the Committee holding office at the time of the vote.
- e) The WASWD staff, after consultation with the Chair of the Committee, shall give notice of the decision to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member.
- f) The Committee's decision shall be WASWD's final decision on the removal of the Retrospective Member from the Retrospective Rating Group and Plan.

EXHIBIT 1

Committee Member	Organization	Term Expiration Date
Jessica Williams	Silverdale Water District	September 30, 2023
Robert Fulton	Valley Water District	September 30, 2023
Sam Amira	King County Water District 90	September 30, 2023
J.R. Erickson	Mukilteo Water & Wastewater District	September 30, 2023
Mike West	Valley View Sewer District	September 30, 2023
Curt Brees	Silver Lake Water & Sewer District	September 30, 2024
Kelly Boswell	Olympic View Water & Sewer District	September 30, 2024
Larry Jones	Firgrove Mutual Inc.	September 30, 2024
Robert Russell	Coal Creek Utility District	September 30, 2024

**WEST SOUND UTILITY DISTRICT
RESOLUTION 503-14**

**A RESOLUTION OF THE WEST SOUND UTILITY DISTRICT BOARD OF
COMMISSIONERS APPROVING A RETROSPECTIVE RATING AGREEMENT WITH
THE WASHINGTON ASSOCIATION OF SEWER AND WATER DISTRICTS**

WHEREAS, the Washington Association of Sewer and Water District (WASWD) is a retrospective rating group sponsoring entity; and

WHEREAS, WASWD has entered into a retrospective rating group agreement with the Washington State Department of Labor and Industries; and

WHEREAS, West Sound Utility District (WSUD) is an employer that qualifies for the retrospective rating plan; and

WHEREAS, the District desires to participate as a member of the WASWD retrospective rating group;

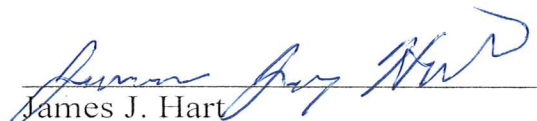
WHEREAS, an agreement has been prepared which set forth the respective duties and rights with regard to the retrospective rating plan; NOW THEREFORE,

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

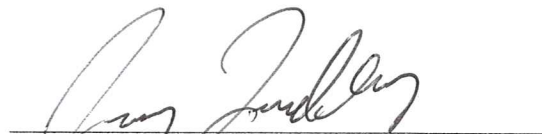
Section 1. The Retrospective Rating Agreement (Exhibit "A") with WASWD is hereby approved; and further, the District's General Manager is hereby authorized to sign the Agreement.

**APPROVED and ADOPTED by the Board of Commissioners of West
Sound Utility District** at a regular scheduled meeting on June 16, 2014.

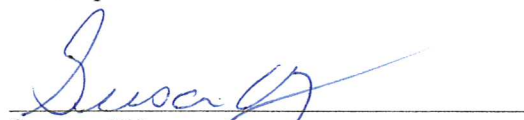
WEST SOUND UTILITY DISTRICT
Kitsap County, Washington



James J. Hart
Chairperson



Jerry Lundberg
Vice Chairperson



Susan Way
Secretary

**WEST SOUND UTILITY DISTRICT
RESOLUTION 694-17**

**A RESOLUTION OF THE WEST SOUND UTILITY DISTRICT BOARD OF
COMMISSIONERS APPROVING A REVISED RETROSPECTIVE RATING AGREEMENT
WITH THE WASHINGTON ASSOCIATION OF SEWER AND WATER DISTRICTS**

WHEREAS, the Washington Association of Sewer and Water District (WASWD) is a retrospective rating group sponsoring entity; and

WHEREAS, West Sound Utility District (WSUD) is an employer that qualified for the retrospective rating plan and is a member of the WASWD retrospective rating group; and

WHEREAS, an agreement setting forth the respective duties and rights with regard to the retrospective rating plan was entered into by WASWD and WSUD on June 16, 2014; and


WHEREAS, WASWD recently completed a process to update the retrospective rating agreements by aligning retrospective rating group rules with the new agreements; **NOW THEREFORE**,

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

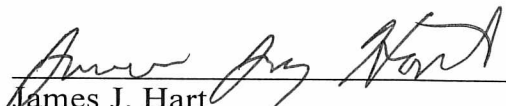
Section 1. The Retrospective Rating Agreement (Exhibit "A") with WASWD is hereby approved; and further, the District General Manager is hereby authorized to sign the Agreement.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a regular scheduled meeting on January 8, 2018.

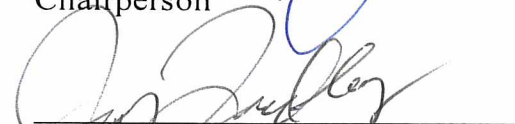
WEST SOUND UTILITY DISTRICT
Kitsap County, Washington



Susan Way
Chairperson



James J. Hart
Vice Chairperson



Jerry Lundberg
Secretary

**WEST SOUND UTILITY DISTRICT
RESOLUTION 887-20**

**A RESOLUTION OF THE WEST SOUND UTILITY DISTRICT BOARD OF
COMMISSIONERS APPROVING A REVISED RETROSPECTIVE RATING
AGREEMENT WITH THE WASHINGTON ASSOCIATION OF SEWER AND
WATER DISTRICTS**

WHEREAS, the Washington Association of Sewer and Water District (WASWD) is a retrospective rating group sponsoring entity; and

WHEREAS, West Sound Utility District (WSUD) is an employer that qualified for the retrospective rating plan and is a member of the WASWD retrospective rating group; and

WHEREAS, an agreement setting forth the respective duties and rights with regard to the retrospective rating plan was entered into by WASWD and WSUD on June 16, 2014, Resolution 503-14; and

WHEREAS, WSUD on January 8, 2018, Resolution 694-17 adopted a revised agreement whereby WASWD updated the retrospective rating agreements by aligning retrospective rating group rules with the new agreements; and

WHEREAS, WASWD has selected a new Third Party Administrator (Archbright) which provides for an expansion of employer services; and

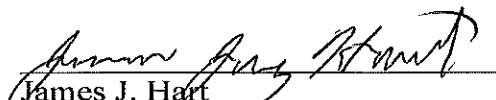
WHEREAS, WSUD has an interest in continuing with the Retrospective Rating Program which requires a new agreement between WSUD and WASWD effective July 1, 2020; **NOW THEREFORE**,


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

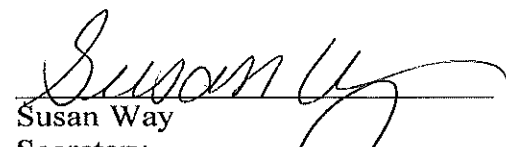
Section 1. The Retrospective Rating Agreement (Exhibit "A") with WASWD is hereby approved; the Board further authorizes the General Manager to sign the Agreement.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a regular scheduled meeting on May 4, 2020.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington


James J. Hart
Chairperson


Jerry Lundberg
Vice Chairperson


Susan Way
Secretary



**WEST SOUND UTILITY DISTRICT
RESOLUTION 1079-23**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
AUTHORIZING THE AWARD OF A
MINOR SERVICES CONTRACT
WITH LEGACY POWER SYSTEMS, LLC.**

WHEREAS, the SKWRF’s 2023 Capital Improvement budget contains funding for the replacement of the failing Generator #1 Load Bank; and

WHEREAS, SKWRF staff has sought bids for such replacement and installation of the failing Generator #1 Load Bank from four companies (Attachment “A”) on the MRSC Small Works Roster who indicated the capability of performing the kind of work to be contracted; and

WHEREAS, SKWRF Staff were able to secure quotes from companies with Legacy Power Systems being the lowest responsible bidder meeting the needs of the facility; **NOW, THEREFORE**,

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

Section 1. The Board approves the attached contract (Exhibit “A”) for the replacement and installation of the failing Generator #1 Load Bank by Legacy Power Systems, LLC. as identified in the attached quote (Exhibit “B”) in the amount of \$32,763.00, plus state sales tax in the amount of \$3,014.20 for a total amount of \$35,777.20. The Board further authorizes the General Manager, on behalf of the district, to execute a contract with Legacy Power Systems, LLC.; and to approve amendments to the Contract or change orders in an amount not to exceed 10% of the Contract amount provided the changes are: a) within the scope of the project, b) consistent with the bid process; and c) executed in writing.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a Board meeting scheduled May 3, 2023.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington

Susan Way
Chairperson

James J. Hart
Vice Chairperson

Jerry Lundberg
Secretary

MINOR SERVICES CONTRACT

THIS AGREEMENT is entered into this ____ day of _____, 20____, by and between **WEST SOUND UTILITY DISTRICT**, a Washington State municipal corporation (“District”), and _____ (“Service Provider”).

Pursuant to its procedures, District has determined that Service Provider is able to perform the services hereinafter described at a reasonable price. The purpose of this Contract is to set forth the agreement of the parties in writing.

NOW, THEREFORE, in consideration of the terms and conditions contained in this Contract, the parties agree as follows:

1. Services. The Service Provider shall perform all services to a completed state, and furnish all reports, permits, tools, materials and equipment for the District regarding the scope of work described on the attached “EXHIBIT A”, which by this reference is incorporated herein and made a part hereof.

2. Service Provider Compensation. The Service Provider shall be compensated in the total sum of \$_____ for its services, plus Washington State sales tax, if applicable, in the sum of \$_____. Unless otherwise stated in EXHIBIT A, compensation shall be paid within thirty (30) days completion of the services in a good and satisfactory manner.

3. Service Provider Work Standards. The Service Provider shall perform its services in a good, safe, professional and timely fashion. All materials that may be used in its services shall be new and of a good or superior quality. The Service Provider shall be personally responsible for performance of all services and obligations placed upon it hereunder and shall not assign any of its obligations hereunder to any third party or entity.

4. Service Provider Representative. The person in charge of Service Provider’s services hereunder shall be _____. He/she shall make himself/herself available to the District’s General Manager or other designated District representative(s) at all reasonable times for consultation. The Service Provider’s representative shall provide his/her work and cell phone numbers to the District’s designated representative.

5. Inspections. Prior to commencing its services, the Service Provider shall meet with the District’s General Manager and/or any other District representatives assigned to this project as determined by the District’s General Manager, and these parties shall set forth an inspection or review schedule to be followed by the District in inspecting or reviewing the Service Provider’s services while it progresses or after its completion.

6. Completion Deadline. Service Provider’s services hereunder shall commence on or about the ____ of _____, 20____, and shall be completed by no later than the ____ day of _____, 20____.

7. Service Provider Status as Independent Contractor. During the term of this Contract, the Service Provider is and shall be at all times an independent contractor.

8. Termination. The District shall have the right to immediately terminate this Contract for public convenience or if the Service Provider violates any of the substantive terms of this Contract.

9. Legal Action. Should either the District or Service Provider commence legal action relating to the provisions of this Contract against the other, the party who substantially prevails shall be awarded judgment for all costs and legal fees incurred in the legal action from the party who substantially loses. Venue for any such action shall be in Kitsap County, Washington.

10. Indemnification. The Service Provider shall defend, indemnify and save the District and its officers, employees and representatives harmless from any and all claims, risks, losses, damages, demands, suits, judgments and attorneys' fees, or other expenses of every kind, on account of injury to or the death of any person(s), or on account of all property damage of every kind, or loss of use resulting therefrom, to any person or entity arising out of or in any manner connected with the services performed under this Contract by the Service Provider.

11. Insurance. The Service Provider shall obtain and keep in force during the term of this Contract, bodily injury, property damage, and vehicle insurance, all as approved by the District, which insurance shall provide coverage to the Service Provider and District for any harm caused by the Service Provider while performing its services hereunder.

12. Prevailing Wages / Non-Discrimination. The Service Provider shall pay all applicable prevailing wages and post all required notices regarding the same as required by Washington law. The Service Provider shall comply with Washington's non-discrimination laws in its hiring practices.

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

14. Complete Agreement. This Agreement constitutes the full and complete agreement of the parties concerning the matters set forth herein. There are no other agreements, either in written or verbal form concerning the matters covered herein, that shall be provided with any legal effect. Any changes or amendments hereto shall be set forth in writing and signed by each party.

IN WITNESS WHEREOF, we have each set our hands hereto to evidence our respective consents hereto as of the date appearing by our signatures.

WEST SOUND UTILITY DISTRICT

SERVICE PROVIDER

by: _____
General Manager

by: _____
Print Name: _____
Its duly authorized representative for entry
into this Contract.

Date: _____

Date: _____

Address: _____

E-mail: _____

Phone: _____

CIP Load Bank Replacement 2023

Bidding Determination

In determining the replacement of our failing load bank, we contacted multiple companies for replacement costs. We received numerous quotes below and selected the lowest responsible bidder, Quote #4 Legacy Power Systems.

1. Thomson Power Systems quoted a direct replacement Load Bank for \$32,950 plus tax. No installation.
2. ASCO Power Technologies quoted a baseline replacement Load Bank for \$27,489 plus tax. No installation.
3. Legacy Power Systems quoted us two different Load Banks that would work for us. The first quote was for \$38,682 plus tax. This includes removal, installation, testing, training, and setup.
4. Legacy Power Systems provided a second quote of \$32,763. This includes removal, installation, testing, training, and setup.
5. Cummins. We also contacted them for a quote but never received a response.



April 19, 2023

West Sound Utility District
Attn: Kevahn Steinke – Maintenance Supervisor
1165 Beach Dr E
Port Orchard, WA 98366

POWER SYSTEMS SALES QUOTE

Legacy Power Systems is pleased to provide you with the following quote:

Project: 250KW Load Bank Replacement

Load Bank Model Number: Simplex NEPTUINE 250-480

Configuration:

- 250KW 3 Phase – 1.0 PF
- 277/480 3-phase, 3 wire
- 60 Hertz
- 5 KW Load Step Resolution
- Continuous Duty Cycle
- Dimensions – 38.5" W x 111" H x 54" D
- 1,600 lbs.
- Remote Mounted Digital Controller – Type 3R - Touchscreen

Scope of Work:

- Removal and disposal of existing load bank.
- Delivery of new load bank to site.
- Includes crane and trailer for equipment.
- Includes anchoring and installation of new load bank.
- Includes using existing feeder wires to load bank.
- All work to be done per local jurisdiction and codes.
- All work to be done to follow manufacturer specifications.
- Includes load bank testing, training and setting up new load bank.
- All work to be done by Legacy Power Systems licensed electricians.



LEGACY
POWER SYSTEMS

Project Specific Exceptions and Clarifications

1. BOM based on written specification provided by client. No one line provided.
2. Basic enclosure is factory standard, air inlet/outlet louvers are fixed.
3. Price does not include sales tax.
4. 1 year manufactures warranty.
5. Estimated lead time: 18 – 20 weeks from date of signed Purchase Order.
6. Price assumes using existing feeder wires. Splices or new wires will be billed at T + M.

Offer Total Price: \$ 32,763.00

**This quote is valid for 30 days*

Offer Acceptance

I hereby authorize Legacy Power Systems to use this form as a bona fide purchase order of the equipment listed, which establishes price and Bill of Materials. Acceptance of this offer is expressly limited to Legacy Power Systems terms and conditions (following page).

Proposed by:

Company: Legacy Power Systems

Sales Representative: Sam Bergstrom

Title: Business Development Rep

Signature: *Sam Bergstrom*

Date: April, 19 2023

Accepted by:

Company: _____

Print Name: _____

Title: _____

Signature: _____

Date: ___ / ___ / _____

AP contact information required:

Name _____

Phone _____

Email _____

Thank you for the opportunity to provide a quote for your power generation needs.

Sam Bergstrom

O: (253) 858-0214 | **24Hr:** (253) 686-3050 | **C:** (253)225-0783

Legacy Power Systems | www.LegacyPower.com

NEPTUNE

200KW - 650KW Load Bank

Description

High capacity load testing of generators, UPS, and other AC power sources; periodic reliability exercise of standby generators; automatic load leveling and minimum load regulation; regenerative/reverse power protection and other load bank applications is possible with the Simplex Neptune Version 2.0 Load Bank Series.

The Simplex Neptune Version 2.0 is a highly standardized, advanced design, digitally controlled Load Bank Series spanning the 200-650kw range at common 60 Hertz and 50 Hertz low voltages. Neptune V2.0 is a standard inventory item with versatile control and application possibilities.

Neptune V2.0 is intended for outdoor or indoor installation. As with all Simplex Planet Series Load Banks, the Neptune is UL/CUL Listed.

Neptune V2.0 is digitally controlled via an on-board PLC, which accepts standard programs for manual, automatic and multi-station control, as well as data monitoring and data acquisition. V2.0 is designed for local or remote control, including multi-station control, using a standard digital, color touchscreen HMI. Remote control connection is simplified through use of RS-485 over shielded/twisted pair network cable (1000m). Local/remote HMI is housed in a weather/tamper resistant, lockable enclosure.

Basic V2.0 is setup for manual control via direct numeric keypad entry.

A comprehensive automation option is available which allows automatic load regulation via KW sensing such that the load bank automatically maintains a constant load on the generator. Load level, bandwidth, and timing are user programmable from the touchscreen. This function can be used for minimum loading to prevent wet-stacking and other low load issues, engine optimum loading for emissions control and for regenerative power protection. This function can also be used to stabilize voltage and frequency transients. With the automation option, full display of load bank electrical values (V-A-Hz-KW) is also provided on the touchscreen, with MODBUS registers provided for remote indication and data acquisition.

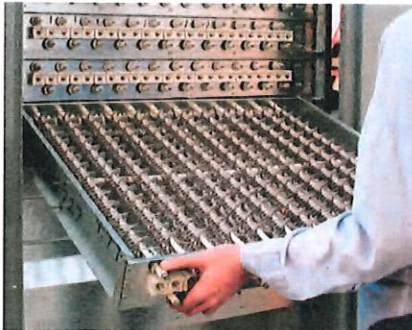


Options are available for Load Bank integration with Building Automation Systems via Modbus RTU RS-485 or Modbus TCP.

Features

- Utilizes the proven Simplex "Powr-Web" load element (see page 2)
- Branch circuit fuse protection of load elements
- Digital control (see page 4)
- Comprehensive malfunction detection system
- UL/CUL Listed
- Modular enclosure design with separate and isolated control and power sections
- Type 3R, oversize control section with generous cable connection space
- Vertical airflow, exhausts hot air above level of personnel and away from buildings, pavement etc.
- Slide-out, tray mounted load elements
- Comprehensive overload, short circuit and malfunction protection
- Highly standardized for quick turn-around inventory item
- Supported by nationwide service centers
- Anti-condensation heaters with thermostatic control





Powr-Web Resistive Load Element

Description

Simplex Load Banks utilize "Powr-Web" load elements. The "Powr-Web" is an advanced design, air-cooled power resistor specifically designed for application to Load Bank systems. The "Powr-Web" is conservatively operated at half the maximum temperature rating of the alloy and features a short-circuit-safe design based on continuous mechanical support of the element by high temperature, ceramic clad stainless steel rods. The "Power Webs" are assembled into discrete trays which are assembled in a vertical "stack." Each tray in the "stack" is independently serviceable without disturbing adjacent trays.

Specifications

- Alloy: FeCrAl
- Maximum continuous temperature rating: 1920°F
- Maximum operating temperature as applied in Load Bank: 1080° F
- Cool down time from operating to ambient temperature: 10 seconds

Construction

- Ceramic clad, stainless steel through-rods
- UL Recognized

Version 2.0 Specifications

Capacity:	200-650KW, Resistive, 1.0 power factor
Voltage:	All common 3-phase 60, 50 Hz voltages: 60 Hertz: 208V, 220V, 240V, 416V, 440V, 450V, 460V, 480V, 575V, 600V 50 Hertz: 190V, 200V, 208V, 380V, 400V, 416V
Frequency:	50, 60 Hz
Load Steps:	5 KW resolution standard. (5-10-10-25-50-100... KW)
Duty Cycle:	Continuous
Temperature:	120°F maximum ambient temperature. Exhaust rise: 150°F–200°F. Hot spots 575°F.
Airflow:	13,400 CFM, 5 HP
Fan/Control:	External or internal from load bus. Control circuits at 120V via transformer. The cooling fan operates at 3-phase line voltage. Load control circuits and fan motor control operate at 120V. Control circuits are fused. Control circuit fuses are 100,000 A.I.C., 600V rated. External, 120V, supply for humidity controller, when ordered.

Options

Option No.	Description
A	Automation option. Allows AUTOMATIC LOAD REGULATION, REGENERATIVE POWER PROTECTION, via KW sensing. Requires installation of remote current transformer (supplied). User programmable: set point, step up/step down bandwidth, initiate delay, step-up delay, step-down delay, shutdown delay. Includes voltage and frequency sensing with adjustable set point and delay. Includes display of volts-amps-hertz-kw and MODBUS registers for same.
020	BMS control. Allows load bank to be controlled/monitored by BMS
030	MODBUS TCP. Replaces MODBUS RTU-485 with TCP capability
040	Multiple remote control stations

Model Number Generation

Example: NP-2.0-400-4803-60-R-M-020
400KW, 480V, 3-phase, 60Hz, Remote Manual Control with BMS Control

NP	2.0	400	4803	60	R	M	020
Neptune	Version	KW	Voltage	Frequency	Control	Function	Options
Neptune	1.0 Legacy	200kw, 250kw, 300kw,	2083	60Hz	L – Local	M – Manual	020: BMS Control
	2.0 2013	350kw, 400kw, 450kw,	2403	50Hz	R – Remote	A – Automation	030: MODBUS TCP
		500kw, 550kw, 600kw,	4803				040: Multiple control stations
		650kw	6003				
			(Volts x Ph)				

Principle Systems and Components

The load bank is a completely self-contained, freestanding unit which includes all resistive load elements, load control devices, load element branch circuit fuse protection, main load bus and terminals, cooling system, control power supply, unit controller and malfunction detection system and NEMA type enclosure.

Load Elements

Simplex "Powr-Web" open wire, helically wound, chromium alloy, thermally derated to 60%. 5% tolerance, 2% balance, .995 p.f.

UL Recognized.

Load Control

Branch circuit contactors each step, overall 50KW circuit maximum. Contactors have enclosed silver surfaced contacts, 120V coils; electrically operated and electrically held.

Element Circuit Protection

Branch circuit fuses, each 50KW branch circuit, 200kAIC, current limiting type.

Power Wiring

150°C insulated, color coded, numbered.

Control Wiring

105°C, color coded, numbered.

Power connection

Plated bus bar within an oversize terminal junction box.

Cooling

Forced air, vertical airflow, top exhaust. 5.0 HP, 230/460V, 3-phase, TEFC motor driving cast aluminum fan blade. Circuit breaker combination motor starter.

System Protection

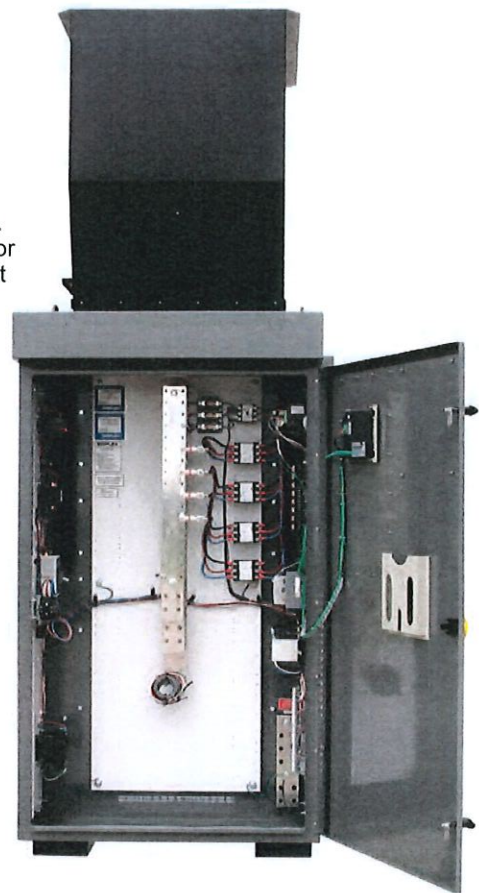
Fan failure, high exhaust temperature, high intake temperature; lockout and alarm. Exhaust temperature indicated on screen.

Enclosure

Modular enclosure consists of three parts:

1. Type 3R rainproof power section including load elements and cooling fan
2. Type 3R control section, thermally and electrically isolated from power section
3. Exhaust hood. Mounts atop power section. Vertical flow with rain separators. Hood may be deleted and a duct flange provided for indoor applications where air is exhausted through a duct to the outdoors.

All access via hinged doors with stainless steel hinges and lockable latches. All exterior fasteners are stainless steel.



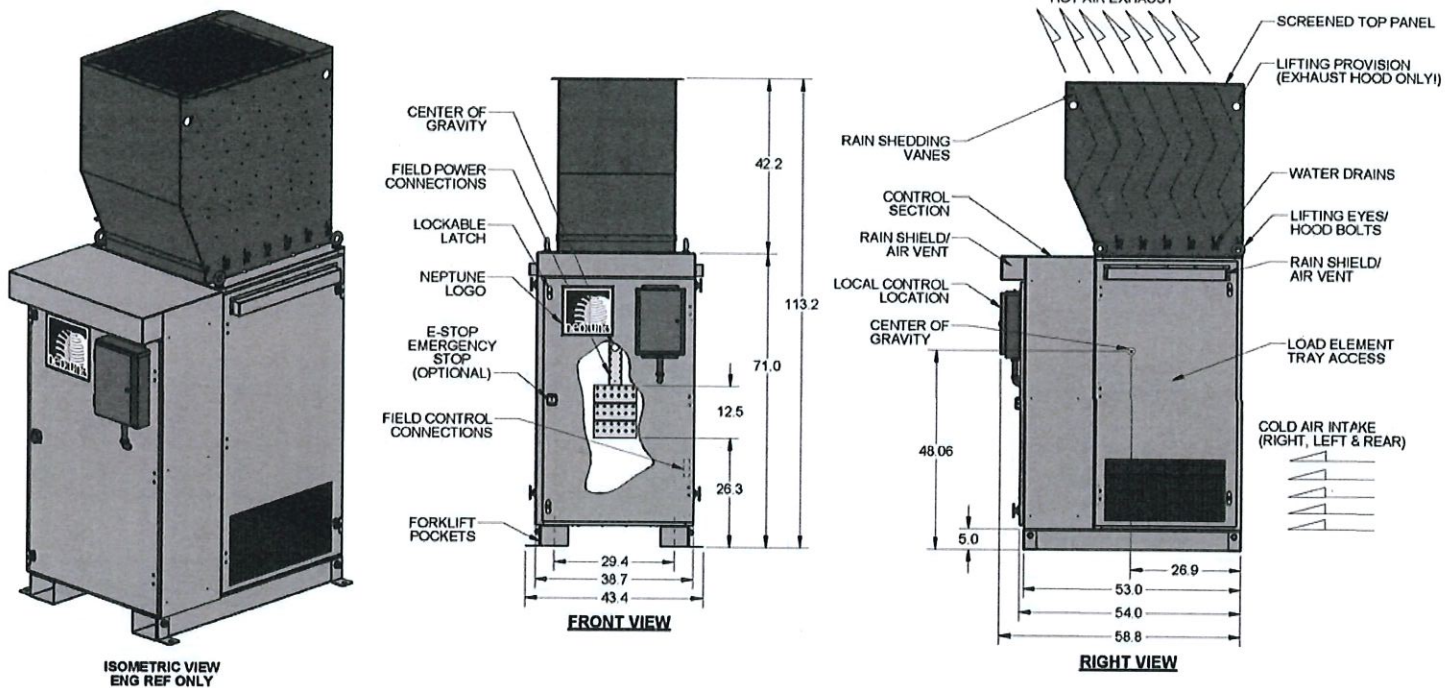
The load bank enclosure is of double wall construction for cool exterior and thermal isolation of the load elements. Cooling airflow through the enclosure is vertical with cold air intake at the bottom and hot air exhaust out the top. Intake and exhaust openings are screened. Enclosure is powder-coated dark gray. Hood powder-coated high temperature black.

NEPTUNE

200KW - 650KW Load Bank • Page 4

SIMPLEX®

Dimensions and Key Features



Controller

PLC based control with local or remote 6-inch TFT color HMI.

1. 6" Color Touch HMI – Provides all functionality previously accomplished by physical lights/switches
 - a. Control Power On/Off Switch
 - b. Numeric Load Application Mode: direct entry to keypad, apply and remove function. Allows successive block loading
 - c. Master Load Switch function
 - d. Load Step Switches function
 - e. Fan Failure Indication
 - f. High Exhaust Temperature Indication
 - g. Load Dump Active Indication
 - h. Load Dump Bypassed Indication
 - i. Setup Functions
 - j. Various other functions depending on chosen options



2. Cooling Failure Load Lockout – Disables all load in the event of an exhaust over-temperature or fan failure
3. Remote Load Dump input – Allows user to connect normally closed contacts to permit remote load dump (close to run, open to dump)

4. Load Dump Bypass– Provides means to defeat load dump function above
5. Discrete Power Available Lamp – Indicates control power available to load bank. LED indicator on load bank.
6. Summary Alarm Lamp – Indicates that there has been a cooling failure, load dump activation or other failure. LED indicator on load bank.
7. BMS Monitoring (Dry Contacts) – Relay dry contacts for BMS monitoring of "normal operation", "summary alarm".
8. BMS Monitoring (Modbus RTU RS-485) – Allows all load bank conditions to be monitored via Modbus RTU RS-485

**WEST SOUND UTILITY DISTRICT
RESOLUTION 1080-23**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF WEST SOUND UTILITY DISTRICT
APPROVING THE DEVELOPER’S EXTENSION CONTRACT FOR
SEWER AND WATER UTILITIES FOR THE
2102 SEDGWICK MULTI-FAMILY DEVELOPMENT**

WHEREAS, Mr. Chris DeWald, Authorized Signatory of 2102 Sedgwick, LLC., has submitted an application, plans, and documents for the extension of water, fire protection and sewer services for the 2102 Sedgwick Multi-Family Development located at 2102 SE Sedgwick Road; and

WHEREAS, it shall be the responsibility of the developer to construct the water, fire protection, and sewer system to and within their development site in accordance with the standards of West Sound Utility District and as approved by the District; **NOW, THEREFORE**,

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

Section 1. West Sound Utility District hereby approves the execution of a Developer Extension Contract (Exhibit “A”) with Mr. Chris Dewald, Authorized Signatory of 2102Sedgwick, LLC. The Board further authorizes the General Manager on behalf of the District, to execute the contract with Mr. Chris Dewald, Authorized Signatory of 2102Sedgwick, LLC.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a Regular Board meeting scheduled May 3, 2023.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington

Susan Way
Chairperson

James J. Hart
Vice Chairperson

Jerry Lundberg
Secretary



DEVELOPER EXTENSION CONTRACT

2102 SEDGWICK MULTIFAMILY

MAY 3, 2023



DEVELOPER EXTENSION CONTRACT

THIS CONTRACT is entered into between **WEST SOUND UTILITY DISTRICT**, a municipal corporation of the State of Washington, hereinafter referred to as "District," and 2102 Sedgwick LLC, hereinafter referred to as "Developer" (Insert full legal name of Developer on the preceding line).

The principal owner(s) of the Developer Company and their titles are as follows:

Chris DeWald, Authorized Signatory.

The Developer represents that it is a legal entity in good standing with the State of Washington, with all license and other fees currently paid. This contract shall be referred to as the "Developer Extension Contract" or "DEC".

IN CONSIDERATION of the foregoing recitals and mutual promises contained herein, the parties agree as follows:

I. GENERAL AGREEMENT

The Developer seeks to construct a water and/or wastewater system (hereinafter referred to as "Developer Improvement"), and thereafter connect the Developer Improvement into the utility system owned and operated by the District (hereinafter called "District System"). As a condition to the District permitting connection of the Developer Improvement into the District System, the Developer agrees to timely:

1. Be responsible for all costs and fees of planning and construction of the Developer Improvement.
2. Design the Developer Improvement to the standards and specifications of the District as set forth in this Contract.
3. Comply with all other conditions and obligations imposed upon it by this Contract.

Upon compliance with all conditions and obligations imposed herein on the Developer, the District agrees to accept the Developer Improvement, and ownership and all future maintenance thereof.

The common name of the Developer's project is 2102 Sedgwick Multifamily and is generally located and described as follows: 2102 SE Sedgwick Rd, Port Orchard.

II. LOCATION OF DEVELOPER IMPROVEMENT

The Developer shall complete the attached "EXHIBIT A", by inserting thereon the full and complete legal description of the real property owned by the Developer where the Developer Improvement will be located (hereinafter called "Developer Property"). If all or any portion of the Developer Improvement will be located outside the Developer Property, the rights-of-way(s) and/or

easement(s) required to connect the Developer Improvement to the District System shall also be fully and completely legally described and identified on EXHIBIT A. EXHIBIT A, by this reference is incorporated herein and made a part hereof. The Developer warrants and represents the information contained on EXHIBIT A is complete and correct.

III. DEVELOPER PROPERTY OUTSIDE THE DISTRICT

In the event the Developer Property is located wholly or partially outside the District's legal boundaries, any obligations placed on the District in this Contract are conditioned on the following requirements having first been met by the Developer:

1. The Developer Property shall be annexed into the District, subject to approval by the Kitsap County Boundary Review Board, in the manner required by law. The annexation shall include a service area acceptable to the District. At the sole discretion of the District, the District may not require annexation; however, in that event, the Developer must agree to pay all surcharges for out-of-District service.
2. Water and/or wastewater service received from the District is conditioned on compliance with all pertinent Growth Management Act requirements by the Developer.
3. The Developer shall be responsible for meeting all requirements for annexation of the Developer Property as required by law and all costs and fees associated therewith.
4. The Developer shall pay all legal, engineering, and District staff costs and fees incurred in assisting the Developer with the annexation. The Developer shall also pay the filing fee required by the Kitsap County Boundary Review Board for such annexation and all other annexation fees and costs of every kind and nature.

IV. COMPREHENSIVE DEVELOPMENT

As a condition precedent to the District's obligations under this Contract, the Developer shall construct the proposed Developer Improvement in conformance with the District's specifications, together with any amendments made thereto by the District to conform with the District's long-range plan, including any over-sizing of mains and pump stations necessitated by the comprehensive plan or as determined by the District in its sole discretion.

It is the policy of the District that the Developer extend any water main improvements to the most distant end of abutting and interior rights-of-way or easements, unless it is determined by the District, according to its policies and/or rules, that extension of the water main will not be necessary. Developers owning corner property shall extend the water main to the far ends of both corners of the property unless it is determined by the District, in its sole discretion, extension of the system is not necessary.

It is the policy of the District that the Developer extend any wastewater main improvements to the most distant end of abutting and interior rights-of-way or easements unless it is determined by the District, according to its rules and policies, that extension of the wastewater main will not be necessary. Developers owning corner property shall extend the wastewater system to the far ends of both corners of the property unless it is determined by the District, in its sole discretion, extension of the system is not necessary. The wastewater system shall be extended to the far end of the

development at depths, whenever possible, which enable the District to provide gravity service to upstream properties.

V. REIMBURSEMENT AGREEMENT (LATECOMER FEES)

The Developer may request a reimbursement agreement if the Developer Improvement abuts real property of persons other than the Developer's and the Developer does not include the signatures of the other property owners in this application or the District requires construction of oversize mains to serve other areas. However, if the amount that could be charged according to the scenarios set forth above is less than \$150 per lot to be developed of the abutting properties, a latecomer's agreement may not be granted by the District. The terms of any latecomer agreements entered into is contained in "**EXHIBIT G**", entitled "REIMBURSEMENT AGREEMENT", which by this reference is incorporated herein and made a part hereof.

VI. FEES

The Developer shall pay the following fees as part of this Contract, and as shown on the fee estimate:

- Administrative fee for the DEC
- Plan review fees for water and wastewater
- Construction observation fees for water and wastewater
- Meter installation fee
- Reimbursement fees, if applicable
- General Facility Charge for water
- General Facility Charge for fire flow and irrigation, if applicable
- Local Facility Charge for water, if applicable
- General Facility Charge for wastewater
- Facility Construction Fee for wastewater treatment
- Local Facility Charge for wastewater, if applicable

VII. DEVELOPER EXTENSION FEES

The administrative fee, plan review fees and construction observation fees shall be paid prior to approval of this Developer Extension Contract by the District. These fees represent estimates of the anticipated work required by the District for review and inspection of the Developer's project. If the District's work exceeds the above estimates, the Developer shall pay the additional plan review fee and/or construction observation fee when requested by the District.

VIII. REINBURSEMENT FEE

Any water reimbursement fees to be collected from a benefiting third party property must be paid in full at the time application is made for a binding water availability letter. Any wastewater reimbursement fees to be collected from a benefiting third party property must be paid in full at the time application is made for a sewer permit.

IX. GENERAL FACILITIES CHARGES (WASTEWATER, WATER, IRRIGATION)

The General Facility Charges are established by District resolution as amended from time to time.

Wastewater: The General Facility Charge (Wastewater) for residential, commercial, multi-family and other connections to the District system shall be paid in full at the time application is made for a sewer connection permit.

Water: The General Facility Charges (Water) for residential, commercial, multi-family, and other connections to the District System shall be paid in full at the time application is made for a binding water availability letter.

Irrigation: The General Facility Charges for irrigation for connections other than residential (i.e. multi-family, commercial, and institutional) to the District System shall be paid in full at the time application is made for a binding water availability letter. The General Facility Charges for irrigation is dependent upon on the size of the water meter and if the landscaping is drought-tolerant, in accordance with Kitsap County standards.

X. FACILITY CONSTRUCTION FEE FOR WASTEWATER TREATMENT

The Facility Construction Fee shall be paid in full at the time application is made for a sewer connection permit. For properties outside the boundaries of the Wastewater Treatment Plant ULID #1 or properties inside ULID #1 that have not previously paid the assessment, or any other properties that have not paid the wastewater treatment connection charge, a Facility Construction Fee shall be determined in accordance with District resolution.

XI. LOCAL FACILITY CHARGE

A Local Facility Charge is separate and payable in addition to the General Facility Charge. The Local Facility Charge would be utilized in an area where the District has invested District funds for the benefit of local properties. The collection of a Local Facility Charge reimburses the District for its investment by properties that derive the benefit. The Local Facility Charge for hookup to the District System shall be paid in full prior to the Developer Improvement being accepted by the District. The amount of a Local Facility Charge is established by District resolution as amended from time to time.

XII. SYSTEM DESIGN & OBSERVATION

1. Plan Review. Review of water and/or wastewater plans prepared by the Developer's engineer will be performed by the District. Plans prepared by the Developer's engineer shall conform to the District's graphic standards in effect at the time the plans are developed.

2. Observation of Construction / DRAWINGS / JOB SITE SAFETY

A. District & Developer Inspections. Observation of construction and testing of the Developer Improvement, review of materials, and verification of record drawing information will be made by District personnel. Observation of the Developer's construction shall be for the sole benefit of the District and shall not be a substitute for the Developer's own inspection process.

B. Developer's Obligation Regarding Drawings. The Developer shall be responsible for maintaining a red line set of drawings with all construction changes at the job site and available for review by the District at all reasonable times. The Developer shall provide the locations of the constructed facilities and all other information to be incorporated into the record drawings. After

completion of the project, the Developer shall provide the District record drawings and the District-specified electronic file that incorporate all field changes and any other record drawing information required by the District.

C. Job Site Safety. The Developer and its Contractor shall be solely responsible at all times for job site safety. The District assumes no responsibility for job site safety resulting from its observation of construction. The Developer and its Contractor are responsible for providing a safe work site for the District to observe construction at all times.

D. Residential Side Sewers. In no event shall the house side sewer service connection (from the sewer to the property line) ever be less than 6 inches, and the house side sewer lateral (from the property line to the house) ever be less than 4 inches.

E. Commercial Side Sewers and Clean Outs. Commercial development side sewers, grease interceptors, oil/water interceptors, clean outs and other pre-treatment systems shall be designed by a registered professional engineer and submitted to the District for review and acceptance prior to the time the Developer Improvements are made. Side sewers and clean outs may be designed for future structures, but shall not be installed until additional plans have been reviewed and accepted by the District and all applicable permits purchased and issued. The design calculations for commercial buildings shall be stamped by a professional engineer licensed in the State of Washington and submitted to the District for review and acceptance. In no case shall a commercial side sewer service connection or lateral be less than 6 inches.

F. Sewage Lift Stations. The design for any required sewage lift stations shall be completed by the Developer through a licensed engineer in the State of Washington in strict accordance with the requirements and details shown in the District's Developer's Extension Manual and provided to the District upon request.

XIII. CONTRACTORS, SUBCONTRACTORS, LABORERS, AND MATERIALMEN

1. List of Contractors, Sub-Contractors, Materialmen, & Suppliers. The District has a substantial interest in insuring the Developer Improvement is constructed and connected to the District System in a good, competent, and professional manner. Therefore, the Developer and/or additional owners agree to submit the names of all contractors, subcontractors, laborers, materialmen and suppliers or, in the event the Developer or additional owners are contractors, a statement that said Developer or additional owner(s) will perform said improvement. The District reserves the right to approve or disapprove of any contractor, subcontractor, materialmen, or supplier. The District will not unreasonably withhold approval

2. Review Process Utilized by District. In determining whether the Developer, additional owner, contractor, subcontractor, materialman or laborer is or is not satisfactory, the District may take into consideration said parties' prior experience in similar type improvement work, available manpower and equipment, financial ability, and prior work performed by such parties for or on behalf of the District or others. Such names and other information requested by the District shall be submitted to the District by the Developer prior to any construction being performed with respect to said real property described in this Contract.

3. Rejection by District of a Contractor, Sub-Contractor, or Supplier. If a party designated to perform services or supply materials regarding the Developer Improvement is not acceptable to the

District, the District will so notify the Developer, along with the reasons why, within fifteen (15) days after notification is provided the District of the name of such party. Upon such event, the Developer shall submit alternates, and said alternates shall likewise be subject to the same approval upon the same criteria as the original party submitted and notification will be given by the District within the same time period specified. All contractors and subcontractors performing work pursuant to this Contract shall be registered as a contractor pursuant to the provisions of RCW 18.27.

4. Skill Level of Contractor. The Contractor shall be skilled in the type of work required for the project and shall have performed similar type work in a professional manner in the past. The Contractor shall supervise and direct the Work using its best skill and attention. The Contractor shall employ a competent superintendent to represent the Contractor at the site at all times work is being performed.

5. Construction Methods. The Contractor and Developer shall be solely and completely responsible for and have control over construction means, methods, techniques, procedures, safety, and for coordinating all portions of the Work in a timely and professional manner.

6. Work Place Discipline. The Contractor shall enforce strict discipline and good order among persons performing the Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. The Contractor shall be responsible for the acts and omissions of the Contractor's employees, subcontractors, and their agents and representatives.

7. Notices Required by Public Authorities & Compliance with Laws. The Contractor shall give all notices and comply with all laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on furnishing and performing the Work.

XIV. **PERFORMANCE BOND**

1. Performance Bond Requirement. The District reserves the right to require the Developer to furnish the District a performance bond between the Developer (or the Developer's Contractor) and the District upon the form included in this Contract and in an amount equal to the Engineer's estimated cost of the project, or actual cost if known, prior to the contractor's pre-construction conference with the District. Typically, the bond will be required if other properties or District obligations are or may be affected by the Developer's timely performance.

2. Alternative to Performance Bond. The District may accept, in lieu of a performance bond, an assignment of savings on the form enclosed in the documents.

3. Performance Bond Requirements. The performance bond shall require completion of all work within a period of two (2) years from date of the application's acceptance by the District in accordance with the plans and specifications prepared or approved by the District. Said bond shall also require the Developer to pay all persons furnishing labor and material and hold the District harmless from any claims thereon, whether any such claim may arise under the public works lien statutes or the mechanic lien statutes of the State of Washington; and compliance with the formal requirements of either or both said statutes. The District shall release the performance bond in accordance with the provisions of its final acceptance of the Developer Improvement.

XV. EASEMENTS & PERMITS

1. Easement Width & Location of Main therein. Easements for water or wastewater mains shall be a minimum of fifteen (15) feet wide. The center of the pipeline shall be not less than five (5) feet from the edge of the easement. The developer shall provide a wider easement if the District Engineer determines it is required.

2. Developer to Bear Easement Costs. Any required easement shall be obtained by the Developer at its sole cost and expense, and a true copy of such easement (a copy of the conveyance document to be later provided to the District and a description the easement's on ground location) shall be delivered to the District prior to the time Developer commences construction. Upon completion of construction and prior to acceptance of the Developer Improvement by the District in accordance with the provisions hereof, the original easement shall be recorded and granted by warranty deed from the Developer to the District.

3. Easement Title Policy / Survey Record / Easement Restrictions. The Developer shall provide all necessary easements at his sole cost, regardless of changes in the Contract Plans, together with evidence of title and a title insurance policy in the sum not less than \$1,000 per 500 feet of easement, establishing clear title in the grantor. The Developer shall also provide a Record of Survey or final plat-showing basis for control and sufficient information to verify the easement legal descriptions. All easements shall prohibit the construction of any structures, other improvements, or trees over the easement or in any location that would make it difficult for the District to easily access the easement for inspection and maintenance purposes.

4. Easement Conveyance. The Developer shall submit all required easements to the District using the conveyance form set forth in attached "EXHIBIT C", which by this reference is incorporated herein. In the event legal services may be required incident to any easements beyond review of the form thereof, the costs of such services shall be paid by the Developer in the amounts billed to the District before the District's acceptance of the Developer Improvement.

5. Developer to Obtain all Necessary Permits. All necessary permits and approvals from any governmental agency shall be obtained by the Developer directly at the Developer's expense. The District shall be provided with a copy of all such permits and approvals prior to the pre-construction conference between the contractor and the District.

XVI. EVIDENCE OF INSURANCE AND HOLD HARMLESS

1. Developer's Liability Insurance Obligation. The Developer's Contractor shall purchase liability insurance from and maintain such in a company or companies with a Best's rating of no less than A:VII and lawfully authorized to do business in Kitsap County, Washington. Developer's Contractor shall provide the District with written evidence of insurance covering public liability and property damage prior to the time construction of the Developer Improvement occurs. Insurance shall provide protection to the District from claims set forth below which may arise out of or result from the Contractor's operations and including operations by any tier of subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable for:

a) Claims under workers' or workmen's compensation disability benefit and other similar employee benefit acts which are applicable to the Work to be performed, including voluntary coverage

for entities exempt from mandatory coverage; all such coverage to be equivalent to mandatory coverage required by law;

b) Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;

c) Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;

d) Claims for damages insured by usual personal injury liability coverage which are sustained (1) by a person as a result of an offense directly or indirectly related to employment of such person by the Contractor, or (2) by any other person for any reason;

e) Claims for damages including explosion, collapse and underground (XCU) damages as applicable, other than to the Work itself, because of injury to or destruction of tangible property including loss of use resulting therefrom;

f) Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance, or use of a motor vehicle; and

g) involving contractual liability insurance applicable to the Developer's and the Contractor's obligations under the indemnification and hold harmless clauses of this Contract.

2. Comprehensive Insurance. The Contractor's liability insurance shall be comprehensive type insurance and shall include all major divisions of coverage including Completed Operations Coverage.

3. Minimum Insurance Coverage Amounts. The Contractor's liability insurance shall be written for not less than the following limits of coverage or the limits required by law, whichever coverage is greater: \$2,000,000.00 for each occurrence with an aggregate limit of not less than \$2,000,000.00 combined single limit. The deductible, if any, shall not exceed \$5,000 and the Contractor shall be solely responsible for payment of the deductible amount.

4. Covered Parties on Insurance. The Developer's Contractor's liability insurance shall name the District and each of its commissioners, officers, employees, agents and consultants as named additional insureds. The Developer's liability insurance shall provide primary coverage. Other insurance carried by the additional insureds shall be deemed excess insurance.

5. Insurance Coverage Time Period. Insurance coverage shall be maintained without interruption from the date of commencement of the work until completion of the work, and at all times thereafter when the Contractor is correcting defective work. The Insurance certificate shall contain a provision that the District shall be notified in writing 30 days before the policies may be canceled or allowed to expire.

6. Indemnification / Hold Harmless Provisions. To the fullest extent permitted by law, the Developer and the Developer's Contractor agree to indemnify and hold harmless the District and each of its employees, agents, consultants, officers and shareholders from and against all claims, damages, losses, and expenses including but not limited to attorney's fees, arising out of or resulting from performance of the work; provided that such insurance shall also provide coverage regarding any

claim, damage, loss or expense attributable to bodily injury, sickness, disease, or death (including that sustained by the work Contractor's or any others working on the project), or to injury to or destruction of tangible property including the loss of use therefrom, regardless of whether such liability, claim, damage, loss, or expense was caused in part by any negligent act or omissions, whether active or passive, by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity, which would otherwise exist.

7. Indemnification / Hold Harmless Provisions to be Broadly Construed. The Developer's and Contractor's liability to the District under this Indemnification Clause shall not be limited by any legal limitation on the amount or type of damages, compensation, or benefits payable under workers' compensation acts, disability benefit acts, or other employee benefit acts. The indemnification and hold harmless rights of the District in regards to the Developer shall be liberally construed in favor of the District.

XVII. GRADING ROADS

1. Pre-Construction Road Work by Developer. Unless otherwise specifically determined in writing by the District, the Developer shall grade all roads to the design subgrade elevations prior to the start of construction and shall advise the District in writing of any changes that may be contemplated during construction prior to such work being performed.

2. Post-Work Changes to Road Elevation or Subgrade. If the Developer changes, or causes to be changed, the subgrade or elevation of the road after completion of the Developer Improvement, or any part thereof, the Developer shall be responsible for all costs incurred for any additional work required as a result of said change in subgrade elevation. This obligation shall remain in full force and effect until the District, Kitsap County and/or any other pertinent municipality possessing jurisdiction where the work is performed releases the right-of-way or road construction bond or any other required bond in connection of the roads within the area.

XIII. DEVELOPER REQUIREMENTS PRIOR TO START OF CONSTRUCTION

The Developer shall not commence construction of the water and/or wastewater system until the following conditions have been fulfilled:

1. The District has completed review of the construction plans and specifications for the Developer Improvement and approved them for construction.
2. Developer's engineer has submitted a construction cost estimate to the District.
3. All costs incurred by the District on behalf of the Developer have been paid in full.
4. Copies of all necessary permits have been received by the District.
5. The performance bond, if required by the District, or other approved method of assuring construction compliance is on file with the District.
6. Evidence of insurance as required in this Contract is on file with the District.

7. Road grading as required by the District or other pertinent parties concerning the Developer Improvement is complete.
8. All easements have been obtained.
9. Utility construction staking is complete.
10. Material submittals have been approved by the District.
11. A pre-construction conference has been held as required in this Contract.
12. Contractor provides the District with an advance 48-hour notification in writing of intent to start work on the Developer Improvement.

XIX. CONSTRUCTION

1. Construction Standards. The Developer shall construct the Developer Improvement in accordance with the District's specifications and standard details. Construction of the Developer Improvement shall be observed by the District in such manner and at such times as the District deems reasonably necessary to assure construction of the Developer Improvement will conform to the plans and specifications approved by the District. The Developer shall permit such observation and cooperate at all times with District personnel in providing reasonable advance notice during the various construction phases as required by the District. The advance notices required by the District personnel will be identified at the pre-construction conference, but in no case shall the advance notice be less than two full working days.

2. District to Have Safe Access to Project. The Developer shall provide the District and its representatives safe access to every part of the work project at all times work is in progress for observation, inspection and testing, all as determined necessary by the District.

3. Observation of Water Lines Prior to Backfilling. The District requires all water lines and mains constructed be observed by the District prior to backfilling. If backfilling occurs prior to such observation, the Developer shall excavate and expose all construction for observation by the District, at no cost to the District. All "as built" information shall be provided by the Developer and verified by District personnel prior to the Contractor being permitted to backfill.

4. Developer Solely Responsible for Performing Work in Accordance with District Standards & Specifications. Any observations by the District, or tests, inspections or approvals by others shall not relieve the Developer and the Contractor from their obligation to perform the work in accordance with the District's Specifications and the approved Contract Drawings.

5. Damage to County Facilities. The Developer agrees that, in the event any authorized official of the Kitsap County Public Works Department complains to the District that the Developer damaged any County facilities, the District shall have the option, twenty-four (24) hours after notification to the Developer, of specifying such complaints or damage, to make such emergency repairs or restoration work as the District deems necessary; and in such event, the District shall have the right to be reimbursed for the reasonable cost thereof from the proceeds in the security deposit. Such notices shall be hand delivered or mailed to the Developer by certified mail, return receipt requested.

XX. DISTRICT ACCEPTANCE OF THE DEVELOPER IMPROVEMENT

The Developer Improvement shall not be accepted by the District until the following requirements are met to the District's satisfaction:

1. District inspection of the Developer Improvement and Developer completion of the punch list items have been completed. Inspection, testing, and lamping reports for the wastewater main have been completed and are on file at the District, and CCTV video tapes or DVD's are submitted and approved.
2. Final construction costs have been submitted to the District.
3. All costs incurred by the District on behalf of the Developer have been paid in full, including construction observation fees and other services provided by the District.
4. Record drawings are complete and certified correct by the Contractor. One complete record set is received by the District on mylar and one set on bond paper. District also shall receive the electronic file of the record drawings in the District-specified format. The electronic copy will be used to update system mapping.
5. All duly Executed Bills of Sales and Conveyances have been received by the District in the form set forth in the attached EXHIBIT B.
6. Easements on the District's form (EXHIBIT C) for all completed water and/or waste-water improvements have been furnished to the District, accepted by the District, and recorded with the Kitsap County Auditor; and the easement title insurance policy, record of survey or final plat have been submitted and accepted by the District.
7. The Developer has furnished the District with an affidavit warranting that all bills pertaining to the Developer Improvement have been paid and there are no liens against the Developer Improvement (EXHIBIT D).
8. The Developer has furnished the District with a two-year guarantee, in the form of a maintenance bond (EXHIBIT F), performance bond extension, or an assignment of funds, that the Developer Improvement will be free of defects in labor and materials during this term. The two-year guarantee period shall commence on the date of acceptance of the completed Developer Improvement. The maintenance bond shall be for 10% of the final construction costs with a minimum bond amount of \$2,000.
9. The District shall not be obliged to provide utility service to the property described in this Contract until all above requirements have been met by the Developer to the District's satisfaction.
10. The District shall not be obligated to provide utility service to the property described in this Contract if construction by third parties of facilities to be deeded to the District has not been completed and accepted by the District, if such third party facilities are necessary to provide utility service to the property described in this Contract.

Unauthorized Connection of Developer Improvement to District System. When an unauthorized connection of the Developer Improvement to the District System is made, the District may implement the following:

1. It may impose a fine for any unauthorized sewer main connection to any District sewer or pump station of up to \$5,000, plus all District costs to disconnect the unauthorized connection and repair the area to its original condition, plus double connection fees upon request for connection by the Developer.
2. It may impose fines for any unauthorized connection of double the normal General Facility Charge fee and Facility Construction Fee.

XXI: LIMITATION OF PERIOD FOR ACCEPTANCE

1. Time Period for Acceptance of Developer Improvement. The Developer Improvement shall be completed and accepted by the District according to its standards within two years of the date of acceptance of this application by the District. If the extension is not completed and accepted within two years from the date the District accepts the application, the Developer's rights under this Contract shall cease, and no additional service shall be connected to such Developer Improvement unless and until the Developer makes a new application which is accepted by the District, or the District consents to the renewal of the existing application. The Developer shall pay all additional administrative, legal, engineering and construction observation costs involved, as determined by the District. Any required new application or renewed contract shall be subject to any new or amended standard specifications, standard details, resolutions or policies of the District, including those related to any increased fees or connection charges, which have taken effect since the execution of the original contract before the District accepts the extension.

2. Notice to Commence Work by District. If the District determines, in its absolute discretion, that it is necessary for the Developer Improvement be completed in order for the District to provide water and/or wastewater service to other property, the District may give the Developer and/or additional owners notice that construction of the Developer Improvement must be commenced within sixty (60) calendar days of the notice by the District to the Developer and/or additional owners, provided that plans have been prepared and approved. If construction is not commenced within the time specified, the District may in its sole discretion terminate this Contract with no resulting liability of any kind as a result of such termination. After any such termination, the District shall retain all payments made by the Developer to the District as the District's sole property and the District shall be free to proceed with construction of the water and/or wastewater improvements within the area described in the developer extension in the manner and method provided by law. If delay in plans is occasioned by failure of the Developer to provide the necessary data to the District, this contract likewise may be terminated by the District with no resulting liability incurred by the District to the Developer, and the District may proceed with construction of the improvements in the manner and method provided by law if the data required to be furnished by the Developer to complete the engineering have not been supplied to the District within 30 calendar days of date of demand thereof by the District upon said Developer.

3. Construction in Phases. The Developer Improvement may be constructed in phases with prior Board approval as conditioned and as specifically designated in the plans and specifications. Acceptance may also be on a phased basis when all requirements have been met. There will be no conditional acceptance by the District of any work performed by the Developer.

XXII. FINAL ACCEPTANCE

1. Conveyance of Developer Improvement to District. Upon completion of the work and approval of the Developer Improvement and all work associated therewith by the District, the Developer shall, as a condition of acceptance by the District, convey the Developer Improvement and all necessary easements to the District by Bill of Sale in the form as set forth on the attached EXHIBIT B, and by Statutory Warranty Deed as to any easements in the form identified herein.

2. Acceptance by District. Upon full compliance with this Contract including connection of the Developer Improvement to the District System and completion and conveyance of the Bill of Sale and any required easements, the District shall accept the Developer Improvement by written notification to the Developer in letterform. Upon acceptance, the Developer shall have the right to use the District System subject to all District regulations, conditions, and charges as it determines to be reasonable and proper from time to time.

XXIII. CORRECTION OF DEFECTS OCCURRING OR DISCOVERED WITHIN WARRANTY PERIOD

1. Post Acceptance Defects in Developer Improvement. If defects in the Developer Improvement are discovered after acceptance thereof by the District within the two-year warranty period, the Developer shall start work to remedy any such defects within seven days receipt of written notice from the District. In the event the Developer does not commence and/or accomplish corrections within the time specified by the District, the work may be accomplished by the District at its option, and the cost thereof shall be paid by the Developer immediately upon demand being made by the District. In emergencies, where public health concerns are involved or where damage may result from delay and/or where loss of service may result, corrections may be made by the District upon discovery, in which case the cost thereof shall be borne by the Developer immediately upon demand being made by the District.

2. Developer Responsible for Work Defects within Warranty Period. The Developer shall be responsible for all expenses incurred by the District of every kind and nature resulting from defects in the Developer's work, including: all actual damages; costs of materials and labor expended by the District in making repairs; and costs of engineering, construction observation, and supervision by the District.

XXIV. PROJECT DOCUMENTS

The documents for the project involving the Developer Improvement as identified herein shall include the following:

- Executed Developer Extension Contract
- Standard Specifications and Details as identified in this Contract
- Change orders after Contract is signed
- District approved plans for the Developer Improvement
- Detailed drawings, Special Specifications, and written instructions by the District Engineer or District Manager concerning the Developer Improvement
- Addenda relating to the work project when written
- Reference Specifications concerning the project
- Performance bond or equivalent instrument as identified in this Contract
- Evidence of insurance as required in this Contract

XXV. SAFETY OF PERSONS AND PROTECTION OF PROPERTY

The Developer shall be solely and exclusively responsible for construction safety means and methods, and for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of all its work relating to the Developer Improvement. The Developer shall insure the Contractor takes all necessary precautions for safety of, and shall provide the necessary protection to prevent damage, injury or loss to:

1. Employees on the project and other persons who may be affected thereby.
2. The work, materials, and equipment incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's subcontractors or other sub-subcontractors.
3. Other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures, utilities and underground facilities not designated for removal, relocation, or replacement in the course of construction.

Safety Notices. The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

Construction of Safety Related Facilities. The Developer shall erect and maintain, as required by law, conditions and performance of the contract, necessary fences and other safe-guards for safety and protection of persons/property on and off the work site and shall: 1) post danger signs and other warnings against hazards, 2) promulgate safety regulations, and 3) notify owners/users of adjacent sites/utilities when the Contractor's operations may affect them.

Hazardous Materials. When the use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the work, the Developer and its agents shall exercise utmost care and carry out such activities under supervision of properly qualified personnel.

Remedying Loss to Property. The Developer shall promptly remedy damage and loss to property that the Developer is required to protect caused in whole or in part by the Developer, Contractor, a subcontractor, or anyone directly or indirectly employed at the worksite.

Safety Officer. The Developer shall designate a responsible and competent member of the Developer's organization at the work site whose duty shall be the prevention of accidents. This person shall be the Contractor's Superintendent unless otherwise designated by the Developer in writing to the District.

Safety Program Maintenance. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs required in connection with the project work and shall send copies of all accident, injury, or work-related illness reports and of all notices of unsafe conditions to the District and appropriate governmental authorities.

XXVI. NO ASSIGNMENT WITHOUT DISTRICT APPROVAL

The Developer shall not assign this Contract or any responsibilities imposed upon it hereunder without first obtaining the prior written consent of the District, which the District may grant or withhold in its sole discretion. Written documents as required by the District of any proposed assignment shall be filed with the District by the Developer at the time of any assignment, together with the written consent of the District.

XXVII. ATTORNEYS FEES AND COSTS

In the event either the District or the Developer commences any legal action relating to the provisions of this Contract, the prevailing party shall be entitled, in addition to all other amounts to which it is otherwise entitled by this Contract, to its reasonable attorney's fees and costs involved in such action, including those incurred on appeal.

XXIII: GOVERNING LAW/FORUM

This Contract shall be construed and enforced in accordance with the laws of the State of Washington. Any suit relating to, or to enforce the provisions of this Contract, shall be brought in Kitsap County, Washington Superior Court.

XXIX. SEVERABILITY OF PROVISIONS

The finding under law that any one or more provisions or any portion of a provision in this Contract is invalid, unenforceable, or illegal, shall not impair the validity or enforceability of any other provision hereof or the Contract Documents as a whole.

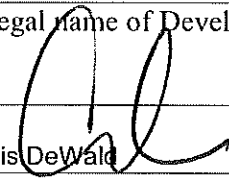
XXX. EXECUTION

The undersigned Developer and any additional owners warrant and represent they constitute the owners of all real property that is the subject matter of this Contract and, upon request by the District, agree to provide title insurance, establishing to the satisfaction of the District that the parties executing this application constitute the owners of all real property described and have the authority to execute this Contract with respect to said real property and on behalf of any party legal entities.

Dated this 30th day of December, 2022.

DEVELOPER:

2102 Sedgwick LLC
(State full legal name of Developer)

by:  _____

Print Name: Chris DeWald

Title: Authorized Signatory
Its duly authorized representative for entry into this Contract

EXHIBIT "A"

DEVELOPER EXTENSION CONTRACT / LOCATION OF DEVELOPER IMPROVEMENT

Project Name: 2102 Sedgwick Multifamily

The proposed Developer Improvement will be installed on, under, and/or over: roads; easements; and/or other rights-of-way. The Developer Improvements shall be for the use and benefit of the real property hereafter described, which real property is owned by the Developer and/or other persons who are contributing to the costs of said Developer Improvement and said other owners join in this application and are referred to as "additional owners" in this Contract. The said real property is described as follows:

Legal description of Premises-Insert or attach all applicable legal description(s) and tax parcel number(s)

For APN/Parcel ID(s): 122301-2-094-2007

The West half of the West half of the Northeast quarter of the Northwest quarter , Section 12, Township 23 North, Range 1 East, W.M>, in Kitsap County, Washington; Except the North 30 feet thereof; Together with that portion of the East half of the West half of the Northeast quarter of the Northwest quarter of Section 12, Township 23 North, Range 1 East, W.M., in Kitsap County, Washington, described as follows: Beginning at the Southwest corner of the East half of the West half of the Northeast quarter of the Northwest quarter of said Section 12, thence North 01 ° 59'58" East along the West line of said East half of the West half 593.97 feet to a point on the South line of the North 726 feet of said East half of the West half of the Northeast quarter of the Northwest quarter;
Thence South 88 ° 04'42" East along said South line 5.31 feet;
Thence South 01 ° 47'41" West 6.40 feet;
Thence South 02 ° 02'19" West 133.09 feet;
Thence South 01 ° 42'01" West 177.64 feet;
Thence South 02 ° 30'09" West 104.17 feet;
Thence South 02 ° 21'19" West 172.68 feet to the South line of the East half of the West half of said Northeast quarter of the Northwest quarter of Section 12;
Thence North 88 ° 05'15" West along said South line 4.18 feet to the Point of Beginning ;
Except that portion conveyed to the State of Washington for S.E. Sedgwick Road in Warranty Deed recorded under Auditor's File No. 200804290428;
And except that portion conveyed to Kitsap County in Statutory Warranty Deed recorded under Auditor's File No. 200805200185;