PLEDGE OF ALLEGIANCE

CONSENT AGENDA
1. Approval of Agenda 09/12/17
2. Approval of Minutes 08/22/17
3. Ratification of Vouchers 08/29/17; 09/05/17; 09/06/17
4. Approval of Vouchers 09/12/17
5. Project Acceptance – Woodside Division 3, 4 & 5 (Mount Vernon)

AUDIENCE COMMENTS

OLD BUSINESS
6. Manager’s Report

NEW BUSINESS
7. Gilligan Creek Watershed Property Protection Project
   Real Estate Purchase and Sale Agreement – Discussion and Potential Action
8. Approval of Scope and Fee for The Driftmier Architects for Building Needs Analysis and
   Master Planning Work – Action
9. Authorization to Execute Sole Source Justification for GC Systems to Rebuild Pump Control
   Valves at the Skagit River Diversion (SRD) Pump Station - Action
10. Schedule 09/19/17 Commission Meeting - Action

MISCELLANEOUS

COMMISSIONER COMMENTS

EXECUTIVE SESSION – Approximate Duration of 30-40 Minutes
Per RCW 42.30.110(g) and 42.30.110(1)(b)

ADJOURNMENT

JUDY RESERVOIR ELEVATION
MINUTES OF THE REGULAR MEETING OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

August 22, 2017

The regular meeting of the Commission of Public Utility District No. 1 was held in the Aqua Room of the utility located at 1415 Freeway Drive, Mount Vernon, Washington, on August 22, 2017.

The meeting was called to order at 4:30 PM. Those Commissioners in attendance were: Robbie Robertson, President; Eron Berg, Vice President; and Al Littlefield Secretary. Also in attendance were: George Sidhu, General Manager; Mark Handzlik, Engineering Manager; Sally Saxton, Finance Manager/Treasurer; Peter Gilbert, Attorney; and Kim Carpenter, Clerk of the Board; Audience: Judy Littlefield, Diane Robertson and Dale Ragan, Mount Vernon City Councilman; District Employees: Mike Fox, Kathy White, Kevin Tate, Luis Gonzalez, Mark Semrau and Chris Shaff.

Commissioner Littlefield led the Pledge of Allegiance.

Commissioner Littlefield moved to approve the Consent Agenda for August 22, 2017:
1. Approval of Agenda 08/22/17
2. Approval of Minutes 08/08/17
3. Ratification of Vouchers
   No. 2745 Voucher No. 10039 ($1,266.20) 08/01/17
   No. 2747 Voucher Nos. 10012-10170, Payroll Check Nos. M00540-M00542 ($263,158.79) 08/15/17
   No 2748 Voucher No. 10171 ($22,819.91) 08/15/17
4. Approval of Vouchers
   No. 2749 Voucher Nos. 10172 10242; Payroll Check Nos. 19493-19576 ($1,585,739.54) 08/22/17

The motion passed.

Treasurer Saxton presented the Treasurer’s Report for July 2017.

Audience Comments: None

Under Old Business:

5. Manager’s Report - Manager Sidhu reported on the following items:
   • Addressed the addition of an executive session for today’s agenda.
   • The District is on track with the Division Street Tank and Booster Pump Station and Mundt Creek Intake Screen Projects.
   • The Chuckanut Drive Project is nearing completion; piping connections at either end remain to be completed.
   • The vactor truck is under repair and the District is currently renting a temporary replacement. A new vactor truck is in the budget for 2018.
   • State Auditors are on site. The entrance conference is scheduled for August
28 with Commissioner Robertson. The audit is expected to be complete by September 19.

- A tour of the Water Treatment Plant, Judy Reservoir and the Gilligan Creek Intake for elected officials of the Cities of Burlington and Sedro-Woolley is scheduled for Thursday, August 24. Skagit County and City of Mount Vernon officials will tour the facility on August 31.

- Driftmeier Architects was selected to perform the building needs analysis for the District following the Request for Qualifications and interviews. A scope of work is being developed and a packet will be provided to the Commission for the September 12 meeting.

- The Preliminary 2018 Budget will be submitted to the Commission on September 1. The next Commission meeting is September 12. Manager Sidhu suggested a budget work session at 2:00 PM prior to the regular meeting to discuss capital and operational requests. The Commission was amenable to the work session. Manager Sidhu stated that there may be some schedule changes due to the budget; there may be potential for a meeting on September 19 in addition to the regular meeting of September 26.


New Business – None

Miscellaneous

7. Attorney General’s Opinion 2017 – No. 5
Manager Sidhu indicated that the Commission received copies of the questions presented to and the response from the Attorney General regarding Disclosure of Executive Session Deliberations under the Open Public Meetings Act.

Also under miscellaneous, Manager Sidhu reported that former District Inspector George Campeau had passed away and the information regarding his service on August 26 is in the Commissioner notebooks. Clerk of the Board Carpenter reported that the memorial service for former Meter Foreman Tom Meyer is scheduled for August 26 as well.

Under Commissioner Comments, Commissioner Berg reported that he and IT Manager Chrysler were part of a group that met with Representative Suzan DelBene to discuss the county-wide fiber plan and she is interested in providing assistance.

Commissioner Robertson reported that he had received an email from DOE regarding the Yakima Basin water rights and that after 40 years of litigation and adjudication the rules have finally been set for the basin. He also commented on an article in the Economic and Development Association of Skagit County (EDASC) newsletter regarding partnering with China and fiber needs and suggested that the District submit a letter for their newsletter regarding the county-wide fiber plan and what it will mean for economic...
At this time, President Robertson recessed the regular meeting to go into executive session per RCW 42.30.110(g) for an approximate duration of 10-20 minutes. The meeting was recessed at 5:39 PM.

President Robertson convened the executive session at 5:43 PM.

President Robertson reconvened the regular meeting of the Commission at 5:54 PM. No audience members remained following the executive session.

Having no further business to come before the Board, Commissioner Littlefield moved for adjournment. The motion passed and the meeting of August 22, 2017 was adjourned at 5:58 PM.

Respectfully submitted:

Kim Carpenter
Clerk of the Board
September 12, 2017

Board of Commissioners
Public Utility District No. 1 of Skagit County
Post Office Box 1436
1415 Freeway Drive
Mount Vernon, WA 98273-1436

RE: Project Acceptance

Name of Project: Woodside Division 3, 4, & 5
Reference: C.O. # 4692, Project # 3680
Location: Mount Vernon
Developer: Woodside Division 3, 4, & 5 LLC
Contractor: BDZ Construction

Gentlemen:

The District has approved the plans and specifications and has inspected the installation of the new water plant within the above project. The Engineering Department has received satisfactory pressure and bacteriological test results. All documentation for this project has been completed.

I recommend that the Commission of the District accept this project.

Respectfully submitted,

Mark Handzlik, P.E.
Engineering Manager

cc: George Sidhu, P.E., General Manager
    Michael E Demers, Engineering Technician
September 8, 2017

TO: George Sidhu, P.E., General Manager

FROM: Mark Handzlik, P.E., Engineering Manager

BY: Bill Trueman, Engineering Supervisor

SUBJECT: Gilligan Creek Watershed Property Protection Project
Negotiation of Real Estate Purchase and Sale Agreement

Requested Action:
Discuss status of negotiations with Weyerhaeuser Company for a Real Estate Purchase and Sale Agreement to purchase the "Gilligan Creek" property.

Background:
The end result of the Gilligan Creek Watershed Property Protection Project is the purchase of property around the surface water intake at Gilligan Creek, an important source of water to Judy Reservoir. The District’s Cultus Mountain Watershed Management Plan identified this area as a “Critical Area” of the Watershed and the District has determined it to be the most important parcel in the entire Watershed for purchase to protect water quality. Discussions with the Commission regarding this project have occurred numerous times over the last several years, with the Commission moving to authorize the General Manager to enter into negotiations for purchase of the property during a regular meeting of the Commission on August 23, 2016.

This project is included in the District’s 2017 capital budget, and $1,590,000 in financing is provided via a financial assistance loan from Washington State Department of Ecology (including a 25% forgiveness of principle). Washington State Department of Health has also provided two grants for a total amount of $45,574 to support the project.

In late 2016, the District hired Brad Furlong of Furlong Butler Attorneys to support preparation of a purchase offer to Weyerhaeuser. A formal offer was submitted in March 2017 and negotiations have continued throughout this summer.

Fiscal Impact:
$1,590,000 for property purchase project.
REAL ESTATE PURCHASE AND SALE AGREEMENT

BETWEEN

WEYERHAEUSER COMPANY

AS SELLER

AND

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

AS PURCHASER

DATED: September _______, 2017
REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement") dated September ______, 2017 ("Effective Date"), is by and between WEYERHAEUSER COMPANY, a Washington corporation, successor by merger to Weyerhaeuser Columbia Timberlands LLC, which was successor by merger to Longview Timberlands, LLC ("Seller"), and PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, a Washington public utility district and municipal corporation ("Purchaser"), and includes mutual escrow instructions of Seller and Purchaser to Guardian Northwest Title & Escrow as escrow agent ("Escrow Agent").

ARTICLE I
PROPERTY AND PRICE

1.1 Purchase and Sale. Purchaser agrees to purchase from Seller and Seller agrees to sell and convey to Purchaser upon all of the terms, covenants and conditions contained in this Agreement the following:

1.1.1 Real Property. The real property, including all currently merchantable, standing timber thereupon described in Exhibit A-1 and depicted in Exhibit A-2, attached hereto and incorporated herein, located in Skagit County, Washington (the “Real Property”).

1.1.2 Access Rights.

A. At Closing, Seller shall grant to Purchaser a permanent, non-exclusive, easement and right-of-way sixty (60) feet in width, for ingress and egress in common with Seller, its successors and assigns over, upon, along and across existing roads located in the E1/2SE1/4 of Section 34, E1/2NW1/4, NE1/4SW1/4, N1/2SE1/4 and SE1/4SE1/4 of Section 35, Township 35 North, Range 5 East; W1/2NW1/4 of Section 1, and NW1/4NW1/4 and E1/2NE1/4 of Section 2, Township 34 North, Range 5 East, W.M., Skagit County, Washington (the “Easement Grant”). The parties hereto hereby agree that the Easement Grant is located approximately as shown and shall be subject to the terms, provisions, and conditions applicable to Purchaser, Seller and their respective successors and assigns described in an Easement Agreement to be executed by Seller and Purchaser and recorded at Closing, in the form attached hereto as Exhibit “B” and incorporated herein by this reference.

B. At Closing, Seller shall partially assign Seller’s easement rights along and across existing roads located in Skagit County, Washington, described in and subject to the terms and conditions contained in those easements listed in Exhibit “C-1.” Rights shall be in the same form and format attached hereto as Exhibit “C-2” and incorporated herein by this reference ("Easement Assignment").

The Easement Grant and Easement Assignment are collectively referred to herein as “Access Rights.”
The Real Property and Access Rights are collectively referred to in this Agreement as the “Property.”

1.2 **Purchase Price.** The purchase price (“Purchase Price”) for the Property shall be ONE MILLION FIVE HUNDRED THOUSAND and No/100 Dollars ($1,500,000.00), payable as follows:

1.2.1 **Deposit.** Within ten (10) business days after mutual execution of this Agreement, Purchaser shall deposit into Escrow the sum of FIFTY THOUSAND and No/100 Dollars ($50,000.00) in cash or other immediately available funds (the “Deposit”) which shall be credited against the Purchase Price at Close of Escrow or otherwise applied in accordance with the provisions of this Agreement. Until any time as the Deposit may become non-refundable, the Deposit together with interest shall be refunded to Purchaser if, for any reason, Purchaser elects not to proceed with the purchase of the Property prior to the Contingency Date. Upon Purchaser’s approval or waiver of those matters set forth in Section 3.1 on or prior to the Contingency Date the Deposit and all interest thereon shall be nonrefundable to Purchaser except in the event of a failure of a condition specified in Section 5.1.4 or a default by Seller under this Agreement. The Deposit shall be credited to the Purchase Price at the “Close of Escrow,” as defined in Section 2.3.2 below or, in the event of Purchaser’s default as a result of which the Close of Escrow fails to occur, the Deposit shall be payable to Seller as liquidated damages pursuant to Section 5.2.2.

1.2.2 **REAL PROPERTY ACREAGE.** This is a sale in gross of tracts and not a sale by the acre of land. There is no warranty of acreage and there shall be no adjustment in the Purchase Price for any acreage discrepancies.

1.2.3 **Closing Payment.** On the “Closing Date,” as defined in Section 2.3.1, Purchaser shall deposit into Escrow, in cash or other immediately available funds, the amount of the Purchase Price, less the Deposit and all interest earned thereon, plus Purchaser’s share of any Escrow closing costs, expenses and prorations in the amount determined by Escrow Agent (collectively, “Closing Payment”).

**ARTICLE II**

**ESCROW AND CLOSING DATE**

2.1 **Escrow Agent.** “Escrow Agent” shall be:

Guardian Northwest Title & Escrow
1301 Riverside Drive
Mount Vernon, WA  98273
Telephone: (360) 424-0111
Facsimile: (360) 424-5885
E-mail: John.Milnor@gnwtitle.com
Escrow No.:
2.2 Opening of Escrow. Upon the execution of this Agreement, Purchaser and Seller shall open an escrow (“Escrow”) with Escrow Agent. Escrow Agent shall notify both parties in writing of the date of the Opening of Escrow. As used in this Agreement, the term “Opening of Escrow” shall mean the first date on which both of the following conditions are met: (i) one (1) original or original counterparts of this Agreement signed by both Purchaser and Seller is delivered to Escrow Agent; and (ii) the Purchaser delivers the Deposit to Escrow Agent. Upon receipt of such items, Escrow Agent is instructed to open the Escrow, insert the date of the Opening of Escrow on the last page of this Agreement, sign the last page of this Agreement, and deliver one (1) complete fully executed copy of this Agreement to both Seller and Purchaser.

2.3 Close of Escrow.

2.3.1 Closing Date. The Close of Escrow for the purchase and sale of the Property shall occur not later than thirty (30) days following Purchaser’s approval or waiver of its Inspection, as provided for in Section 3.1, but not later than December 20, 2017, or other date upon mutual written agreement of the Purchaser and Seller.

2.3.2 Close of Escrow. As used in this Agreement, the term “Close of Escrow” shall refer to the date on which a Bargain and Sale Deed (“Deed”) conveying marketable title to the Property to Purchaser and the conveyance or assignment by Seller and/or third parties of marketable Access by document satisfactory to Purchaser are all recorded through Escrow in the Official Records of the County of Skagit, Washington (“County”).

ARTICLE III
PURCHASER’S CONTINGENCIES AND CONDITIONS OF CLOSING

3.1 Purchaser’s Investigation. The term “Contingency Date” shall mean the earlier of 5:00 p.m. Pacific Time on December 6, 2017 or the date of Waiver of Contingencies, as defined below, by Purchaser. Purchaser, at its sole cost and expense, shall have until the Contingency Date to conduct studies, tests, analysis and inspections of all elements of the Property, including but not limited to acquisition, geological, geotechnical property condition reports, site plans, environmental, permitting, entitlements, zoning and conditions required by federal, state and local authorities to proceed with Purchaser’s intended use of the property (“Inspection”) to determine, in Purchaser’s sole and absolute discretion, the suitability of the Property for Purchaser’s uses. Seller grants to Purchaser and its consultants, agents, representatives and employees a license to enter upon the Property on the terms and for the purposes described in Section 7.17. If Purchaser has not notified Seller and Escrow Agent in writing that it has, in its sole and absolute discretion, waived its contingencies on or before the Contingency Date (“Waiver of Contingencies”), Purchaser shall be deemed to have disapproved its contingencies and this Agreement shall be terminated as provided for in Section 3.2 below.

3.1.1 Title. Promptly upon the opening of Escrow a preliminary title report (“Preliminary Report”) shall be prepared by Guardian Northwest Title & Escrow (“Title Company”) who shall deliver to Seller and Purchaser the Preliminary Report, together with legible copies of all documents referred to therein. The Preliminary Report and all matters affecting title to or use of the Property, as referenced on the Preliminary Report, shall be subject
to Purchaser’s written approval, provided to Seller and Escrow Agent, on or before the Contingency Date. If Purchaser objects to any title or survey matter or conditions to its acquisition of the Property upon the release, discharge or removal of any title matter prior to Closing and Seller elects not to cure the objection to Purchaser’s satisfaction, Purchaser may (a) terminate this Agreement in which case Purchaser’s Deposit shall be returned to it, or (b) Purchaser may waive its title objection. In the event Purchaser receives after the Contingency Date notice of any new matter of title affecting the property Purchaser shall have ten (10) business days after receipt of the new title matter within which to deliver written notice of disapproval.

3.1.2 Survey. Purchaser shall order at its own expense a survey of the Property boundaries and a survey of the Access Rights as shown on Exhibit “A-2” hereto. The Purchaser’s obligation to close this transaction is conditioned on Purchaser’s acceptance of the Property boundary survey and Access Rights survey and the locations of the boundary and the Access Rights routes as described/depicted in the surveys on or before the Contingency Date. Purchaser and Seller shall engage in discussions to review the surveys, once completed, with the objective of reaching agreement as to the legal description of the Property to be conveyed and the legal description of the Access Routes. Upon Seller’s, Purchaser’s and Skagit County’s approval of the above referenced surveys, Seller agrees to make all conveyances of the Property in conformance with the legal descriptions contained in the surveys as so agreed to by the parties.

3.1.3 Property Documents. Purchaser shall have unconditionally approved, waived, or disapproved in writing, on or prior to on the Contingency Date, the “Property Documents,” as defined below, which shall include documents relating to the Property, to the extent such items are in the Seller’s possession and/or control, and shall include soils and geologic reports, any and all leases of any portion of the Property to third persons, and other documents pertaining to the Property, including without limitation, environmental inspections and reports, correspondence with any governmental entities, leases, operating agreements, surveys, licenses and permits, studies, and other similar documents or materials in the possession, custody or control of Seller, issued or prepared in connection with the ownership, operation, maintenance, development and use of the Property (collectively, the “Property Documents”). Within ten (10) business days of the Effective Date, Seller shall provide to Purchaser copies of the Property Documents. Seller agrees to cooperate and use its best efforts to obtain the cooperation of its consultants and agents and any governmental officials, in obtaining any information regarding the Property and answering any questions Purchaser may have regarding the Property. If any additional Property Documents become available to Seller prior to the close of Escrow, then Seller shall immediately deliver complete copies thereof to Purchaser.

3.2 Right to Terminate. If (a) Purchaser disapproves of the condition of title to the Property as shown on the Preliminary Report pursuant to Section 3.1.1 above, (b) upon the results of the surveys described in Section 3.1.2, (c) investigation of the Property and the Property Documents pursuant to Sections 3.1 and 3.1.3 above, (d) Purchaser discovers any fact, situation or occurrence that would, in Purchaser’s sole and absolute discretion, adversely affect Purchaser’s proposed purchase and use of the Property, or (e) for any other reason, in
Purchaser’s sole and absolute discretion, Purchaser does not wish to proceed with the purchase of the Property, then Purchaser may terminate this Agreement and cancel Escrow on or prior to the Contingency Date: (1) by providing written notice of such termination to Seller; or (2) is deemed to have disapproved its contingencies as set forth in Section 3.1 above. In the event Purchaser terminates the Agreement and cancels Escrow in accordance with the foregoing, (i) Purchaser and Seller shall promptly execute and deliver to Escrow Agent escrow cancellation instructions and all other documents that are reasonably required by Escrow Agent or Seller in order to cancel this Escrow and release any claim or interest of Purchaser in the Property or any portion thereof; (ii) Purchaser shall each pay Escrow Agent’s cancellation fee, including any charges of the Title Company relating to the Preliminary Report; (iii) Escrow Agent shall refund the Deposit and any other funds deposited by Purchaser into Escrow, together with all interest earned thereon in Escrow, to Purchaser, less Purchaser’s one-half share of Escrow Agent’s cancellation fee; (iv) Escrow Agent shall return all documents and instruments to the parties which deposited the same into Escrow; and (v) this Agreement shall terminate and neither party hereto shall have any further obligation or liability of any nature or amount whatsoever to the other party hereunder except as to any provisions of this Agreement that by its terms are intended to survive the termination of this Agreement, all of which shall survive any termination of this Agreement.

ARTICLE IV
REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations, Warranties and Covenants of Seller. Seller represents, warrants and covenants with Purchaser, as of the date of this Agreement and as of Close of Escrow, as follows:

4.1.1 Power. Seller is a Washington corporation duly formed and validly existing and in good standing under the laws of the State of Washington and is duly registered with and deemed active by the Washington Secretary of State. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby. Neither this Agreement nor the consummation of any of the transactions contemplated hereby violates or shall violate any material provision of any agreement or document to which Seller is a party or to which Seller is bound. Seller agrees to promptly provide any and all documents requested by Escrow Agent evidencing its and its representatives’ authority to consummate this transaction pursuant hereto.

4.1.2 Requisite Action. All requisite action has been taken by Seller in connection with the entering into of this Agreement, the execution and delivery of the instruments referenced herein, and the consummation of the transaction contemplated hereby. Seller agrees to provide promptly written documentation of such action as requested by the Escrow Agent.

4.1.3 Income Tax Information. Seller is not a non-resident alien, a foreign corporation, a foreign partnership, a foreign trust, or a foreign estate (as those terms are defined in the United States Internal Revenue Code and Income Tax Regulations) for purposes of United States income taxation. In connection therewith, it shall deliver to Escrow Agent for delivery to
Purchaser at the Close of Escrow an affidavit ("Seller’s Affidavit") in the form attached hereto as Exhibit “D” and incorporated herein by this reference.

4.1.4 Compliance with Laws. To Seller’s knowledge, the Property is fully in compliance with all permits, zoning, land use, environmental and other laws that may affect the Property, and Seller has not received any notice of violation of any such laws and knows of no fact that would constitute grounds for receiving any such notice.

4.1.5 Hazardous Substances. The Property has not been used for the production, storage or disposal of, nor has it been subject to any release of, any toxic or hazardous substance. Nor is there now, or has there been any underground storage tanks at the Property. Hazardous substances are as defined in the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC § 96.01 et seq., amended by Super Fund Amendments and Reauthorization Act of 1986 and the Model Toxi c Control Act, RCW 70.105(d). Seller has not received written notification from any agency suggesting the Property is or may be targeted for clean-up under the above-described legislation. Seller agrees to indemnify, defend and hold Purchaser harmless from and against any claims, costs, liabilities, causes of action, including attorneys’ fees and costs, arising from the presence, existence, generation, handling, manufacturing treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal of any Hazardous Substances in, on or about the Property prior to Closing which results in the contamination or deterioration of ground water, surface water or soil, or claim of such. Seller’s obligations pursuant to this section 4.1.5 shall survive closing.

4.1.6 No Other Agreements. Seller has not entered into any other agreement or contract to alienate, transfer, option, assign or otherwise convey its interest or any portion of its interest in the Property.

4.1.7 Defaults. Seller is not in default under, and Seller has received no notice that any event has occurred which with the giving of notice or the passage of time, or both, would constitute a default under any contract, transaction, agreement, covenant, condition, restriction, lease, easement, encumbrance or instrument pertaining to the Property. There are no unrecorded contracts impacting the Property.

4.1.8 Title. Seller holds good marketable fee simple title to the Property free and clear of all liens and encumbrances arising by or through Seller other than as set forth in the Preliminary Report. To Seller’s knowledge there are no boundary disputes or encroachments affecting any of the Property or any person adversely possessing or using any of the Property.

4.1.9 Lawsuits. There are no claims, lawsuits, legal actions, disputes or proceedings pending or threatened in writing or otherwise by or against Seller relating in any way to the Property or that affects the Property or that adversely affects the ability of Seller to perform its obligations under this Agreement.

4.1.10 Property Documents/Lease Disclosure. The copies of the Property Documents delivered to Purchaser are true and correct copies of the originals or copies in
Seller’s files and constitute all the documents relating to the Property. Seller has disclosed all leases to third persons of entities that affect the Property in any way.

4.1.11 **No Condemnation.** There are no eminent domain proceedings now pending or threatened against the Property.

4.1.12 **Bankruptcy.** No filing or petition under the United States Bankruptcy Law or any insolvency laws, or any laws for the composition of indebtedness or for the reorganization of debtors, has been filed with regard to Seller.

4.1.13 **Maintenance.** Seller shall, between the date of this Agreement and the Close of Escrow, at Seller’s sole cost and expense, maintain the Property in good order, condition and repair so that as of the Close of Escrow the condition of the Property shall not have materially changed from the condition that exists as of the date of this Agreement. Seller shall not harvest or allow the harvest of any merchantable timber from the Property or allow or take any action that would degrade the Property so as to materially detract from its intended use by Purchaser for environmental protection of Gilligan Creek and its tributaries for use as a public water supply.

4.1.14 **Changes in Representations.** If Seller receives any notice or knowledge of any information or facts affecting Seller’s representations or warranties after the date of this Agreement, then Seller shall immediately notify Purchaser in writing of same. If Purchaser receives written notice from Seller pursuant to this Section that contains any information or facts that would render untrue in any material respect the representations and warranties contained in Section 4.1 of this Agreement then, Purchaser, within ten (10) days after receipt of such notice may elect to either: (i) proceed to close Escrow as scheduled with knowledge of such facts or information; (ii) provide notice of its disapproval of such notice to Seller who may promptly cure, in Seller’s sole discretion, or promise to cure the basis for the notice or (iii) elect by written notice to Seller and Escrow Agent not to proceed with the purchase of the Property, whereupon this Agreement shall terminate and Purchaser’s Deposit shall be returned to it.

4.1.15 **Compliance with Regulations.** Seller has received no written notice of any threatened contemplated or other actions against Seller or the Property based upon Seller’s violation of any local, state or federal laws governing zoning, shorelines, water-related uses, endangered species, etc.

4.2 **Representations and Covenants of Purchaser.** In addition to any express agreements of Purchaser contained elsewhere in this Agreement, Purchaser represents and covenants with Seller as follows:

4.2.1 **Power.** Purchaser is a Washington public utility district validly existing and in good standing under the laws of the State of Washington. Purchaser has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.
4.2.2 **Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Purchaser have the legal power, right and actual authority to bind Purchaser to the terms and conditions hereof and thereof.

4.2.3 **Survival of Warranties.** Notwithstanding any provision of this Agreement to the contrary, all representations and warranties contained in this Agreement shall survive the Closing and shall not merge with the Deed or other conveyance documents.

**ARTICLE V**

**CLOSING**

5.1 **Escrow Closing Obligations.**

5.1.1 **Deliveries by Seller to Escrow Agent.** Seller covenants and agrees to deliver to Escrow Agent on or prior to the Close of Escrow the following executed instruments and documents, the delivery of each of which shall be a condition to the Close of Escrow for the benefit of Purchaser:

(a) **Deed.** The Deed to the Property, in substantially the form of Exhibit “E” attached hereto, duly executed by Seller;

(b) **Seller’s Affidavit.** Seller’s Affidavit in substantially the form of Exhibit “D” attached hereto, duly executed by Seller;

(c) **Access Conveyances.** Assignments, or grants, of easements from Seller and/or third parties to Purchaser, assigning all of Seller’s right, title and interest, to the extent they can be assigned or conveyed, in and to the Access Rights;

(d) **Resolution.** A Consent or Resolution authorizing Seller’s authority to sell the Property and evidencing the signers’ authority to sign on behalf of Seller and to bind Seller;

(e) **Formation Documents.** A current Certificate of Existence issued by the State of Delaware and the Washington Secretary of State reflecting Seller is in good standing and is authorized to conduct business in the State of Washington;

(f) **Real Estate Excise Tax Affidavit.** An executed Real Estate Excise Tax Affidavit;

(g) **Continuing Obligations.** Washington State Department of Natural Resources Notice of Continuing Forest Land Obligation form;

(h) **Access Conveyances.** Easement Grant and Easement Assignment documents granting and assigning access to the Real Property; and

(i) **Other Documents.** All other sums and documents required by Escrow Agent to be deposited by Seller to carry out this Escrow.
5.1.2 **Deliveries by Purchaser to Escrow Agent.** Subject to Seller’s performance of its obligations hereunder, Purchaser covenants and agrees to deliver to Escrow Agent the following items and executed instruments and documents, the delivery of which shall be a condition to the Close of Escrow for the benefit of Seller:

(a) **Payment.** The Closing Payment as provided for in Section 1.2.3;

(b) **Real Estate Excise Tax Affidavit.** An executed Real Estate Excise Tax Affidavit together with a Forest Management Plan as may be required by Skagit County;

(c) **Continuing Obligations.** Washington State Department of Natural Resources Notice of Continuing Forest Land Obligation form;

(d) **Access Conveyances.** Easement Grant and Easement Assignment documents (Grantee signature pages) which grant and assign access to the Real Property; and

(e) **Other Documents.** All other sums and documents required by Escrow Agent to be deposited by Purchaser to carry out this Escrow.

5.1.3 **Conditions to Seller's Obligation to Sell.** Seller's obligation to sell the Property is expressly conditioned upon satisfaction of each of the following conditions:

(a) Purchaser shall have deposited with Escrow Agent all sums and documents required pursuant to Sections 1.2.1, 1.2.2, 1.2.3, 5.1.2 and 5.1.10.2;

(b) Purchaser shall not be in default with respect to any material matter under this Agreement;

(c) All representations and warranties of Purchaser hereunder shall be true and correct as of the Closing Date;

5.1.4 **Conditions to Purchaser's Obligation to Buy.** Purchaser's obligation to buy the Property is expressly conditioned upon satisfaction of each of the following conditions:

(a) Seller shall have deposited with Escrow Agent all documents required pursuant to Section 5.1.1;

(b) Seller shall not be in default with respect to any material matter under this Agreement;

(c) All of the contingencies and conditions set forth in Article III shall have been satisfied or deemed satisfied;

(d) All representations and warranties of Seller hereunder shall be true and correct as of the Closing Date; and

(e) Guardian Northwest Title & Escrow shall be unconditionally committed on the Closing Date to issue the Title Policy, as defined below.
5.1.5 **Title Policy.** Escrow Agent is instructed to deliver to Purchaser an ALTA Owner's Policy of Title Insurance (the “Title Policy”), issued by the Title Company, dated as of the date and time of Closing, with liability in the amount of the Purchase Price set forth in Section 1.2, and insuring good and marketable title in the Property vested in Purchaser and Access, each to be free and clear of any liens, encumbrances and interests except the following: (i) the standard printed Title Company exceptions, and (ii) the permitted exceptions approved by Purchaser. Purchaser shall satisfy the payment of any additional premiums for extended coverage or any endorsements requested by Purchaser.

5.1.6 **Satisfaction of Unrecorded Utility Liens and Operating Expenses.** The parties agree to waive the requirements of RCW 60.80.020 otherwise requiring Escrow Agent to pay final utility bills. Rather, Seller and Purchaser agree to work together to prorate and settle payment of final billings and other operating expenses. Seller shall be responsible for payment of all such charges applicable to the period prior to the Closing Date and Purchaser shall be responsible for payment of all such charges from and including the Closing Date.

5.1.7 **Recordation; Distribution of Funds and Documents.** Upon receipt of the documents and sums described in this Article V, and upon satisfaction or waiver of the Contingencies, Escrow Agent shall cause the Deed, Easement Agreement and Easement Assignment (“Closing Conveyances”) to be recorded in the office of the County Auditor of Skagit County. Immediately following the Closing and confirmation that the Closing Conveyances are not encumbered in any manner not reported in the last title commitment or supplement thereto, Escrow Agent shall deliver (i) to Seller: the sums representing the Purchase Price (less Seller's share of fees and costs and any prorations), and (ii) to Purchaser: a conformed copy of the recorded Closing Conveyances, the original Consent or Resolution, the original Seller’s Affidavit, Real Estate Excise Tax Affidavit and, as applicable, other documents. All sums to be disbursed by Escrow Agent shall be by certified or cashier's check or by wire transfer if Escrow Agent is so advised by the party to receive such sums.

5.1.8 **Prorations of Taxes, Assessments, and Rents.** Escrow Agent shall prepare and deliver to Escrow Agent and Purchaser a proration schedule not later than two (2) business days preceding the Closing Date. The proration schedule shall include prorations of non-delinquent real property taxes, bonds and assessments, if any, for the tax year in which the Closing occurs, and rents received. Without limiting the generality of the foregoing, Seller shall pay all real property taxes, bonds and assessments, including but not limited to compensating taxes and personal property taxes (including any penalties and interest thereon) applicable to the period prior to the Closing Date which are imposed by reason of any events occurring with respect to the Property prior to the Closing Date. Any rents shall also be prorated. If such taxes and assessments come to the attention of Purchaser or Seller after the Closing, then Seller shall pay such taxes and assessments prior to delinquency and in any event within ten (10) days after Purchaser requests payment. If Seller fails to pay such taxes, bonds and assessments as required pursuant to this Section, in addition to and without limiting Purchaser's other rights and remedies, Seller shall be obligated to pay to Purchaser interest on any amounts advanced by Purchaser to pay taxes and assessments at the lesser of ten percent (10%) per annum until such time as Seller pays such amounts. The obligations of Seller contained in this Section shall survive the Closing and shall not expire.
5.1.9 **Forestland Tax Designation.** Purchaser acknowledges that the Property is listed under the Washington Forestland Tax Law (“Tax Designation”) and agrees to purchase it subject to the provisions of the Tax Designation. If Purchaser decides to remove the Property from the coverage of the Tax Designation, such withdrawal shall be at Purchaser’s sole responsibility and expense. Seller agrees to execute such documents as may be required to transfer the Tax Designation to Purchaser or after Closing. Purchaser shall be responsible for any rollback taxes and/or penalties associated with the withdrawal of the Property from the Tax Designation and Purchaser shall indemnify Seller from and against any obligations that may arise as the result of the Property being removed from the Tax Designation at or after Closing for any reason. Prior to December 6, 2017, Purchaser may, in its sole discretion, terminate this Agreement and receive full refund of its earnest money if it is not able to continue the Tax Designation or otherwise place the Property in another real estate tax program or structure this transaction such that no rollback taxes and/or penalties will be payable due to the withdrawal of the Property from the Tax Designation.

5.1.10 **Allocation of Fees and Costs.**

5.1.10.1 Seller shall pay the following fees and costs:

(a) One-half (1/2) of the Escrow fee;

(b) The cost of an ALTA Standard Coverage Owner's Policy of Title Insurance in the amount of the Purchase Price;

(c) The cost of real estate excise taxes in connection with the transfer of the Property;

(d) All costs not specifically referenced herein customarily allocated to a seller of real property in Skagit County;

(e) Prorated property taxes;

(f) The cost of any of Seller's other obligations hereunder.

5.1.10.2 Purchaser shall pay the following fees and costs:

(a) One-half (1/2) of the Escrow fee;

(b) Recording fees for the Deed, Easement Grant and Easement Assignment;

(c) The additional premium for the ALTA Extended Title Policy and other costs in connection with such policy and the cost of any endorsements requested by Purchaser;
(d) Compensating and other taxes described in and subject to Paragraph 5.1.9 above, if applicable;

(e) All costs not specifically referenced herein customarily allocated to a Purchaser of real property in Skagit County; and

(f) The cost of any of Purchaser's other obligations hereunder.

5.1.11 Disbursements and Other Actions by Escrow Agent. Upon the Close of Escrow, and when all required funds and documents have been deposited into Escrow, Escrow Agent shall promptly undertake all of the following:

5.1.11.1 Cause the Closing Conveyances for the Property to be recorded in the Official Records of Skagit County;

5.1.11.2 Disburse all funds deposited with Escrow Agent by Purchaser in payment of the Purchase Price for the Property and in payment of Purchaser’s share of any Escrow closing costs and prorations as follows;

   (a) Deduct from the funds deposited with Escrow Agent by Purchaser in payment of Purchaser’s share of any Escrow closing costs and prorations the amount of all such items chargeable to the account of Purchaser hereunder;

   (b) Deduct or credit from the funds deposited with Escrow Agent by Purchaser in payment of the Purchase Price all items chargeable or to be credited to the account of Seller; and

   (c) Upon confirmation that the Closing Conveyances are not encumbered in any manner not reported in the last title commitment or supplement thereto, disburse the remaining balance of the Purchase Price to Seller promptly upon the Close of Escrow. Any funds deposited by or on behalf of Purchaser in excess of the sum of the Purchase Price and Purchaser’s share of any Escrow closing costs and prorations shall be returned to Purchaser.

5.1.11.3 Deliver Seller’s Affidavit to Purchaser.

5.1.11.4 Cause the Purchaser’s Title Policy to be delivered to Purchaser.

5.2 Escrow Cancellation. If either party defaults with respect to its obligations hereunder, or if Escrow is not in a condition to close by the agreed Closing Date, Escrow Agent shall continue to comply with the instructions contained herein until a written demand has been made by a party entitled to do so for the cancellation of Escrow. Escrow Agent shall notify the other party of any such demand.

5.2.1 Charges. If the Close of Escrow fails to occur due to Seller’s default, Seller shall pay all Escrow cancellation charges. If the Close of Escrow fails to occur due to
Purchaser’s default, Purchaser shall pay all Escrow cancellation charges. If the Close of Escrow fails to occur for any reason other than the foregoing, Purchaser and Seller shall each pay one-half of any Escrow cancellation charges, and each party shall release the other party from all liability hereunder attributable solely to the failure of the Close of Escrow to occur, provided that the Deposit and any other funds deposited by Purchaser into Escrow, together with all interest earned thereon in Escrow, less Purchaser’s one-half share of any Escrow cancellation charges, shall be returned to Purchaser. “Escrow cancellation charges” means all fees, charges and expenses charged by Escrow Agent as well as all charges related to the services of Title Company in connection with title matters relating to this Escrow.

5.2.2 Seller’s Liquidated Damages if Purchaser Defaults. PURCHASER AND SELLER AGREE THAT IF THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO THE DEFAULT OF PURCHASER, IT WOULD BE IMPrACTICAL OR EXTREMELY DIFFICULT TO FIX SELLER’S ACTUAL DAMAGES FOR, AMONG OTHER ITEMS, TAKING OR HAVING THE PROPERTY OFF THE MARKET, AND PURCHASER AND SELLER AGREE THAT THE DEPOSIT IS A REASONABLE ESTIMATE OF SELLER’S DAMAGES IF THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO PURCHASER’S DEFAULT. IN ADDITION, PURCHASER WISHES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH PURCHASER MIGHT BE LIABLE SHOULD PURCHASER BREACH THIS AGREEMENT, AND SELLER WISHES TO AVOID THE COSTS AND LENGTHY DELAYS THAT WOULD RESULT IF SELLER WERE REQUIRED TO FILE A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. THEREFORE, IF THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO THE SOLE DEFAULT OF PURCHASER, THEN SELLER SHALL GIVE PURCHASER WRITTEN NOTICE OF SUCH DEFAULT, WHICH NOTICE SHALL STATE THE NATURE OF THE DEFAULT AND, UNLESS PURCHASER SHALL CURE SUCH DEFAULT WITHIN TEN (10) DAYS AFTER RECEIPT OF SUCH NOTICE TO THE REASONABLE SATISFACTION OF SELLER, UPON THE WRITTEN DEMAND OF SELLER THIS AGREEMENT AND THE ESCROW SHALL BE TERMINATED AND CANCELED. IN SUCH EVENT, (A) ESCROW AGENT SHALL RETURN ALL DOCUMENTS AND INSTRUMENTS TO THE PARTIES WHO DEPOSITED SAME, (B) ALL TITLE AND ESCROW CANCELLATION CHARGES SHALL BE CHARGED TO PURCHASER, AND (C) ESCROW AGENT SHALL DISBURSE TO SELLER UPON DEMAND OF SELLER THE DEPOSIT AND ALL INTEREST EARNED THEREON HELD IN ESCROW. ALL OF THE FOREGOING SHALL CONSTITUTE LIQUIDATED DAMAGES FOR PURCHASER’S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY. SELLER’S SOLE AND EXCLUSIVE REMEDY IN THE EVENT THE CLOSE OF ESCROW FAILS TO OCCUR AS A RESULT OF PURCHASER’S DEFAULT, SHALL BE LIMITED TO THE RECOVERY OF THE DEPOSIT, PROVIDED, HOWEVER, THAT THIS SECTION WILL NOT AFFECT OR LIMIT THE PARTIES’ RIGHT TO RECOVER ATTORNEYS’ FEES AND COSTS UNDER SECTION 7.2 OF THIS AGREEMENT.

5.2.3 Purchaser’s Remedies. In the event Seller fails to perform any act required to be performed by Seller pursuant to this Agreement or is in default of any term of the Agreement, then Purchaser shall have the right to execute and deliver to Seller written notice of such breach, which notice shall state the nature of the breach. Seller shall not be in default if
Seller shall cure such breach within three (3) days following receipt of such notice. Provided, however, that is three (3) days is not sufficient to cure the breach, then Seller shall commence the cure within said three (3) day period or such longer period that is reasonably necessary given the nature of the breach and diligently pursue the cure. If the Close of Escrow and the consummation of the transaction contemplated by this Agreement do not occur by reason of any default of Seller and Purchaser has waived its Contingencies, Purchaser may, by written notice to Seller and Escrow Agent, cancel this Agreement, whereupon the Deposit shall be returned to Purchaser, together with interest, and Seller shall reimburse Purchaser for all of Purchaser’s out of pocket costs incurred with respect to the transaction and all of Purchaser’s damages caused by the Seller’s default IN ADDITION TO ANY OTHER REMEDY AVAILABLE TO IT, WHETHER PROVIDED FOR IN THIS AGREEMENT, OR PROVIDED AT LAW OR IN EQUITY, INCLUDING WITHOUT LIMITATION SPECIFIC PERFORMANCE AGAINST SELLER. If a Seller default occurs after Closing, or if Purchaser received notice after Closing, then Purchaser may recover from Seller Purchaser’s out of pocket costs and damages incurred as a result of the default.

5.3 **No Broker’s Commission.** Seller and Purchaser each represents to the other that there is no brokerage commission fee that will be due or owing to in connection with the transaction covered by this Agreement. Seller and Purchaser each agrees to and does hereby indemnify and hold the other harmless from and against any and all costs, liabilities, losses, damages, claims, causes of action or proceedings which may result from any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of Seller on or before the Closing Date in connection with this transaction.

**ARTICLE VI
CONDITION OF THE PROPERTY**

6.1 **Damage or Destruction.** In the event the Property is destroyed this Agreement shall terminate and the Deposit shall be refunded to Purchaser. In the event the Property is materially damaged between the Effective Date of this Agreement and the Closing Date, Purchaser may elect either to terminate this Agreement and receive the immediate refund of its Deposit, or to consummate this transaction, in which case Purchaser shall accept the Property in its then condition and the Purchase Price shall be reduced by the diminution in value of the Property. As used herein, “materially damaged” shall be defined as any casualty that reduced the fair market value of the Property by more than five percent (5%).

6.2 **Waiver and Consent.** Either party may specifically and expressly waive in writing any breach by the other party of any provision of this Agreement, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement.
6.3 **Further Documents and Acts.** Each of the parties hereto agrees to cooperate in good faith with the other party, and to execute and deliver such further documents and perform such other acts, as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

**ARTICLE VII**
**GENERAL CONDITIONS**

7.1 **Disclosure Waiver.** The parties believe this transaction is exempt from the disclosure requirements of RCW 64.06, in that it is timberland as provided for in RCW 60.42.005(1)(c). In any event, the parties expressly waive the right to receive a disclosure statement that would otherwise be required pursuant to the terms of RCW Chapter 64.06. This waiver is made pursuant to the provisions of RCW 64.06.010(7).

7.2 **Successors and Assigns.** All of the covenants and conditions of this Agreement shall inure to the benefit of and shall be binding upon the respective heirs, executors, administrators, successors and assigns of Purchaser and Seller.

7.3 **Attorneys’ Fees.** If any legal action is instituted between or among Seller, Purchaser or Escrow Agent in connection with this Agreement, then the prevailing party shall be entitled to recover from the losing party, in addition to any other remedies available to it, all of its costs and expenses in connection with such action, including court costs, expert witness costs and expenses and reasonable attorneys’ fees.

7.4 **Notices.** All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) (a) hand delivered by messenger or courier service; (b) by overnight delivery service (including Federal Express); (c) dispatched by electronic mail (email) transmission (accompanied with reasonable evidence of receipt of transmission); or (d) mailed by United States mail (postage prepaid), registered or certified, return receipt requested, addressed as follows:

If to Seller:

Weyerhaeuser Company  
220 Occidental Avenue South  
Seattle, WA  
Attn: Craig Crawford  
Telephone: (206) 539-4250  
Email: Craig.Crawford@weyerhaeuser.com

With Copy to:  
Weyerhaeuser Company  
220 Occidental Avenue South  
Seattle, WA 98104  
Attn: Ali Seals, Senior Legal Counsel  
Telephone: 206) 539-4369Email: Ali.Seals@weyerhaeuser.com
If to Purchaser:

PUBLIC UTILITY DISTRICT No. 1 OF SKAGIT COUNTY
1415 Freeway Drive
PO Box 1436
Mount Vernon, WA  98273
Attn: Bill Trueman
Telephone: (360) 848-2151
Email: trueman@skagitpud.org

With Copy to:

Bradford E. Furlong
Furlong Butler Attorneys
825 Cleveland Avenue
Mount Vernon, WA  98273
Telephone: (360) 336-6508
Email: bef@furlongbutler.com

If to Escrow Agent:

Guardian Northwest Title & Escrow
1301 Riverside Drive
Mount Vernon, WA  98273
Attn: John Milnor
Telephone: (360) 424-0111
Email: John.Milnor@gnwtitle.com

Each notice shall be deemed delivered (i) on the date delivered if by personal delivery, (ii) on the date of delivery by the delivery service if by overnight delivery service, (iii) dispatched by electronic mail (email) transmission (accompanied with reasonable evidence of receipt of transmission), and (iv) 72 hours after deposit in the United States mail (postage prepaid) if by registered or certified mail. By giving to the other parties at least 15 days’ written notice, the parties to this Agreement and their respective successors and assigns shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses and each shall have the right to specify as its address any other address.

7.5 **Entire Agreement.** This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, letters, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.
7.6 **Captions.** The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

7.7 **Time of Essence.** Time is of the essence of every provision of this Agreement in which time is an element.

7.8 **Governing Law.** This Agreement and the exhibits attached hereto have been negotiated and executed in the State of Washington and shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed wholly within such state. Any dispute arising out of this Agreement shall be resolved in a court of competent jurisdiction in Skagit County.

7.9 **Invalidity of Provision.** If any provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of the Agreement as a whole.

7.10 **Amendments.** No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by both Purchaser and Seller.

7.11 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

7.12 **Exhibits/Exhibit List.** The following exhibits to this Agreement are incorporated herein by this reference as though fully set forth in the body hereof.

- Exhibit A-1 Real Property Legal Description
- Exhibit A-2 Map of Real Property
- Exhibit “B” Easement Grant
- Exhibit “C-1” List of Easements
- Exhibit “C-2” Easement Assignment
- Exhibit “D” Deed
- Exhibit “E” Seller’s Affidavit

7.13 **Time References.** Any references in this Agreement to time for performance of obligations or elapsed time shall mean consecutive calendar days, months, or years, as applicable, unless otherwise explicitly indicated herein. For purposes of this Agreement, the term “business day” shall not include Saturdays, Sundays or legal holidays under the laws of Washington. In the event that the day on which Purchaser or Seller is required to take any action
under the terms of this Agreement is not a business day, such action shall be taken on the next succeeding business day. Whenever notice, approval or disapproval must be given to Escrow Agent and Escrow Agent is closed on the last day for taking such action, then the parties shall have until 5:00 p.m. on the first following day Escrow Agent is open to take such action.

7.14 **Construction of Agreement.** The agreements contained herein shall not be construed in favor of or against either party, but shall be construed as if both parties prepared this Agreement.

7.15 **Recording.** Pending the Close of Escrow Purchaser may record a short form or memorandum hereof at its sole expense.

7.16 **Agreement Binding Only Upon Execution, Approval and Termination; Electronic Mail (Email) Signatures Permitted.**

7.16.1 This Agreement shall not be binding upon either party hereto unless and until it is executed and delivered by both Seller and Purchaser.

7.16.2 Purchaser and Seller each (i) agrees to permit the use of photocopied signatures, from time to time, where appropriate and consistent with Section 7.4 above, in order to expedite the transaction contemplated by this Agreement, (ii) intends to be bound by its respective photocopied signature, (iii) is aware that the other party will rely on the photocopied signature, and (iv) acknowledges such reliance and waives any defenses to the enforcement of the documents and notices effecting the transaction contemplated by this Agreement based on the fact that a signature or notice was sent by email.

7.17 **Entry by Purchaser.** Upon delivery of at least two (2) days advance notice given, which notice shall include the general scope of inspection which Purchaser contemplates, Purchaser may go upon the Property at reasonable times prior to the Close of Escrow, accompanied, at Seller’s option, by a representative of Seller, for purposes of inspecting, surveying, testing, designing improvements and the like; provided, however, that any invasive testing or other similar substantial activity with respect to the Property shall require the advance approval of Seller, which approval shall not be unreasonably withheld or delayed. Except as required by law. Results from any such inspections, surveys, tests, and the like shall go to the Purchaser for their review.

7.18 **Return of Property Documents.** In the event this Agreement is terminated for any reason other than a default by Seller, Purchaser shall deliver to Seller, promptly and at no cost to Seller, the Property Documents.

7.19 **Indemnification.** Seller shall release, hold harmless, indemnify and defend Purchaser from and against any and all claims, actions, debts and liabilities related to or arising out of the Seller’s ownership or operation of the Property for the period prior to the Closing Date. Purchaser shall release, hold harmless, indemnify and defend Seller from and against any and all claims, actions, debts and liabilities related to or arising out of the Purchaser’s ownership or operation of the Property for the period from and after the Closing Date. The rights and obligations set forth in this Section 7.19 shall survive Closing. Seller’s indemnification
obligations set forth in this Section shall remain the obligation of Seller and shall not be merged with the Deed and shall survive the termination of this Agreement and the Close of Escrow.

7.20 **Effectiveness.** This Agreement shall become effective only if:

(a) Approved by a vote of the Board of Commissioners of P.U.D. No. 1 of Skagit County ("PUD Commission") within thirty (30) days of the date of the last signature affixed below. Should the PUD Commission fail to so approve this Agreement, after such thirty (30) day period, Seller may terminate this Agreement without recourse; and

(b) Delivery of this fully approved Agreement to the Escrow Agent duly executed by Seller and Purchaser.

[Remainder of document intentionally blank; signatures follow]
The parties have executed this Agreement as of the dates indicated below.

SELLER: WEYERHAEUSER COMPANY, a Washington corporation

Purchaser: P.U.D. NO. 1 OF SKAGIT COUNTY, a Washington public utility district

By: ________________________________ By: ________________________________
Name: ______________________________ Name: ______________________________
Title: _______________________________ Title: _______________________________
Date: _____________________________ Date: _____________________________

I, __________________, __________________ of the P.U.D. No. 1 OF SKAGIT COUNTY, do hereby certify that the foregoing agreement was approved by formal vote of P.U.D. No. 1 OF SKAGIT COUNTY in open session on the ___ day of ________________, 2017.

_________________________________/__________________________
__________________________, ___________ Date

Guardian Northwest Title & Escrow, the Escrow Agent under this Agreement, accepts and agrees to be bound by the Escrow Instructions contained herein and certifies that the date of Opening of Escrow pursuant to Section 2.2 of this Agreement is __________________, 2017.

By: ________________________________
_______________________________
(print name and title)
EXHIBIT A-1 to the Agreement
REAL PROPERTY LEGAL DESCRIPTION

340502-1-001-0000; P30001

Those portions of Section 2, Township 34 North, Range 5 East, W.M. lying within the following described tract:

Begin at the East quarter corner of said Section 2; thence North along the West line of the Northwest ¼ of said Section 2, a distance of 2,114.30 feet; thence East parallel with the North line of said Section 2, a distance of 3,775.99 feet to a point lying within the Northeast ¼ of said Section 2; thence South 02° 27’ 11” West, a distance of 2,671.72 feet to a point lying within the Southeast ¼ of said Section 2; thence Southwesterly in a straight line 1,415.59 feet, more or less, to the Southeast corner of the Northeast ¼ of the Southwest ¼ of said Section 2; thence West along the South line of said subdivision 1,315.11 feet, more or less, to the Southwest corner of said subdivision; thence North along the West line of said subdivision 1,332.51 feet, more or less, to the Northwest corner of said subdivision; thence West along the South line of the Southwest ¼ of the Northwest ¼ a distance of 1,310.19 feet, more or less, to the point of beginning.

Said legal was based upon a draft sketch of the above property prior to its being formally surveyed. The parties agree to amend this Agreement to reflect the legal description from the formal survey once completed. Such legal description will be used to convey the Property.
EXHIBIT A-2 to the Agreement
MAP OF REAL PROPERTY

Exhibit A- Page 2
EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (the “Agreement”), dated this _____ day of __________________, 2017, is by and between WEYERHAEUSER COMPANY, a Washington corporation, hereinafter called “Grantor,” and PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, a Washington municipal corporation, and its successors, assigns, heirs and personal representatives, hereinafter collectively called “Grantee.” Grantor’s and Grantee’s addresses are set forth in Section 24 herein.

Grantor, for and in consideration of $1.00 and other valuable consideration received by Grantor, the receipt and sufficiency of which is hereby acknowledged, does hereby grant to Grantee, subject to all of the terms and conditions described herein, a permanent non-exclusive easement and right-of-way for ingress and egress, including the use, maintenance and improvement of an existing road (hereinafter, the “Road”) over, under, upon, along, and across the following described lands in the County of Skagit, State of Washington (the “Servient Estate”):

A strip of land sixty feet (60’) in width, thirty feet (30’) on each side of the centerline, with such additional widths as may be necessary for needed
cuts and fills over and across a portion of the property legally described as follows and in the location approximately as shown on Exhibit “A” attached hereto and incorporated herein by this reference:

Township 35 North, Range 5 East, W.M., Skagit County, Washington
Section 34: E1/2SE1/4
Section 35: E1/2NW1/4, NE1/4SW1/4, N1/2SE1/4, SE1/4SE1/4

Township 34 North, Range 5 East, W.M., Skagit County, Washington
Section 01: W1/2NW1/4
Section 02: NW1/4NW1/4, E1/2NE1/4

The easement and right-of-way described above is hereinafter referred to as the “Easement.”

The above grant and conveyance is subject to all matters of public record as of the date of recording of this Agreement.

Grantor and Grantee agree that the rights granted herein shall be subject to the following terms, provisions, and conditions applicable to Grantor, Grantee and their respective successors, assigns, heirs, and personal representatives:

1. **Purpose.** This Easement is granted for the purpose of using, maintaining and improving the Road for ingress and egress to Grantee’s property for all lawful commercial and industrial uses and developments. Grantee’s property is more particularly described as follows (the “Dominant Estate”):

340502-1-001-0000; P30001

Those portions of Section 2, Township 34 North, Range 5 East, W.M. lying within the following described tract:

Begin at the East quarter corner of said Section 2; thence North along the West line of the Northwest ¼ of said Section 2, a distance of 2,114.30 feet; thence East parallel with the North line of said Section 2, a distance of 3,775.99 feet to a point lying within the Northeast ¼ of said Section 2; thence South 02° 27’ 11” West, a distance of 2,671.72 feet to a point lying within the Southeast ¼ of said Section 2; thence Southwesterly in a straight line 1,415.59 feet, more or less, to the Southeast corner of the Northeast ¼ of the Southwest ¼ of said Section 2; thence West along the South line of said subdivision 1,315.11 feet, more or less, to the Southwest corner of said subdivision; thence North along the West line of said subdivision 1,332.51 feet, more or less, to the Northwest corner of said subdivision; thence West along the South line of the Southwest ¼ of the Northwest ¼ a distance of 1,310.19 feet, more or less, to the point of beginning. [Said legal was based upon a draft sketch of the above property prior to its being formally surveyed. The parties agree to amend this Agreement to reflect the legal description from the formal survey once completed. Such legal description will be used to convey the Property.]
2. **Relocation.** Grantor reserves unto itself and its successors and assigns the right at its expense to relocate the Easement, the utility line and the Road subject to the condition that, except for distance and curvature, such relocated Easement and Road and utility line provides the same type and quality of access and utility service as existed prior to such relocation and does not change the point of interconnection on the boundaries of the Servient and Dominant Estates without the prior consent of the owner of the Dominant Estate, which consent shall not be unreasonably withheld or delayed. If the location of the Road and/or utilities is changed, Grantor and Grantee shall place of public record an amendment to this Agreement to reflect such relocation.

3. **Reserved Rights.** Grantor, for itself and its successors and assigns, reserves the right at all times and for any purpose to go upon, cross and recross, at any place on grade or otherwise, the Easement and to use the Road in any manner and for any purpose that will not unreasonably interfere with the rights granted hereunder.

4. **Third Parties.** The Easement granted herein is non-exclusive, and Grantor may, in its sole discretion, grant to third parties the right to utilize the Easement or Road for any purpose or purposes reserved to Grantor upon such terms as it chooses; provided, that use by such third party shall be subject to the terms and conditions of this Easement and shall not unreasonably interfere with the rights granted hereunder. Nothing herein contained shall be deemed a gift or dedication of any portion of the Easement or Road to the general public, or for any public use or purpose whatsoever. Except as herein specifically provided, no rights, privileges or immunities hereunder shall inure to the benefit of any third-party, nor shall any third-party be deemed to be a beneficiary of any of the provisions contained herein.

5. **Maintenance and Improvement.**

5.1 **Maintenance.**

(a) For purposes of this Agreement, “maintenance” is defined as the work normally necessary to preserve and keep the Road and appurtenant Road facilities (such as bridges, culverts, gates, ditches and brushing) as nearly as possible in their present condition or as hereafter improved, and shall include repairs, reconstruction, and resurfacing (except for repairs, reconstruction or resurfacing described in Paragraph 5.2 hereof) and noxious weed control. The cost of maintenance shall be allocated on the basis of respective uses of the Road. When any party uses the Road, or a portion thereof, that party shall perform or cause to be performed, or contribute or cause to be contributed, that share of the maintenance occasioned by such use as hereinafter provided. During periods when the Road, or a portion thereof, is being used solely by one party, such party shall maintain that portion of the Road so used to the standards existing at the time use is commenced, and shall follow all applicable laws, rules and regulations and Best Management Practices of the State of Washington available from the Washington Department of Natural Resources, Forest Practices Division, as the same may be amended from time to time (hereinafter, “BMPs”) and the Sustainable Forestry Initiative 2015-
2019 Standard (or any successor standard then in effect) as set forth by SFI, Inc. (hereinafter, “SFIs”).

(b) During periods when more than one party is using the Road, or a portion thereof, each party’s share of maintenance shall be pro rata in proportion to its intensity of use thereof. If necessary, and at the request of either party, the parties hereto shall meet and establish necessary maintenance provisions. Such provisions shall include, but shall not be limited to:

(i) The appointment of a maintainer, which may be one of the parties hereto or any third party, who will perform or cause to be performed, at a reasonable and agreed upon rate, the maintenance of the Road or the portion thereof being used; and

(ii) A method of payment by which each party using the Road or a portion thereof shall pay its pro rata share of the cost incurred by said maintainer in maintaining, the Road or portion thereof.

5.2 Improvement. For the purposes of this Agreement, “improvement” is defined as the work necessary to surface, resurface, widen, recondition or replace the Road and appurtenant Road facilities (such as bridges, culverts, gates, ditches and brushing) to a higher or greater standard than that prevailing on the date of this Agreement. Any improvement shall be at the sole cost and expense of the improving party. When any existing or planned use of lands accessed by the Road described herein will result in use of the Road in excess of its current design elements, design standards, and/or road maintenance standards, the party responsible for such existing or planned use shall likewise be responsible for any additional costs that are necessary to meet design elements, design standards, and/or road maintenance standards that can accommodate such existing or planned use (as well as other existing uses).

5.3 Notification. Grantee shall provide to Grantor written notification not less than ten (10) business days prior to commencing any maintenance or improvement activities within the Easement. Written notification shall include the following:

(a) The constructing party’s name, address and phone number;
(b) A legal description and map showing the location of proposed activities;
(c) Name, company name, address and phone number of individual and/or company performing maintenance or improvement activities; and
(d) Description of the scope of any such maintenance or improvement activities.

Grantee shall also provide to Grantor written notification within five (5) business days of completion of any maintenance or improvement activities.

6. Structures and Gates. Grantee may not construct any structures, including, without limitation, gates or fences, along or across the Easement without the prior written permission of Grantor, which permission may be reasonably withheld. Both parties acknowledge
and agree that Grantor may control the access granted hereunder by a locked gate and such other measures reasonably necessary to prevent unauthorized vehicle access. The party constructing any locked gate shall ensure that the other party has a key or access code to the gate. Both parties agree that such gate will be closed and locked at all times except when authorized use of the Road by Grantor, Grantee or their respective permittees requires that it be open. The parties hereto shall use their reasonable efforts to prevent unauthorized vehicle traffic behind such gate.

7. **No Protest Clause.** As a material term of this Agreement, and as partial consideration for the Easement granted herein, Grantee agrees, at no cost to Grantee, to cooperate in good faith with Grantor or Grantor’s successors or assigns on any future development plans on property owned by Grantor or one of its affiliates so long as such plans do not diminish the quality or materially diminish the quantity of water to be diverted from Grantee’s water sources by Grantee or increase Grantee’s cost of maintaining and using its diversion facilities, or the Roads to Grantee’s property. Further, Grantee, for itself, and its successors and assigns, agrees to not protest any future use, design, construction or reconstruction of the Roads that are subject of the Easement granted herein.

8. **Road Users’ Association.** Grantee acknowledges and agrees, for itself and its successors, assigns, heirs and personal representatives, that the Easement and Road may be utilized now or in the future by additional persons pursuant to this easement. In such event, Grantor shall have the right to require Grantee to form or become a member of a non-profit road users’ association or homeowners’ association pursuant to the Washington Nonprofit Corporation Act. The association shall be responsible for the Grantee’s share of maintenance and improvement obligations arising under this Agreement. Grantee shall be responsible for the payment of dues and other charges under the association’s governing documents. The president of the association shall be the sole point of contact with respect to the Grantee’s obligations under this Agreement and the association shall inform the Grantor whenever the president’s name and/or address have changed. Notice to the association by the Grantor as may be required or allowed under this Agreement shall be deemed sufficient when addressed to the last name and address of the president provided to the Grantor by the association. Grantee will provide periodic updates at least once per year to the Grantor on all Road maintenance, repair, and improvement activities undertaken by the association.

9. **Road Damage.** Each party using any portion of the Road shall repair or cause to be repaired at its sole cost and expense that damage to the Road occasioned by it which is in excess of that which it would cause through normal and prudent usage, repair and maintenance of the Road. Should inordinate damage to the Road occur which is not caused by an authorized user of the Road, the parties hereto shall meet to agree on the cost and method of replacement or repair, and the shares of repair or replacement cost to be borne by each user of the Road.

10. **Damages.** Grantee shall pay for all damages, including but not limited to timber, crops and grazing lands located within the Easement or adjacent thereto arising out of Grantee’s use or maintenance of this Easement.

11. **Condition and Use of Easement.** Grantor makes no warranties as to the current state of the Easement or the Road, or likely future condition of the Easement or Road. Grantee
acknowledges that the Road will be used for a wide range of activities, including but not limited to, the use of heavy vehicles and for logging activities. All parties using the Easement or Road do so at their own risk, and nothing in this Agreement shall be construed to impose any liability for injuries to persons or property against Grantor by reason of neglect or failure to maintain the Easement or the Road located thereon. Grantee shall comply with all governmental laws, ordinances, rules and regulations, BMPs and SFIs applicable to the construction, reconstruction, maintenance, repair, improvement, or use of the Easement.

12. **Right-of-Way Timber.** Grantor reserves to itself and its successor and assigns all timber now or hereafter growing within the Easement, which Grantor may harvest and remove at any time. Upon prior written notice to Grantor, Grantee shall have the right to cut timber within the Easement to the extent necessary for maintaining or improving the Road. Timber so cut shall, unless otherwise agreed to, be cut into logs of lengths specified by Grantor and decked along the Road for disposal or removal by Grantor. Any such harvesting or removal shall not materially interfere with Grantee’s use of the Easement.

13. **Personal Insurance.** All persons using the Easement for any purpose shall obtain and maintain a policy of Automobile Liability Insurance in a form generally acceptable in the State of Washington and customary in the area of the Easement.

14. **Insurance.** Prior to any use of the Road, Grantee shall obtain and maintain, throughout the period of such use, liability insurance issued in a form and by an insurance company or an insurance pool authorized to do business in the state of Washington acceptable to Grantor. Coverage requirements shall be as follows and have an AM Best’s Key Rating Guide of A+ VII (financial class) or better rating or be an insurance pool authorized to do business in the state of Washington:

   i. Commercial General Liability Insurance to include minimum limits of $1,000,000 per occurrence and $1,000,000 annual aggregate Combined Single Limit Bodily Injury, Death and Property Damage. Extension of coverage to include Comprehensive Form, Premises and Operations, Contractual Liability, Products and Completed Operations, Independent Contractors, Personal Injury, Broad Form Property Damage, Cross Liability, and Pollution arising out of heat, smoke or fumes from a Hostile Fire. Additionally, the policy shall not exclude X, C or U (Explosion, Collapse, or Underground).

   ii. Comprehensive Automobile Liability insurance covering owned, non-owned, hired and other vehicles, with a combined single limit of $1,000,000 per occurrence Combined Single Limit Bodily Injury, Death and Property Damage.

   iii. The policies specified above shall include an endorsement which shall name Grantor, together with its subsidiaries and affiliates (collectively the “Grantor”) as additional insureds on a primary basis for the term of the temporary commercial use. The additional insured endorsement must be ISO CG20 10 11 85 (or other form with like wording or its acceptable equivalent).
iv. The policies specified above shall include an endorsement which shall provide that Grantor, at the address in Section 24 herein, will be given a 30-day written notice prior to cancellation, coverage modification or other material change in the policy. No such cancellation, modification or change shall affect Grantee’s obligation to maintain the insurance coverages required by this Agreement.

v. All liability coverages must be on an “occurrence” basis as opposed to “claims made.”

vi. All such insurance shall be in a form, risk pool and company reasonably acceptable to Grantor sufficient to protect Grantee, its contractors and their subcontractors, to the extent that they are involved in the work, and Grantor against the claims of third persons, and to cover claims by Grantor against Grantee, its contractor and their subcontractors for which Grantee has assumed liability under this Agreement.

vii. If requested by Grantor, Grantee shall furnish to Grantor a certificate of insurance dated and signed by a stated, authorized agent for the insuring company or companies, in a form acceptable to Grantor and containing a representation that coverage of the types listed herein is provided with the required liability limits and the stated endorsements. Grantor reserves the right to require a certified copy of the policy(ies) or to examine the actual policy(ies). Said certificate(s) of insurance shall be issued to Grantor at the address in Section 24 herein.

viii. If Grantee retains the services of any contractor, Grantee shall cause each contractor to maintain insurance coverages and limits of liability of the same type and the same amount as are required of Grantee under this Agreement. Grantee shall obtain, prior to the commencement of the contractor’s services, the required certificates of insurance and additional insured endorsements, if requested by Grantor.

15. **Indemnification.** Each of Grantor and Grantee agrees to defend, indemnify, save, protect and hold harmless the other for, from and against all causes of action, litigation, cost, loss, liability, damage and expense (including attorneys' fees) for injury or death to persons, whomsoever, and damage to or loss of property, to whomsoever belonging, including (without limitation) Grantor and Grantee’s respective subsidiaries and affiliates and all of their employees, contractors, agents, invitees, licensees, successors and assigns (collectively Grantor or Grantee’s “Permittees”), arising out of or in any way connected with the exercise of rights granted pursuant to the terms of this Agreement by such indemnifying party and its Permittees; unless such causes of actions, litigation, cost, loss, liability, damage and expense results from the sole negligence of the indemnified party and/or its Permittees.

16. **Liens.** Grantee shall keep the Easement and the Servient Estate free from liens arising in any manner out of the activities of Grantee and shall promptly discharge any such liens that are asserted. If Grantee fails to fulfill this obligation, the owner of the Servient Estate may do so, in which event Grantee shall pay all costs and expenses incurred by the owner of the Servient Estate in connection therewith plus costs and interest at the rate of the lesser of twelve percent (12%) per annum or the maximum permitted by law.
17. **Taxes.** Grantee shall pay all taxes and/or assessments that may become chargeable against Grantee for this easement, if separately assessed by statute.

18. **Termination.** If Grantee determines that the Easement, or any portion thereof, is no longer needed, this Agreement shall terminate. Any termination under this paragraph shall be evidenced by a statement in recordable form furnished by Grantee to Grantor or its successor(s) or assign(s) in interest; provided, however, that any liability or obligation incurred or owed by Grantee prior to the recording of such statement shall survive the termination of this Agreement. Grantor may terminate this Agreement for unsecured breach as hereinafter described. Grantor shall have the right to dedicate all or any portion of the Road to the state, county or municipality as a public road, in which event the Easement on the portion so dedicated shall terminate.

19. **Default.** Failure of Grantee to perform any of its obligations hereunder shall constitute a default. Upon default, Grantor shall notify Grantee in writing, describing the nature of such default and the action necessary to cure the default. Grantee shall have thirty (30) days following its receipt of a notice to cure the default, unless it appears that Grantee has commenced to cure the default in good faith and has diligently continued to pursue such curing, but has been unable to complete the same within said 30-day time period due to the nature of the default or other causes beyond the control of Grantee, in which case the time period shall be extended accordingly; provided, however, that no extension shall be afforded for a default in the payment of a monetary obligation. In the event Grantee fails to cure the breached obligation during the prescribed cure period, as the same may be extended, Grantor shall be entitled to exercise all rights and remedies available to it at law or equity, including but not limited to specific performance pursuant to the terms of this Agreement without the necessity of posting a bond, or termination of this Agreement and the Easement. In the event of a monetary default that has not been cured within the cure period, in addition to any other remedies available at law or in equity, Grantor shall have the right to a lien against the Dominant Estate which may be filed with the county recorder and foreclosed in the manner set forth in RCW Ch. 61.12 or any successor statute.

20. **Rights and Obligations.** The rights and obligations hereunder shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. The Easement is an easement appurtenant to the Dominant Estate and may not be transferred separately from, or severed from, title to the Dominant Estate. Furthermore, the benefits of the Easement shall not be extended to any properties other than the Dominant Estate without the consent of the owners of the fee simple interest of the Servient Estate.

21. **Invalidity.** In the event any portion of this Agreement should be held to be invalid, illegal, or unenforceable by any court of competent jurisdiction, such holding shall not affect the remaining provisions hereof unless the court’s ruling includes a determination that the principal purpose and intent of this Agreement is thereby defeated.

22. **Costs and Attorneys’ Fees.** If any party hereto is required to retain an attorney to enforce any provision of this Agreement, whether or not an arbitration or legal proceeding is commenced, the substantially prevailing party or parties shall be entitled to recover from the
other reasonable attorneys’ fees and other costs incurred, regardless of whether at trial, on appeal, in any bankruptcy proceeding, in an arbitration or without resort to suit. Attorneys’ fees covered by this paragraph include, without limitation, fees incurred without resort to suit, at trial, in an arbitration proceeding, in bankruptcy proceedings to modify or vacate any automatic stay of such legal action or proceeding, in appeals, and in post-judgment collection services. Costs covered by this paragraph include, without limitation, the costs of searching records, obtaining title reports (including foreclosure reports), surveyors’ reports, appraisal fees, and title insurance premiums.

23. **Governing Law.** This Agreement shall be interpreted, construed and enforced according to the laws of the State of Washington.

24. **Notices.** All notices required or permitted hereunder shall be in writing, and shall be: (1) delivered in person or by private messenger or overnight courier service to the party intended where evidence of delivery is obtained; (2) sent by certified mail, postage prepaid, with return receipt requested, to the party intended; or (3) dispatched by electronic mail (Email) (accompanied with reasonable evidence of receipt of transmission and with a confirmation copy mailed no later than the day after transmission) to the party intended. Notice shall be delivered or sent to the last address provided by the party intended and to the address appearing in the records for the County in which the Easement is located. The initial address of the signatories hereto is:

**Grantor:**

16506 Vail Loop Road SE  
Rainer, WA 98576  
Attention: Stacy Krouse - Land Use Manager  
Email: Stacy.Krouse@weyerhaeuser.com

**And to:**

220 Occidental Avenue South  
Seattle, Washington 98104  
Attention: Ali Seals, Legal Department  
Email: Ali.Seals@weyerhaeuser.com

**Grantee:**

P.U.D. NO. 1 OF SKAGIT COUNTY,  
a Washington public utility district  
1415 Freeway Drive  
PO Box 1436  
Mount Vernon, WA 98273  
Attention: Bill Trueman  
Email: trueman@skagitpud.org

Upon at least ten (10) days' prior written notice, each party shall have the right to change its address to any other address within the United States of America.

[**SIGNATURES APPEAR ON THE FOLLOWING PAGES.**]
IN WITNESS, WHEREOF, the parties hereto have executed this instrument as of the day and year first above written.

GRANTOR:

WEYERHAEUSER COMPANY,
A Washington corporation

By: ___________________________
Name: ___________________________
Title: ___________________________

ACKNOWLEDGMENT

STATE OF WASHINGTON )
)ss
COUNTY OF KING )

On this _____ day of ________________, 2017, I certify that I know or have satisfactory evidence that _______________________________________ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _______________________________________ of Weyerhaeuser Company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

___________________________________
Notary Public in and for the State of Washington
Residing in __________________________
My Commission Expires: ______________
Printed Name: _______________________
GRANTEE:

P.U.D. NO. 1 OF SKAGIT COUNTY,
a Washington public utility district

By ______________________
Name ______________________
Title ______________________

ACKNOWLEDGMENT

STATE OF WASHINGTON )
)ss
COUNTY OF SKAGIT )

On this _____ day of ________________, 2017, I certify that I know or have satisfactory
evidence that ___________________________________ is the person who appeared before
me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she
was authorized to execute the instrument and acknowledged it as the
______________________________________ of ____________________, to be the free and
voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed my official seal the
day and year last above written.

___________________________________
Notary Public in and for the
State of Washington
Residing in ____________________
My Commission Expires: ___________
Printed Name: _____________________
Exhibit “A” to the Easement Agreement
EXHIBIT “C-1” to the Agreement

List of Easements


EXHIBIT “C-2” to the Agreement
Form of Easement Assignment

FILED FOR RECORD AT THE REQUEST OF:
Weyerhaeuser Company
220 Occidental Avenue South
Seattle, WA  98104
Attn: Land Title

<table>
<thead>
<tr>
<th>Document Title:</th>
<th>Assignment and Assumption of Easement Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grantor:</td>
<td>Weyerhaeuser Company, a Washington corporation</td>
</tr>
<tr>
<td>Grantee:</td>
<td>Public Utility District No. 1 of Skagit County, a Washington public utility district</td>
</tr>
<tr>
<td>Legal description (abbreviated):</td>
<td></td>
</tr>
<tr>
<td>Assessor’s Property Tax Parcel/Account Numbers:</td>
<td></td>
</tr>
<tr>
<td>Reference to Related Documents:</td>
<td></td>
</tr>
</tbody>
</table>
ASSIGNMENT AND ASSUMPTION
OF EASEMENT RIGHTS

This Assignment and Assumption of Easement Rights (this “Assignment”), is made this _____ day of ____________, 2017, by WEYERHAEUSER COMPANY, a Washington corporation (“Assignor”), whose address is 220 Occidental Avenue South, Seattle, Washington 98104, herein collectively referred to as “Assignor” and PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, a Washington public utility district, whose address is 1415 Freeway Drive, P.O. Box 1436, Mount Vernon, Washington 98273, herein referred to as “Assignee”.

WITNESSETH

WHEREAS, Port Blakely granted certain easement rights to John Hancock Mutual Life Insurance Company, predecessor in interest to Assignor, in that certain Easement recorded November 17, 1993 in Book 1260, Page 320, Document No. 931170093, records of Skagit County, Washington (“Easement Right No. 1”); and

WHEREAS, the State of Washington, acting by and through the Department of Natural Resources, granted certain easement rights to John Hancock Mutual Life Insurance Company, predecessor in interest to Assignor, in that certain Easement recorded October 28, 1994 in Book 1385, Page 200, Document No. 9410280040, records of Skagit County, Washington (“Easement Right No. 2”); and

WHEREAS, Michael P. Hankins granted certain easement rights to Longview Fibre Company, predecessor in interest to Assignor, in that certain Easement For Right-of-Way recorded February 5, 1998 in Book 1763, Page 78, Document No. 9802050035, records of Skagit County, Washington (“Easement Right No. 3”);

WHEREAS, the State of Washington, acting by and through the Department of Natural Resources, granted certain easement rights to Georgia-Pacific Corporation, predecessor in interest to Assignor, in that certain Easement recorded November 13, 1985 in Book 625, Page 39, Document No. 851130019, records of Skagit County, Washington (“Easement Right No. 4”). Easement Right No. 1, Easement Right No. 2, Easement Right No. 3 and Easement Right No. 4 are hereinafter collectively referred to as the “Easements”; and

WHEREAS, Assignor, as Grantor, conveyed to Assignee, as Grantee, fee ownership of certain property located in Skagit County, Washington as more particularly described on Exhibit “A” attached hereto (the “Sale Property”); and

WHEREAS, Assignor and Assignee desire that Assignor transfer its rights and obligations described in the Easements as to those rights that provide perpetual nonexclusive easements for ingress to and egress from the Sale Property, and Assignee desires to assume same.

NOW, THEREFORE, the parties hereto, for consideration already paid in the above said conveyance, hereby agree as follows:
1. Assignor assigns, transfers, and sets over to Assignee, without warranty, Assignor's right, title and interest in, to and under the Easements that provides access to and from the Sale Property. This assignment shall in no way affect or compromise Assignor’s rights in and to the Easements for the benefit of other real property in the area owned by Assignor, its successors and assigns.

2. Assignee hereby accepts this Assignment and assumes and agrees to be bound by and perform all obligations and liabilities arising under the Easements with respect to access to and from the Sale Property after the date of this Assignment.

3. Assignee hereby indemnifies and holds harmless Assignor from and against any and all claims, causes of action and damages (including reasonable attorney's fees, expenses of litigation and costs of appeal), if any, to the extent caused by Assignee’s failure to comply with any condition or perform any obligation required to be performed by it under the terms of the Easements which first arises after the date hereof. Assignor hereby indemnifies and holds harmless Assignee from and against any and all claims, causes of action and damages (including reasonable attorney's fees, expenses of litigation and costs of appeal), if any, to the extent caused by Assignor’s failure to comply with any condition or perform any obligation required to be performed by it under the terms of the Easements which arose on or before the date hereof.

4. This Assignment shall be interpreted and construed under the laws of the State of Washington.

[Signatures on following two pages]
IN WITNESS, WHEREOF, the parties hereto have executed this Assignment to be effective the day and year first above written.

ASSIGNOR:

WEYERHAEUSER COMPANY,
A Washington corporation

By: _________________________
Name: _________________________
Title: _________________________

ACKNOWLEDGMENT

STATE OF WASHINGTON )
) ss
COUNTY OF KING )

On this __________ day of ____________, 2017, I certify that I know or have satisfactory evidence that ______________________ is the person who appeared before me, and said person acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it as the ______________________ of Weyerhaeuser Company and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

___________________________________
Notary Public in and for the
State of Washington
Residing in Seattle
My Commission Expires: 10/29/2018
Printed Name: Paul A. Hill II
ASSIGNEE:

P.U.D. NO. 1 OF SKAGIT COUNTY,
a Washington public utility district

By ______________________
Name ______________________
Title ______________________

ACKNOWLEDGMENT

STATE OF WASHINGTON )
)ss
COUNTY OF SKAGIT )

On this __________ day of __________, 2017, I certify that I know or have satisfactory evidence that ______________________ is the person who appeared before me, and said person acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it as the ______________________ of ______________________ and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

___________________________________
Notary Public for the
State of __________________________
My appointment expires ____________
Printed Name ______________________
EXHIBIT “A” to
Assignment and Assumption of Easement Rights
Sale Property
Skagit County, Washington

340502-1-001-0000; P30001

Those portions of Section 2, Township 34 North, Range 5 East, W.M. lying within the following described tract:

Begin at the East quarter corner of said Section 2; thence North along the West line of the Northwest ¼ of said Section 2, a distance of 2,114.30 feet; thence East parallel with the North line of said Section 2, a distance of 3,775.99 feet to a point lying within the Northeast ¼ of said Section 2; thence South 02° 27’ 11” West, a distance of 2,671.72 feet to a point lying within the Southeast ¼ of said Section 2; thence Southwesterly in a straight line 1,415.59 feet, more or less, to the Southeast corner of the Northeast ¼ of the Southwest ¼ of said Section 2; thence West along the South line of said subdivision 1,315.11 feet, more or less, to the Southwest corner of said subdivision; thence North along the West line of said subdivision 1,332.51 feet, more or less, to the Northwest corner of said subdivision; thence West along the South line of the Southwest ¼ of the Northwest ¼ a distance of 1,310.19 feet, more or less, to the point of beginning.

Said legal was based upon a draft sketch of the above property prior to its being formally surveyed. The parties agree to amend this Agreement to reflect the legal description from the formal survey once completed. Such legal description will be used to convey the Property.
EXHIBIT “D” to the Agreement

Form of DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Bradford E. Furlong
825 Cleveland Avenue
Mount Vernon, WA 98273

BARGAIN AND SALE DEED

The information contained in this boxed section is for recording purposes only pursuant to RCW 356.18 and RCW 65.04, and is not to be relied upon for any other purpose, and shall not affect the intent of or any warranty contained in the document itself.

Grantors: Weyerhaeuser Company, a Washington corporation
Grantee: PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, a Washington public utility district
Reference Number(s) of Documents Assigned or Released: N/A
Abbreviated Legal Description: Ptn 2-34-5 E W.M.
Complete or Additional Legal Description on Exhibit No. 1 of Document.
Assessor’s Parcel Number(s): P30001

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, WEYERHAEUSER COMPANY, a Washington corporation, successor by merger to Weyerhaeuser Columbia Timberlands LLC, which was successor by merger to Longview Timberlands, LLC, hereby conveys and warrants to PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, a Washington public utility district, the real property located in the County of Skagit, State of Washington, more particularly described in Exhibit No. 1, attached hereto.

SUBJECT TO: Only the permitted exceptions set forth in Exhibit No. 2 attached hereto.

TO HAVE AND TO HOLD the same unto the said Grantee and unto her successors and assigns forever, with all appurtenances thereunto belonging.

Grantor covenants with Grantee that it will forever warrant and defend said title to said lands against all lawful claims and encumbrances done or suffered by it, but against none other.
DATED: ______________________, 2017

GRANTOR:

WEYERHAEUSER COMPANY, a Washington corporation

By __________________________
Name _________________________
Title __________________________

ACKNOWLEDGMENT

STATE OF WASHINGTON )
 ) ss.
COUNTY OF KING )

On this _____ day of _______________, 2017 before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared __________________________, the ______________________ of Weyerhaeuser Company, the Washington corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the say and year first above written.

____________________________
Printed Name: __________________________
Notary Public in and for the State of Washington
Residing at __________________________
My Commission Expires: __________________________
EXHIBIT No. 1
TO DEED
LEGAL DESCRIPTION

340502-1-001-0000; P30001

Those portions of Section 2, Township 34 North, Range 5 East, W.M. lying within the following described tract:

Begin at the East quarter corner of said Section 2; thence North along the West line of the Northwest ¼ of said Section 2, a distance of 2,114.30 feet; thence East parallel with the North line of said Section 2, a distance of 3,775.99 feet to a point lying within the Northeast ¼ of said Section 2; thence South 02° 27’ 11” West, a distance of 2,671.72 feet to a point lying within the Southeast ¼ of said Section 2; thence Southwesterly in a straight line 1,415.59 feet, more or less, to the Southeast corner of the Northeast ¼ of the Southwest ¼ of said Section 2; thence West along the South line of said subdivision 1,315.11 feet, more or less, to the Southwest corner of said subdivision; thence North along the West line of said subdivision 1,332.51 feet, more or less, to the Northwest corner of said subdivision; thence West along the South line of the Southwest ¼ of the Northwest ¼ a distance of 1,310.19 feet, more or less, to the point of beginning.

Said legal was based upon a draft sketch of the above property prior to its being formally surveyed. The parties agree to amend this Agreement to reflect the legal description from the formal survey once completed. Such legal description will be used to convey the Property.
EXHIBIT No. 2
TO DEED

PERMITTED EXCEPTIONS

SUBJECT TO:

(i) liens for taxes, assessments and other governmental charges which are not yet due and payable as of the recordation of this deed;

(ii) all land use (including environmental and wetlands), building and zoning laws, regulations, codes and ordinances affecting the Property;

(iii) any rights of the United States of America, the State in which the Property is located or others in the use and continuous flow of any brooks, streams or other natural water courses or water bodies within, crossing or abutting the Property, including, without limitation, riparian rights and navigational servitudes;

(iv) title to that portion of the Property, if any, lying below the mean high water mark of abutting navigable rivers;

(v) all easements, rights-of-way, water rights, licenses and other such similar encumbrances apparent or of record;

(vi) all existing public and private roads and streets and all railroad and utility lines, pipelines, service lines and facilities;

(vii) all encroachments, overlaps, boundary line disputes, shortages in area, persons in possession, cemeteries and burial grounds and other matters not of record which would be disclosed by an accurate survey or inspection of the Property;

(viii) prior reservations or conveyances of mineral rights or mineral leases of every kind and character;

(ix) any loss or claim due to lack of access to any portion of the Property; and further

[List the permitted encumbrances from the title commitment]
Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor, Weyerhaeuser Company, is a foreign person. To inform the transferee, Public Utility District No. 1 of Skagit County, that withholding of tax is not required upon the disposition of a U.S. real property interest by Weyerhaeuser Company (the “Entity”), the undersigned hereby certify the following on behalf of the Entity:

1. Weyerhaeuser Company is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations) for purposes of U.S. income taxation.

2. Weyerhaeuser Company’s U.S. tax identification number is: 91-0470860

3. Weyerhaeuser Company’s office address is:

   220 Occidental Avenue South, Seattle, Washington 98104

Weyerhaeuser Company and the undersigned understand that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement Weyerhaeuser Company has made here could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare on behalf of Weyerhaeuser Company in my said capacity as ________________________, that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Weyerhaeuser Company.

Date: _____________________, 2017

Weyerhaeuser Company

By: ______________________________
Name: ______________________________
Title: ______________________________
September 7, 2017

TO: Commission

FROM: George Sidhu, P.E., General Manager

RE: Recommendation to Authorize Scope and Fee for The Driftmier Architects

Requested Action:
Authorize the General Manager to amend the existing budget for a Building Feasibility Study and enter into an agreement with The Driftmier Architects for a needs analysis and master planning activities for the District’s main campus for Tasks I, II and III in the amount of $86,104.

Background:
The District currently owns 15.86 acres located at 1415 Freeway Drive in Mount Vernon, WA with buildings that consolidate the District’s operations. The buildings on site comprise the administration, engineering, and operations functions, as well as providing enough space for the storage of all District vehicles and material inventory. The additional acreage that is not used by the District is leased out to the Mount Vernon School District as recreational play fields.

The District’s main campus building was originally constructed in 1969, and then was added to in 1995 to create a building with an overall size of approximately 26,462 square feet. The original building is in need of many maintenance improvements, and the District has also outgrown the space required for its staff. The maintenance improvements would involve some significant construction projects which would be costly and disrupt the operations of the District.

The District issued a Request for Qualifications (RFQ) for professional architecture firms to perform a needs assessment to determine the growing and future needs over the next 30 years instead of making costly improvements to a building which is nearly 50 years old. Part of the needs assessment will involve evaluating the options of staying at the current location or moving to a new location. Nine different firms responded to the RFQ and their submissions were scored by a District selection team. The qualifications and experience of three firms stood out above the group, and they were chosen to deliver a presentation to the selection team.

The Driftmier Architects were chosen as the successful firm after the presentation and interview due to their successful history in dealing with public clients who perform functions similar to the District, their focus on the financial impacts of the master planning process and their understanding of the important factors that the District must consider in the site.
selection process. The Statement of Qualifications from The Driftmier Architects is attached for your review.

The scope of work from The Driftmier Architects includes four Tasks, of which the first three will accomplish the needs analysis and master planning. Task IV is an option for Driftmier to create schematic plans and an exterior design for the final concept chosen in Task III. It is my recommendation to enter into a contract for the first three tasks at this time, and wait until they are completed before deciding on Task IV.

**Fiscal Impact:**
$75,000 was included in the 2017 Budget for a Building Feasibility Study. Earlier this year, Tom Theisen was engaged to provide an overview of our site options and to start the process of moving towards an architectural study. After Tom’s work, there is still approximately $70,000 remaining in the budget. The budget will need to be amended by approximately $17,000 to complete this work.

kac
STATEMENT OF QUALIFICATIONS
Architectural Consulting Services to Address the Future Needs of Skagit PUD’s Public Facilities

The Driftmier Architects, PS

7983 Leary Way NE
Redmond, WA 98052
425-881-7506
mail@driftmier.com
www.driftmier.com
Skagit Public Utility District
Request for Qualifications
Architectural Consulting Services to Address the Future Needs of Skagit PUD’s Public Facilities

TABLE OF CONTENTS

Introduction
  Introductory Letter

Consultant Experience
  Consultant Experience and Workload ................................................................. 1
  Relevant Project Examples .................................................................................... 5
  Master Plan Examples .......................................................................................... 12

Personnel Experience
  Organization Chart .................................................................................................. 15
  Resumes ................................................................................................................... 16

Project Approach and Schedule
  Project Approach and Deliverables ....................................................................... 20
  Additional & Innovative Suggestions ...................................................................... 21
  Project Management & Communication .................................................................. 22
  Schedule .................................................................................................................. 23

Signature Page
  Proposal Signature Page

The Driftmier Architects, P.S.
July 11, 2017

Mr. Doug McConnell, Contracts Administrator  
Skagit Public Utility District  
1415 Freeway Drive  
Mount Vernon, WA 98273

Re: Architectural Consulting Services to Address the Future Needs of Skagit PUD’s Public Facilities

Dear Mr. McConnell:

The Driftmier Architects team is uniquely suited to address the needs of the Skagit Public Utility District. As a small, established professional design firm with extensive experience in services and needs assessments, site alternatives evaluation and concept design of utility district projects, this project is exactly what we do. You are about to take on a project that will require tough decisions, balancing needs versus cost, and moving through a detailed process. The experience that The Driftmier Architects has gained in the design of numerous very similar facilities will guide you and help you in making good decisions while addressing your current and future needs and working within the project’s budget and timeline.

The principals and staff of The Driftmier Architects and our proposed subconsultant, The Woolsey Company, are available and committed to completing your project within the proposed schedule.

Contact Information:

Name: The Driftmier Architects, P.S.  
Mailing Address: 7983 Leary Way NE  
Redmond, WA 98052  
Contact Person: Lee Driftmier, AIA, President  
lee@driftmier.com  
Telephone #: 425-881-7506  
Fax #: 425-881-7306

The Driftmier team is experienced, knowledgeable, and available immediately. The information attached only briefly touches on our experience and capabilities. More information is available on our website at www.driftmier.com. If you have questions or would like additional information, please feel free to contact us. We look forward to hearing from you.

Sincerely,

Lee Driftmier, AIA, President  
The Driftmier Architects, P.S.
CONSULTANT EXPERIENCE

The Driftmier Architects is a full service regional architectural firm that has provided attractive, functional and cost-effective solutions for public agencies and commercial clients since 1980. We have provided needs analysis and programming, feasibility studies, capital improvement planning, and design of new and remodeled office, emergency operation centers, operations, shop and maintenance facilities for more than 40 special-use districts and municipal public works departments. Since 1987, more than half of our work has been in the design of government facilities, and since 1992, over 80 percent of our work has been for repeat clients.

The Driftmier Architects areas of expertise include:

- Needs Analysis and Programming
- Site and Existing Building Evaluations
- Long-Term Capital Facilities Planning
- Master Planning
- FEMA Floodplain Coordination and Design
- Facility Design (office, shop, vehicle, maintenance)
- Space Planning and Interior Design
- Public Works Bidding and Construction Administration

**Needs Analysis Experience**

As a firm that has specialized in the needs analysis and design of PUD, water district, water and sewer district, and municipal public works facilities, The Driftmier Architects has developed a proven process that identifies your needs and gets the most out of your budget. While every project is unique, this standardized but flexible process allows the needs analysis, site evaluations, and concept design to move forward quickly, while also assuring that all the bases are covered. In addition to gathering organizational information, meeting with management and staff, circulating questionnaires, interviewing key staff, observing work flow, etc., we also consider items such as growth potential, vulnerability assessment needs, security and alarm provisions, sustainable design and energy conservation issues, telemetry and communications and computing technology needs. Our experience includes more than 80 such projects. Some became new ground up facilities while others resulted in remodel and/or expansion of existing facilities. These projects include similar projects for twelve of the seventeen largest water districts in the state.

**Experience Evaluating Site Alternatives**

The Driftmier Architects has analyzed over two hundred existing sites for different government agencies. These have included buildings and/or sites considered as potential new locations for all facilities, sites for housing office or operations functions only, and land for relocating or expanding office, shop and operations facilities and service yards. Our firm’s strength in site evaluation and selection comes from utilizing our experience with similar facilities and using our established process. We can quickly identify the opportunities and constraints of each available site. This enables us to separate the potential sites from those that will not meet the District’s needs.

Recommendations are influenced by site availability, zoning restrictions and phasing to keep the District operational. However, the key component in guiding the long-term plan is the cost comparison for the proposed solutions. We provide clients with accurate cost projections for remodel vs. expansion vs. new and they are able to confidently select the plan that best balances their needs, timeline and budget.
While facility condition assessments are not expected for the District’s existing facilities, they may become necessary when potential new locations are evaluated. The Driftmier Architects has evaluated the physical condition, expansion opportunities and upgrades necessary for a wide variety of buildings and sites. This work includes a comparison between the current and future needs of the District and the ability of each of those facilities to accommodate those needs and how code upgrades to available facilities will impact budgets.

**Master Planning Experience**

Through completing a large number of master plans for both small and large scale facilities, we have developed a process that starts with needs analysis and programming, which identifies facility needs for the short term, mid-range and into the foreseeable future. The master plan for each site needs to address the maximum needed capability over the expected life of the facility. Then, facilities need to be constructed to accommodate the expected needs now and for a reasonable time into the future. The master plan insures that preplanned space will be available for phased expansion to occur as the anticipated needs are realized. A timeline can be put to the phasing of the project and budgets developed so the District is prepared when the next phase of development becomes necessary.

Projects range from a two-phased office building expansion for Granco FCU in a flood plain in Ephrata to a four-phase, five-acre master plan for the Sammamish Plateau Water and Sewer District and a three-site, 13-building plan for the Lakehaven Utility District as well as a number of 3, 4 and 5 acre administration and operations facilities for different special use utility districts.

**Site Concept Design Experience**

Having completed more than 600 projects, we have developed a large number of site concept plans to be reviewed, revised and selected for development and construction by our clients. The process begins with the information on the selected site. This may include plot plan or survey and review information on the existing facilities if any, utilities, zoning requirements etc. This information is merged with information from the needs analysis, program area requirements and adjacency matrices and other program information. Our design team will develop several concept plans to discuss and review with you and your project team. Ideas and knowledge provided by the entire project/design team will be incorporated into the schemes. Each opportunity or idea will be discussed in relation to cost impact and construction impact. As options are narrowed down, a primary concept plan will emerge. This plan will be evaluated for flexibility and phasing to meet your short-term needs and the long-term requirements. The resulting concept and cost will be reviewed with you and revised as necessary until the plan meets with District approval.

**Flood Plain Design and FEMA Facilities Experience**

The Driftmier Architects has designed numerous FEMA critical facilities. Most of these have been headquarters facilities including both administration and operations functions and most have included emergency operations centers. Several of our projects have required development in established flood plains. With some we have been able to modify flood plain limits as we did with the redevelopment of Redmond...
The Driftmier Architects, P.S.

(Shopping) Center to allow for additional buildings and parking. In other cases like GRANCO Federal Credit Union’s main facility in Ephrata, we designed to address FEMA flood resistance requirements. Since about half of the building was a remodel, the main floor elevation could not be changed, so the entire building, both new and remodeled portions, was flood-proofed to three feet above the adjoining grade, flood doors were added to each entry, electrical equipment, outlets, junction boxes, etc. were raised and protected, and other FEMA approved techniques were used.

**LEED and Sustainable Design**

The Driftmier Architects believes that sustainable design is good design. We work with our design team and project owners to determine which sustainable or green design options make the most sense for their facilities and budget. Over the last several years, we have included a variety of sustainable design techniques and features in our projects. Our projects often include:

- Low-impact development techniques
  - Rainwater harvesting
  - Green roof systems
  - Use of recycled and recyclable materials
  - Use of day-lighting techniques to reduce the dependence on electrical lighting

We are happy to pursue green design to the point that you are comfortable, whether it be through a formal program such as LEED certification or through quietly providing good sustainable design. The Driftmier Architects has staff that is LEED accredited.

**PUD and Public Agency Experience**

The Driftmier Architects specializes in the needs analysis and design of public works shops, offices, operations and maintenance facilities. We determine the challenges and opportunities presented by each project and identify creative ways to provide the facilities needed by the client. The Driftmier Architects is very familiar with the design, bidding and contracting requirements of PUDs, water districts, sewer districts and municipalities in the state of Washington. Some of our projects include:

- Snohomish County PUD #1: Needs Analysis, Site Selection for 6 Remote Facilities
- Clallam County PUD #1: Needs Assessment and Comprehensive Organizational and Facilities Study
- Snohomish County PUD #1: District Wide Security Control Facility
- City of Fife: Needs Assessment for all city departments and evaluation of all city-owned facilities
- Clallam County PUD #1: Redevelopment of a Costco building to Central Warehouse & Water Ops
- Lake Whatcom Water & Sewer District: Lakeway Office Remodel and Expansion
- North City Water District: Administrative Office Remodel and Expansion
- Woodinville Water District: Administration Building and Operations Center Remodel
- Lake Whatcom Water & Sewer District: Lakeview Shops and Operations Center Remodel
- Cedar River Water District: Needs Analysis, Master Planning, New Office, Vehicle and Shops Building
- Mukilteo Water District: Needs Analysis, Master Planning, New Office and Shop Buildings
- Sammamish Plateau Water & Sewer District: Needs Analysis, Administration and Operations Buildings
**Working with Boards of Commissioners**

In order to communicate our final recommendations clearly with the board of commissioners, we start by including them in the information gathering phase of the project. They are given questionnaires similar to employees and can also be included in interviews. This way, the board understands what information went into the study, and the team understands the board’s expectations for the project. Also, throughout the project, commissioners should be updated at each board meeting, whether that is by Driftmier or District Staff.

At the end of the project, our verbal presentation will be paired with charts, graphs, drawings and 3D computer models of the proposed design solutions. During the final presentation, we will explain how the questionnaires, interviews, general information and existing facility conditions led to required area calculations, the cost estimate and limitations of the existing facilities and site. We will also explain how the master plan and conceptual site plan was developed and why the final recommendation is the best solution for the PUD’s facility needs. This same information can be used to provide information and background to the public if needed.

**Community Engagement Experience**

Public agencies are responsible for openness with their constituents. Critical to the development of a successful project is understanding the concerns, expectations, and fears of each stakeholder, including those who use the facilities, those who live or work near the facility, rate payers, etc. The Driftmier Architects has developed a reputation for excelling in these situations by developing consensus and acceptance of the final design. The Driftmier Architects regularly assists or manages a variety of public participation processes including informational presentations, meetings with concerned individuals or groups, public hearings, design review processes, and collaborative design charrettes. Through our extensive experience, we know the rules, responsibilities and regulations that affect performance and project delivery.

While District personnel are likely aware of some current or potential public concerns, one obvious item would be any change or reduction in space available for play fields and school use. By identifying and addressing these issues early in the design process both the District staff and the design team can be prepared to offer mitigations and options in addressing the issues as the general public and rate payers voice their concerns. Meeting in person with individuals and groups is often the best way to understand and resolve their concerns and objections.

**Current Driftmier Workload**

The Driftmier team has capacity to take on a study of this size immediately. Lee, Rick and Mike are all available as needed to undertake this project. This is exactly the type of work we do and your project would be a priority in our office. The proposed schedule will be met, or changes to shorten the delivery time may be discussed.
RELATED PROJECT EXPERIENCE

Lakehaven Water and Sewer District – Federal Way, WA

Project includes a comprehensive evaluation of all the District’s facilities on its three main campuses. Facilities include administration buildings, shop, warehouse and vehicle buildings, water reservoir and treatment facilities, and two sewer treatment plants. Group and individual interviews included all 104 staff members, questionnaires were filled out and a program was written for the District’s needs through the year 2036. Future staffing, future space needs and existing facilities conditions helped guide master planning design.

Driftmier identified facilities options, determined relative lifecycle costs and performed the master planning portion of the study for the existing campuses. The study projects the future facility remodels, expansions and construction required to meet the District’s needs over the next 20 years. Driftmier worked with a real estate agent to identify available properties that can meet the District’s needs and also investigated if facilities can be combined with other government agencies. Cost analysis of options from Driftmier, including drive time cost analysis, will aid the District in deciding the future of their facilities.

Project Data:
Client: Lakehaven Water and Sewer District
PO Box 4249
Federal Way, WA 98063
Contact: John C. Bowman, General Manager
(253) 946-5401
Size: 3 campuses and over 100,000 SF of existing buildings
Budget: Phase I: $29,320
Phase II: $96,050
Actual Cost: Phase I: $29,320
Phase II: On budget at 90% complete
Project Management: Lee Driftmier, Principal-in-Charge
Mike Winnick, Project Manager
Cost Consultant: The Woolsey Company
Firm’s Role: Prime Consultant leading all phases of the work
Deliverables: Architectural Program with Needs Assessment
Facilities Condition Assessment
Site Option Identification and Selection
Long-term Facilities Plan
Square Foot Spreadsheets
Cost Projections
Master Plan
Conceptual Designs

Program Area Requirements: New Administration Building

<table>
<thead>
<tr>
<th>Area Use or Activity</th>
<th>10-Year Needs</th>
<th>Site</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Department</td>
<td>1,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Manager</td>
<td>300</td>
<td>O-1 Office &amp; 300</td>
<td>O-1 Office &amp;</td>
</tr>
<tr>
<td>General Counsel</td>
<td>300</td>
<td>Office &amp; 300</td>
<td>Office &amp;</td>
</tr>
<tr>
<td>Legal Assistant</td>
<td>300</td>
<td>Office &amp; 300</td>
<td>Office &amp;</td>
</tr>
<tr>
<td>Operations Analyst Workstation &amp; Plan</td>
<td>300</td>
<td>Office &amp; 300</td>
<td>Office &amp;</td>
</tr>
<tr>
<td>Lab Manager’s Office</td>
<td>300</td>
<td>Office &amp; 300</td>
<td>Office &amp;</td>
</tr>
<tr>
<td>Lab Manager’s Office</td>
<td>300</td>
<td>Office &amp; 300</td>
<td>Office &amp;</td>
</tr>
<tr>
<td>Administration Department</td>
<td>175</td>
<td>10-20-10</td>
<td></td>
</tr>
<tr>
<td>Customer Service Manager</td>
<td>175</td>
<td>10-20-10</td>
<td></td>
</tr>
<tr>
<td>Billing Workstations</td>
<td>10</td>
<td>Workstation</td>
<td></td>
</tr>
<tr>
<td>Main En trance Desk</td>
<td>2</td>
<td>Workstation</td>
<td></td>
</tr>
<tr>
<td>Main Entrance Desk</td>
<td>2</td>
<td>Workstation</td>
<td></td>
</tr>
<tr>
<td>HR Manager</td>
<td>3</td>
<td>Workstation</td>
<td></td>
</tr>
<tr>
<td>HR Desk</td>
<td>3</td>
<td>10-20-10</td>
<td>3</td>
</tr>
<tr>
<td>HR Desk</td>
<td>3</td>
<td>10-20-10</td>
<td>3</td>
</tr>
<tr>
<td>Payroll Workstation</td>
<td>2</td>
<td>Workstation</td>
<td></td>
</tr>
<tr>
<td>Payroll Workstation</td>
<td>2</td>
<td>Workstation</td>
<td></td>
</tr>
<tr>
<td>Public &amp; Board Areas</td>
<td>3,300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board Room</td>
<td>700</td>
<td>O-1 Office &amp; 700</td>
<td>O-1 Office &amp;</td>
</tr>
<tr>
<td>Conference Rooms</td>
<td>300</td>
<td>Conference Room</td>
<td>Conference Room</td>
</tr>
<tr>
<td>Kitchen &amp; Work Areas</td>
<td>20</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Reception Coat</td>
<td>10</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Great Room</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Entry</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Lobby</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Conference Rooms</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Conference Rooms</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Public Toilet Room</td>
<td>70</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Public Toilet Room</td>
<td>70</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Financial Services</td>
<td>3,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processor of Financial Office</td>
<td>150</td>
<td>10-20-10</td>
<td>150</td>
</tr>
<tr>
<td>Accounting Workstation</td>
<td>300</td>
<td>Office &amp; 300</td>
<td>Office &amp;</td>
</tr>
<tr>
<td>Accounting Workstation</td>
<td>300</td>
<td>Office &amp; 300</td>
<td>Office &amp;</td>
</tr>
<tr>
<td>Auditor Workstation</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Auditor Workstation</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Common Elements
- Needs Analysis
- Alternative Site Options
- Square Footage Analysis
- Parking Analysis
- Staffing Projections
- Strategic Long-Term Facilities Planning
- Cost Estimating
- Master Planning
- Conceptual Site Plans

The Driftmier Architects, P.S.
Covington Water District – Covington, WA

Covington Water District has a 23-acre site with five existing buildings, two stand-pipe reservoirs, several parking lots, yard areas, and three wetlands. We worked with the District on an analysis of their current buildings and an architectural program including space needs, facilities utilization and long range planning. Questionnaires and interviews included all staff members, and the resulting program and exhibits led to a Master Plan that addressed future needs over a 30 year timeframe.

The Master Plan was developed by The Driftmier Architects through the analysis of the District’s current and future needs, existing facilities, site challenges, opportunities and development of options for meeting the needs through a series of projects phased over the next 20 years. Designs were then created for the schematic floor plans of the future facilities to ensure spatial relationships would be met. Schematic designs were accompanied by workstation and office standard layouts developed from national standards for workspaces, the District's input and Driftmier’s experience. The Master Plan design enables the District to consolidate all of their employees onto one site and provide all the shop, operations, administration, vehicle and inventory space that the District will need over the next 30 years. Phase I of the construction is complete, which created crew space and remodeled the shop. Driftmier has completed four construction projects for the District since the Master Plan was completed.

**Project Data:**

Client: Covington Water District  
18631 SE 300th Place  
Covington, WA 98042

Contact: Thomas Keown, General Manager  
(253) 631-0565

Size: 23 acre site

Budget: $470,845 (includes subconsultants)

Actual Cost: $410,303 (includes subconsultants)

Project Management: Rick Driftmier, Principal-in-Charge  
Lee Driftmier, Project Manager

Firm’s Role: Prime Consultant leading all phases of the work

Deliverables: Program with Needs Statement  
Facilities Condition Assessment  
Site Option Identification and Selection  
Long-term Facilities Plan  
Cost Projections  
Square Footage Analysis  
Master Plan

Common Elements

- Needs Analysis
- Potential Site Options
- Square Footage Analysis
- Parking Analysis
- Staffing Projections
- Strategic Long-Term Facilities Planning
- Cost Estimating
- Master Planning
- Conceptual Site Plans
Snohomish County PUD No. 1 – Everett, WA

Snohomish County PUD No. 1’s satellite offices and operations centers are distributed throughout Snohomish County with service into parts of Skagit, King and Island counties. These facilities were located and built prior to the construction of I-5 and the development of a great deal of the neighborhoods and transportation corridors now in the service area.

The Driftmier Architects performed a Remote Office Relocation and Emergency Response Time Study which developed growth projections, taking the District from 330,000 current connections to over 470,000 connections in the next 25 years. It identified disaster response threats such as floods, earthquakes, etc., and established emergency response timelines and routing in both normal and disaster modes. At the same time, customer convenience was factored in. The study identified six general locations for potential service centers and then determined available sites, appropriate zoning, and development potential. The result was the selection of sites for development of new satellite facilities.

**OPS Security Office Remodel:** Preparing design, permit, bid and construction drawings, and permit submittal for the creation of a new Security Office in the Operations Center building used by security staff to monitor facilities throughout the District. The project includes new mechanical systems and connection to uninterrupted power supply.

**Department Management Office:** Design and preparation of permit, bid and construction drawings, and permit submittal for the creation of a private office in an open office area for department head.

---

**Project Data:**

- **Client:** Snohomish County PUD No. 1  
  P.O. Box 1107  
  Everett, WA 98206  
  Contact: D. Serkan Braun, Manager, Facilities Planning  
  (425) 783-8451  
- **Project Manager:** Rick Driftmier, *Principal and Project Manager*  
  Lee Driftmier, *Project Job Captain*  
- **Budget:** $41,382  
  **Actual Cost:** $31,198  
- **Firm’s Role:** Prime Consultant leading all phases the work  
- **Deliverables:** County Wide Population Growth Mapping  
  Emergency Response Mapping  
  Service Area Assessment and Boundary Adjustment for Optimization  
  Site Option Identification and Selection

**Common Elements**

- Needs Analysis
- Comparative Analysis of Differing Site Alternatives
- Identify and Select Sites
- Make Facility Recommendations
The Driftmier Architects undertook a complete needs assessment to determine future facility needs for the City of Fife. The current and future needs for each of the city’s nine departments were collected through Driftmier’s standard needs assessment and programming processes. Working closely with city staff and the City Manager, facility needs for the City of Fife in the year 2035 were projected.

Concurrently, a separate analysis of the city’s existing facilities, which include 15 separate buildings, was undertaken. Each building was analyzed and recommendations related to upgrade, remodel, demolition, and/or expansion were made. The report addressed the best use of each existing building, possible future uses, and what updates were necessary. Based on this information, cost projections for upgrading facilities as well as replacing the facilities were determined, and an overall budget for the facility needs for the city over the next 25 years was developed. The final report included a long term facilities plan with projected costs and a matrix to allow the City Council to decide which facilities would be replaced and which would be remodeled.

**Project Data:**

<table>
<thead>
<tr>
<th>Client:</th>
<th>City of Fife</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5411 23rd Street East</td>
</tr>
<tr>
<td></td>
<td>Fife, WA 98424</td>
</tr>
<tr>
<td>Contact:</td>
<td>Dave Zabell, Former City Manager</td>
</tr>
<tr>
<td></td>
<td><em>(Currently City Manager of Pasco)</em></td>
</tr>
<tr>
<td></td>
<td>(509) 545-3404</td>
</tr>
<tr>
<td>Size:</td>
<td>15 facilities ranging in size from</td>
</tr>
<tr>
<td></td>
<td>approximately 8,500 SF to 14,300 SF</td>
</tr>
<tr>
<td>Budget:</td>
<td>$40,800</td>
</tr>
<tr>
<td>Actual Cost:</td>
<td>$40,800</td>
</tr>
<tr>
<td>Project Management:</td>
<td>Rick Driftmier, Principal</td>
</tr>
<tr>
<td></td>
<td>Lee Driftmier, Project Manager</td>
</tr>
<tr>
<td>Cost Consultant:</td>
<td>The Woolsey Company</td>
</tr>
<tr>
<td>Firm’s Role:</td>
<td>Prime Consultant leading all phases of the work</td>
</tr>
<tr>
<td>Deliverables:</td>
<td>Program with Needs Statement</td>
</tr>
<tr>
<td></td>
<td>Facilities Condition Assessment</td>
</tr>
<tr>
<td></td>
<td>Site Option Identification and Selection</td>
</tr>
<tr>
<td></td>
<td>Long-Term Facilities Plan</td>
</tr>
<tr>
<td></td>
<td>Square Footage Analysis</td>
</tr>
<tr>
<td></td>
<td>Parking Analysis</td>
</tr>
<tr>
<td></td>
<td>Staffing Projections</td>
</tr>
<tr>
<td></td>
<td>Existing Facility Analysis</td>
</tr>
<tr>
<td></td>
<td>Strategic Long-Term Facilities Planning</td>
</tr>
<tr>
<td></td>
<td>Cost Estimating</td>
</tr>
<tr>
<td></td>
<td>Master Planning</td>
</tr>
<tr>
<td></td>
<td>Conceptual Site Plans</td>
</tr>
</tbody>
</table>

**Common Elements**

- Needs Analysis
- Potential Site Options
- Square Footage Analysis
- Parking Analysis
- Staffing Projections
- Existing Facility Analysis
- Strategic Long-Term Facilities Planning
- Cost Estimating
- Master Planning
- Conceptual Site Plans
Services included needs analysis for all county departments, inspection of all primary Cowlitz County facilities, review of facilities and staff assignment documents, and interviews with all 31 departments and offices. With this information, The Driftmier Architects projected staff growth and made recommendations for upgrading and replacing facilities so that the county will be able to meet the needs of its citizens and staff as it grows in the foreseeable future. The Architectural Program and Needs Analysis will be used to set CIP and funding goals for the county. Together with Meng Analysis, the team assessed the condition and made maintenance and repair recommendations for the County’s existing facilities.

Project Data:

Client: Cowlitz County
PO Box 3007
Longview, WA 98632

Contact: Dwight Herron, Project Coordinator
Facilities Maintenance Department
(360) 577-3714 Office
(360) 577-3199 Direct

Size: Over 20 structures on 14 sites

Budget: $42,794
Actual Cost: $41,202

Project Management: Rick Driftmier, Principal-in-Charge
Lee Driftmier, Project Manager

Common Elements: Needs analysis, facilities condition assessment, strategic long-term facilities planning

Firm’s Role: Subconsultant responsible for needs analysis and long term facilities planning

Deliverables: Program with Needs Statement
Facilities Condition Assessment
Long-term Facilities Plan
Square Foot Spreadsheets
Maintenance and Repair Recommendations
The process to develop a new headquarters facility for the Cedar River Water & Sewer District started with a needs analysis and architectural program, followed by the evaluation of numerous sites. After this exploration was complete, the District decided to extend their current site from three acres to ten acres by purchasing adjacent land. The program called for a new administration building, new vehicle storage facility, and conversion of the existing District office into inventory and shop spaces.

The Office Building was designed to accommodate the District’s administrative and public meeting functions as well as crew spaces. The upper floor includes a customer service counter, public meeting room and general District administration. The lower floor accommodates the offices and crew space, locker rooms, mud and drying room, and other spaces needed by the District’s field crews and managers. The Operations Building includes shop, small parts and inventory storage, freeze-protected parking for vactor trucks and other District vehicles and equipment, and rooms for tools, barricades, etc. The District’s vulnerability assessment dictated that the site be secured from terrorist attacks, so the drives are protected with crash gates and the buildings are protected by blast walls.

Construction on the project started with enhancement and mitigation of impacts to five separate wetlands, a stream and steep slopes. It continued with the construction of the new buildings followed by remodel of the existing building.

**Project Data:**
- **Client:** Cedar River Water & Sewer District
  
  18421 SE Petrovitsky Rd.
  
  Renton, WA 98058
  
- **Contact:** Mike Amburgey, General Manager
  
  (425) 255-6370
  
- **Size:** 10.2 acres, Admin Building 12,000 sf, Operations Building 7,400 sf
  
- **Budget:** $84,920
  
- **Actual Cost:** $75,749
  
- **Project Management:** Rick Driftmier, Principal-in-Charge
  
- **Firm’s Role:** Prime Consultant leading all phases of the work
  
- **Deliverables:** Program with Needs Statement
  
  Facilities Condition Assessment
  
  Site Option Identification and Selection
  
  Square Foot Spreadsheets
  
  Cost Projections
  
  Master Plan
  
  Conditional Use Permit

**Common Elements**

- Needs Analysis
- Alternative Site Options
- Square Footage Analysis
- Parking Analysis
- Staffing Projections
- Strategic Long-Term Facilities Planning
- Cost Estimating
- Master Plan
Lake Whatcom Water & Sewer District Headquarters – Bellingham, WA

The Lake Whatcom Water & Sewer District encompasses about 18 square miles and is currently built out to less than half of its capacity. To accommodate their rapid growth, the District hired The Driftmier Architects to help them analyze design needs and options with the desire for a large scale expansion to their headquarters facility. The initial study involved various space needs studies, site evaluations and feasibility comparisons. Cost scenarios for building on their current site, leasing space elsewhere and purchasing new land were also compared.

The process for redeveloping the site and building a new headquarters facility involved several meetings with the various stakeholders in order to meet the Lake Whatcom watershed requirements, receive building approval from Whatcom County and gain public support.

Several meetings were conducted with Whatcom County in order to develop a design that was environmentally sensitive and met the watershed requirements. For example, low impact development techniques such as rain gardens, storm-water reuse and green roofs were designed into the project to minimize the storm water impacts to the watershed. In addition, techniques such as extensive use of pervious pavement sections and the harvesting of water to reuse for truck washing were also incorporated. The District’s expansion design included three new buildings: a 12,000 SF office building, 7,700 SF operations and vehicle storage building, and a pump house/generator shed.

Project Data:
Client:  Lake Whatcom Water & Sewer District
1220 Lakeway Drive
Bellingham, WA 98229
Contact:  Bill Hunter, Assistant District Manager
(360) 734-9224
Size:  4.2 acres, Office Building 12,000 sf, Operations Building 7,700 sf
Budget:  $71,550
Actual Cost:  $71,550
Project Management:  Rick Driftmier, Principal-in-Charge
Lee Driftmier, Project Manager
Firm’s Role:  Prime Consultant leading all phases of the work
Deliverables:  Program with Needs Statement
Facilities Condition Assessment
Site Option Identification and Selection
Long-term Facilities Plan
Master Plan
Cost Projections
Conditional Use Permit

Common Elements

- Needs Analysis
- Potential Site Options
- Square Footage Analysis
- Parking Analysis
- Staffing Projections
- Strategic Long-Term Facilities Planning
- Cost Estimating
- Master Planning
Master Plan Examples
Agenda Item #8

[Diagram of Highline Water District Master Plan with numbered points and images]

1. [Image 1]
2. [Image 2]
3. [Image 3]
4. [Image 4]
PERSONNEL EXPERIENCE

To best suit the needs of Skagit PUD, we propose the following team of professionals. This team brings vast experience in similar projects, has proven to work well together and is qualified to meet the requirements of this project.

Lee Driftmier will lead the overall project with special emphasis on needs analysis. As Project Manager, Mike Winnick will be involved in all phases of the study, but will be most visible in site evaluations and concept design work. Arnold Morrison, along with the remaining Driftmier staff, will provide documentation, analysis and a variety of support functions. Rick Driftmier will participate in all phases of the project lending his extensive experience to the process. He will lead our quality assurance process and provide review of the recommendations.

The Woolsey Company specializes in construction cost estimates and life cycle costs. They will provide preliminary cost comparisons for master plan options on the current site and potential acquisitions. They have successfully completed more than 15 projects with The Driftmier Architects.
Lee Driftmier, AIA | Principal
9 Years Experience | 9 Years with The Driftmier Architects

Role: Principal-in-Charge/Project Architect
Education: BS, Ecology and Evolutionary Biology, Yale University
Registrations: Registered Architect in Washington and Idaho

Lee has been working in the firm since the age of 14, and started working full time in 2008. Mr. Driftmier’s natural communication skills and project organization capabilities have led to numerous repeat clients in the public sector. Since 2009, Mr. Driftmier has been responsible for the design of all of the firm’s public projects. In 2015, he was named a principal in the firm.

Lee has been responsible for the programming, design, permitting, bidding and construction administration of a variety of new and remodeled facilities. Mr. Driftmier is very accustomed to presenting to both boards and public audiences. He is currently the principal in charge for the analysis, master planning and design of projects for King County Water District #49, Lakehaven Water and Sewer District, and City of Mill Creek Public Works.

Relevant Experience:

- Lakehaven Water & Sewer District; Federal Way, WA – Performed needs analysis, programming, building and site analysis, development options and selection, alternative comparison and master planning.
- Cowlitz County; Cowlitz County, WA – County-wide Facilities Conditions Assessment, Needs Analysis and Facilities Recommendations for all 31 County Departments.
- City of Fife; Fife, WA – Conducted a Facility Analysis and Needs Assessment for over 15 city-owned facilities resulting in a comprehensive City Facility Plan, including budgeting for the needed upgrades and/or new facilities.
- King County Water District #49; Burien, WA – Performed Feasibility Study and design for expansion.
- Lake Whatcom Water and Sewer District; Bellingham, WA – Designed a complete remodel of the District’s Operations Center.
- North City Water District; Shoreline, WA – Space needs analysis, existing conditions analysis, programming and design of the District’s complete remodel and expansion of their administrative office facility.
- Lake Whatcom Water and Sewer District; Bellingham, WA – Designed a remodel to convert a former fast food restaurant into the District’s new administration facility.
- Mill Creek Public Works Maintenance Shop; Mill Creek, WA – Conducted a needs assessment and design of new ground up city shop and service yard.
- Covington Water District; Covington, WA – Facility Needs Analysis and Master Plan for 23-acre site with new and remodel facilities.
Rick Driftmier, AIA | Principal
40 Years Experience | 37 Years with The Driftmier Architects

**Role:** Principal /Project Architect  
**Education:** 
- BA, Environmental Design, University of Washington  
- BA, Business Administration, University of Washington  
**Registrations:**  
- Registered Architect in Washington, Alaska, Oregon, Hawaii and Idaho  
- NCARB (Nationally Certified Architect)  
**Prof. Affiliations:** American Institute of Architects

As a practicing architect, Mr. Driftmier has more than 40 years of experience covering all major areas of architectural design and construction. The wide variety of experience offered by this work helped create the broad base from which he now draws his expertise. In 1980, he founded The Driftmier Architects which is now an established regional full service architectural and planning firm.

Mr. Driftmier has been responsible for the design of more than 70 projects for special use utility districts, municipalities and counties in the state of Washington. He is especially skilled in obtaining specialized approvals such as Conditional Use Permits, Shoreline Substantial Development Permits, Historic & Architectural Review Board approvals, and other similar entitlements.

**Relevant Experience:**

- **Clallam County PUD; Clallam County, WA** – Conducted an Existing Facility Site Analysis and a Comprehensive Organizational and Facilities Study. Technical analysis for each of the 14 PUD-owned facilities determined buildings to be saved, remodeled or surplussed.
- **Snohomish County PUD No. 1; Everett, WA** – Remote Office Relocation and Emergency Response Time Study.
- **Cedar River Water and Sewer District; Renton, WA** – Development of new headquarters facility including an administration building and vehicle maintenance facility.
- **Clallam County PUD Facility and Operations, Clallam County, WA** – Analysis and Design of New Central Warehouse.
- **Cowlitz County; Cowlitz County, WA** – County-wide Facilities Conditions Assessment, Needs Analysis and Facilities Recommendations for all 31 County Departments.
- **Alderwood Water and Wastewater District; Lynnwood WA** – Conducted space needs and utilization study
- **City of Sultan; Sultan, WA** – Performed a Facilities Condition Assessment to determine current conditions and a plan for scheduled maintenance.
- **City of Kirkland; Kirkland, WA** – Conducted a Utilization Study, Master Plan and Capital Improvement Plan for the city’s Maintenance Service Center.
- **City of Fife; Fife, WA** – Conducted a Facility Analysis and Needs Assessment for over 15 city-owned facilities resulting in a City Facility Plan.
- **Lake Whatcom Water & Sewer District; Bellingham, WA** – Design for remodel of 35-year-old shop building into a modern operations center.
- **City of Marysville; Marysville, WA** – Remodel/Expansion of 12,000 SF public works office building.
Michael Winnick, AIA, LEED AP® | Project Architect
19 Years Experience | 2 Years with The Driftmier Architects

Role: Project Manager
Education: Bachelor of Architecture, Syracuse University
Registrations: Registered Architect in State of Washington
Prof. Affiliations: American Institute of Architects

For over 17 years, Mr. Winnick has led and participated in teams that brought clients and stakeholders together to make their ideas of a place into a cohesive reality. As a project leader Michael sets high expectations for himself and the team, working to achieve goals through open communication and clear direction. He strives to gain the confidence of clients though an organized and well planned project that meets their design and business goals.

Relevant Experience:
- Lakehaven Water and Sewer District; Federal Way, WA – Performed needs analysis, programming, building and site analysis, development options and selection, alternative comparison and master planning.
- Snohomish County PUD No. 1 OPS Security Office; Everett, WA – Design, permit, bid and construction drawings, and permit submittal for the creation of a new district wide Security Office in the Operations Center building.
- Mill Creek Public Works Maintenance Shop; Mill Creek, WA – Conducted a needs assessment and design of new ground up city shop and service yard.
- Inspirus Credit Union; Lynnwood, WA– Designed build out of client’s facility with space dedicated for lease.
- Apple Stores; Beijing & Shanghai – Project Manager
- The Bravern; Bellevue, WA – Project Architect
- 2701 Eastlake Mixed Use Building; Seattle, WA – Project Architect
- King Abdullah Financial District Mixed Use Towers; Riyadh – Project Architect

Arnold Morrison | Job Captain
10 Years Experience | 4 Years with The Driftmier Architects

Role: Job Captain/Architectural Staff
Education: BS, Architecture Studies, Washington State University
Registrations: Washington Architect Registration Pending
Prof. Affiliations: American Institute of Architects, Associate Member
City of Everett Historic Commission

Arnold Morrison has achieved excellent practical experience in a variety of projects and has been involved in all areas of architectural projects from support staff to job captain and project manager. He has been involved from site analysis and conceptual design through bidding and construction contract administration. He has a strong design sense and can also quickly organize the drawings and documents necessary for permitting, bidding and construction. His career includes experience with FEMA requirements and approvals. Mr. Morrison’s experience working with a wide range of projects has helped him develop a broad range of skills and a calm, efficient approach.
Related Experience:

- Mill Creek Public Works Maintenance Shop; Mill Creek, WA – Conducted a needs assessment and design of new ground up city shop and service yard.
- Lakehaven Water and Sewer District; Federal Way, WA – Designed remodel of lobby and front counter for security.
- King County Water District #49; Burien, WA – Performed Feasibility Study and design for expansion
- Wenatchee Valley Federal Credit Union – Design of 5,200 SF branch in East Wenatchee.
- GRANCO Federal Credit Union – Design of remodel and expansion of Ephrata branch with FEMA flood protection considerations.
- GRANCO Federal Credit Union – Design of new Moses Lake branch with FEMA flood protection considerations.
- Columbia Bank – Analysis and remodel of 10,000 SF administrative center.


Matthew Woolsey | Cost Estimator

Role: Principal / Cost Estimator

Matthew has over 15 years of experience in various trades within the construction industry. While serving in the United States Coast Guard, Matthew worked as a Machinery Technician specializing in heating and cooling systems. After his military service Matthew worked with a mechanical contractor, gaining valuable hands-on experience with both plumbing and HVAC systems.


Relevant Experience with The Driftmier Architects:

- Lakehaven Water and Sewer District Master Plan: New Construction, Remodel & Additions, Estimate: $16,226,000
- Mill Creek Public Works Maintenance Shop/Facilities: 4,200 SF New Construction, Estimate: $1,408,000
- King County Water District #49 Feasibility Study for Expansion: 1,200 SF Remodel, Estimate: $355,000
- Lake Whatcom Water & Sewer District Office: 3,476 SF Remodel/Addition, Estimate: $843,230
- More than 15 other similar projects

Other Relevant Experience:

- Skagit Valley College, Whidbey: 38,700 SF Remodel, Estimate: $4,988,406
- Harbor Center Port Offices: Remodel, Estimate: $1,064,053
- Stillaguamish Natural Resources Building: 13,000 SF New Construction, Estimate: $5,821,000
PROJECT APPROACH AND SCHEDULE

The Driftmier team approach would be much like we have performed for many similar, successful projects. We have developed a simple, direct approach that frontloads the information gathering and keeps the client engaged throughout the process. We pride ourselves in open communication. You and your staff would be continually informed of progress and involved with all decisions. Our team will compile the data and prepare reviewable documents. District reviews will ensure accuracy and help to shape the recommendations. Upon review with the District at the onset of the project, our team would work with you to outline the tasks and process needed to optimize information gathering and development of the project. While our process is flexible and open to adjustments to meet your needs, we would expect it will include the tasks and prepare the deliverables listed below. The schedule for this scope of work is attached.

PROJECT APPROACH

Task 1 - Needs Analysis
1. Meet with District management to discuss their goals and any anticipated recommendations.
2. Tour the facilities and observe District operations.
3. Receive District organizational charts, list of vehicles and equipment, existing drawings of facilities, copies of previous studies, maintenance reports, etc.
4. Distribute questionnaires to all staff and commissioners. While management will have a slightly different version, getting feedback from all employees can provide valuable information while making everyone feel like they have a stake in the future.
5. Review District, city and county growth projections and explore how population growth will impact District staffing and facilities.
6. Interview separate departments to clarify information in questionnaires and to understand the reasoning behind answers. These interviews can include just management positions or all employees.
7. Draft a Needs Analysis Report that provides an in-depth analysis for each department over the next 30 years.
8. Create matrices that illustrate the spatial relationship needed between different departments and facilities.
9. Create a Workstation Inventory that lists all current and future staff positions, and all unoccupied workstations. This spreadsheet will include number of employees and workstations projected in 5 to 10 years and also the 30 year horizon.
10. From existing spaces and national benchmarking standards, work with the District to develop standard layouts and square footages for offices and workstations.
11. From the existing floor plans, determine the square footages for current spaces.
12. Create a Program Area Requirements spreadsheet. This breaks down the square footages of each room/area/workstation/parking and storage in the existing facilities and sites. From the Needs Analysis Report and Workstation Inventory, add the square footages required for the future facilities in 5 to 10 years and also in 30 years.
14. Present to the Board of Commissioners.

Task 2 - Identification of Potential Options
15. Document the zoning requirements and flood plain limitations for the existing site.
16. Prepare potential site plan options for the current site. Options will include a combination of remodels, expansions and new facilities.
17. Work with a local real estate agent to identify potential building and/or land acquisitions.
18. As viable alternative sites/buildings are identified complete a comprehensive assessment of the site/space together with thorough investigation of pertinent codes and regulations.

19. From the viable acquisition options, develop potential site plans.

20. Outline constructability, schedule considerations and LEED opportunities for the options.

21. Revise the options once the District has reviewed.

22. Create cost estimates for the current site options and the acquisition options. Include Life cycle cost analysis and value engineering opportunities.

23. Review the cost estimates with the District and make any necessary changes.

24. Present to the Board of Commissioners.

**Task 3 - Development of a Master Plan and Final Concept**

25. Refine the selected option site plan and develop the master plan option.

26. Prepare a document that outlines how the selected plan best meets the long term needs of the District. This will outline project phasing and anticipated costs.

27. Send final draft of all documents to the District for review and make revisions.

28. Present to the Board of Commissioners.

29. Receive feedback from the Board and make revisions as necessary.

30. Finalize report and submit to the District.

**DELIVERABLES**

- Task 1
  - Needs Analysis Report
  - Relationship Matrices
  - Workstation Inventory
  - Workstation Standards
  - Program Area Requirements (Square Footage Analysis)
  - Presentation to the Board

- Task 2
  - Potential Site Plan Options for Current Site
  - Potential Site Plan Options for Acquired sites
  - Written Analysis of Current and Potential Sites
  - Cost Estimates
  - Presentation to the Board

- Task 3
  - Final Master Plan
  - Written Recommendation
  - Presentation to the Board
  - Final Bound Report

**ADDITIONAL SCOPE OF WORK SUGGESTIONS**

1. Schematic Designs
   - From the selected master plan option, develop schematic designs that detail the interior floor plans for the proposed buildings.

**INNOVATIVE SUGGESTIONS (not in Scope)**

1. Through demographic analysis project District wide population growth to anticipate PUD required expansion over the next 30 years. Compare to growth projections in District’s comprehensive plan.
2. Evaluate work travel times and employee commutes. This information can provide critical information to help in determining a new facility location or remote equipment storage. Adjusting facility locations for Clallam County PUD #1 resulted in a $65,000/year savings in inter-facility travel time costs alone.

3. District wide emergency response time analysis. If a new site is considered, what would the impact to response times be? Through our mapping program, the District will be able to evaluate how a location change will impact the emergency response time for staff and equipment to all corners of your service area.

4. To aid in identifying needs and desirable solutions, tour other similar PUD or water district facilities.

5. ADA Compliance review of all retained facilities and any potential purchased buildings.

6. Vulnerability Assessment review in relation to facility upgrades and design.

INNOVATIVE SUGGESTIONS (already in Scope)

1. To facilitate area calculations, use benchmark information from other districts and government agencies to determine the design size of different office and workstation types as appropriate for Skagit PUD.

2. In identifying potential alternative sites and existing available buildings, develop a “shopping list of what the District needs in a new site or facility and engage a local real estate professional to aid in the site search.

PROJECT MANAGEMENT & COMMUNICATION

Developing and managing a realistic plan is essential to a successful project. The first step in the design process is to ‘plan the plan’. We work with each client to develop a step-by-step approach to design, communications and scheduling that will sequentially lead to a successful solution. At each project phase, we coordinate with the client’s oversight group and the design team for the relevant portion of their work. The Driftmier Architects and the consultant team have processes in place and experience in managing each of these key elements that help to bring the client’s vision for their project to life.

Specific elements of a realistic plan include:

- Careful listening to needs and parameters at the programming stage.
- Clear communication and a decision-making process involving the client and the consultant team.
- Design solutions that integrate overall goals and provide for the needs of each stakeholder.
- Open and responsive public input processes with stakeholders.
- Effective quality control process.
- Continuous cost and value management.

The success of a project relies on communication. Skagit PUD will be continually updated about the project’s status through meetings, phone calls and emails. While a number of people will be involved in the communication process, a single point will be established for both parties. Lee Driftmier will be the point of contact for Driftmier and all communications will pass through him. Likewise, a single person will be designated by the District.
**Skagit PUD**

**Proposed Schedule**

<table>
<thead>
<tr>
<th>ID</th>
<th>Task Name</th>
<th>Duration</th>
<th>Start</th>
<th>Finish</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FUTURE NEEDS STUDY</td>
<td>117 days</td>
<td>Tue 8/1/17</td>
<td>Wed 1/10/18</td>
</tr>
<tr>
<td>2</td>
<td>CONTRACT</td>
<td>9 days</td>
<td>Tue 8/1/17</td>
<td>Fri 8/11/17</td>
</tr>
<tr>
<td>3</td>
<td>Interview</td>
<td>3 days</td>
<td>Fri 8/4/17</td>
<td>Thu 8/10/17</td>
</tr>
<tr>
<td>4</td>
<td>Scoping Meeting &amp; Contract Negotiation</td>
<td>5 days</td>
<td>Fri 8/4/17</td>
<td>Thu 8/10/17</td>
</tr>
<tr>
<td>5</td>
<td>Contract Signed</td>
<td>1 day</td>
<td>Fri 8/11/17</td>
<td>Fri 8/11/17</td>
</tr>
<tr>
<td>6</td>
<td>TASK 1 - NEEDS ANALYSIS</td>
<td>42 days</td>
<td>Mon 8/14/17</td>
<td>Tue 10/10/17</td>
</tr>
<tr>
<td>7</td>
<td>Item 1 Programming Meeting</td>
<td>3 days</td>
<td>Mon 8/14/17</td>
<td>Wed 8/16/17</td>
</tr>
<tr>
<td>8</td>
<td>Item 2 Observe District Operations</td>
<td>3 days</td>
<td>Mon 8/14/17</td>
<td>Wed 8/16/17</td>
</tr>
<tr>
<td>9</td>
<td>Item 3 Review District Data</td>
<td>10 days</td>
<td>Thu 8/17/17</td>
<td>Wed 8/24/17</td>
</tr>
<tr>
<td>10</td>
<td>Item 4 Distribute &amp; Return Questionnaires</td>
<td>10 days</td>
<td>Thu 8/17/17</td>
<td>Wed 8/30/17</td>
</tr>
<tr>
<td>11</td>
<td>Item 5 Review Growth Projections</td>
<td>10 days</td>
<td>Thu 8/17/17</td>
<td>Wed 8/30/17</td>
</tr>
<tr>
<td>12</td>
<td>Item 6 District Staff Interviews</td>
<td>4 days</td>
<td>Thu 8/31/17</td>
<td>Tue 9/5/17</td>
</tr>
<tr>
<td>13</td>
<td>Item 7 Draft Written Program</td>
<td>10 days</td>
<td>Wed 9/6/17</td>
<td>Tue 9/19/17</td>
</tr>
<tr>
<td>14</td>
<td>Item 8-12 Draft Exhibit: Adjacency Matrix, Workstation Inventory, Workstation Standards, Program Area Requirements</td>
<td>10 days</td>
<td>Wed 9/6/17</td>
<td>Tue 9/19/17</td>
</tr>
<tr>
<td>15</td>
<td>Item 13 Review and Revise</td>
<td>10 days</td>
<td>Wed 9/20/17</td>
<td>Tue 10/3/17</td>
</tr>
<tr>
<td>16</td>
<td>Item 14 Board Presentation</td>
<td>5 days</td>
<td>Wed 10/4/17</td>
<td>Tue 10/10/17</td>
</tr>
<tr>
<td>17</td>
<td>TASK 2 - IDENTIFICATION OF POTENTIAL OPTIONS</td>
<td>45 days</td>
<td>Wed 10/11/17</td>
<td>Tue 12/12/17</td>
</tr>
<tr>
<td>18</td>
<td>Item 15 Zoning and Flood Plain Research</td>
<td>25 days</td>
<td>Wed 10/11/17</td>
<td>Tue 11/14/17</td>
</tr>
<tr>
<td>19</td>
<td>Item 16 Current Site Plan Options</td>
<td>25 days</td>
<td>Wed 10/11/17</td>
<td>Tue 11/14/17</td>
</tr>
<tr>
<td>20</td>
<td>Item 17 Identify Potential Acquisitions</td>
<td>25 days</td>
<td>Wed 10/11/17</td>
<td>Tue 11/14/17</td>
</tr>
<tr>
<td>21</td>
<td>Item 18 Investigate Potential Acquisitions</td>
<td>25 days</td>
<td>Wed 10/11/17</td>
<td>Tue 11/14/17</td>
</tr>
<tr>
<td>22</td>
<td>Item 19 Acquired Site Plan Options</td>
<td>25 days</td>
<td>Wed 10/11/17</td>
<td>Tue 11/14/17</td>
</tr>
<tr>
<td>23</td>
<td>Item 20 Outline Constructibility, Schedule and LEED Opportunities</td>
<td>25 days</td>
<td>Wed 10/11/17</td>
<td>Tue 11/14/17</td>
</tr>
<tr>
<td>24</td>
<td>Item 21 Review and Revise Options</td>
<td>5 days</td>
<td>Wed 11/15/17</td>
<td>Tue 11/21/17</td>
</tr>
<tr>
<td>25</td>
<td>Item 22 Create Cost Estimates</td>
<td>5 days</td>
<td>Wed 11/22/17</td>
<td>Tue 11/28/17</td>
</tr>
<tr>
<td>26</td>
<td>Item 23 Review and Revise</td>
<td>5 days</td>
<td>Wed 11/26/17</td>
<td>Tue 12/3/17</td>
</tr>
<tr>
<td>27</td>
<td>Item 24 Board Presentation</td>
<td>5 days</td>
<td>Wed 12/10/17</td>
<td>Tue 12/17/17</td>
</tr>
<tr>
<td>28</td>
<td>TASK 3 - DEVELOPMENT OF A MASTER PLAN AND FINAL CONCEPT</td>
<td>21 days</td>
<td>Wed 12/13/17</td>
<td>Wed 1/10/18</td>
</tr>
<tr>
<td>29</td>
<td>Item 25 Refine Selected Master Plan</td>
<td>10 days</td>
<td>Wed 12/13/17</td>
<td>Tue 12/20/17</td>
</tr>
<tr>
<td>30</td>
<td>Item 26 Prepare Final Document</td>
<td>5 days</td>
<td>Wed 12/13/17</td>
<td>Tue 12/20/17</td>
</tr>
<tr>
<td>31</td>
<td>Item 27 Review and Revise</td>
<td>5 days</td>
<td>Wed 12/20/17</td>
<td>Tue 12/27/17</td>
</tr>
<tr>
<td>32</td>
<td>Item 28 Board Presentation</td>
<td>5 days</td>
<td>Wed 12/27/17</td>
<td>Tue 1/3/18</td>
</tr>
<tr>
<td>33</td>
<td>Item 29 Make Revisions</td>
<td>5 days</td>
<td>Wed 1/3/18</td>
<td>Tue 1/10/18</td>
</tr>
<tr>
<td>34</td>
<td>Item 30 Finalize Report</td>
<td>1 day</td>
<td>Wed 1/10/18</td>
<td>Wed 1/10/18</td>
</tr>
</tbody>
</table>
PROPOSAL SIGNATURE PAGE

Name of Corporation
The Driftmier Architects, P.S.

Mailing Address
7983 Leary Way NE

City/State/Zip Code
Redmond, WA 98052

Receipt is hereby acknowledged of addendum(s) No(s). 1, 2, and 3

Individual designated as the point of contact for any questions or concerns related to evaluation of this proposal:

Name of Representative
Lee Driftmier

Telephone
425-881-7506

Email
lee@driftmier.com

Federal Employee Tax Identification Number
91-1309794

Person authorized to bind corporation to the Terms and Conditions of this response:

Authorized Person
Lee Driftmier

Title
President

Telephone
425-881-7506

Email
lee@driftmier.com

Authorized Signature

PUD No. 1 of Skagit County – RFQ for Architectural Services  Page 7 of 17
### Proposed Schedule

<table>
<thead>
<tr>
<th>Task Name</th>
<th>Duration</th>
<th>Start</th>
<th>Finish</th>
<th>Predecessors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NEEDS ANALYSIS AND MASTER PLANNING</strong></td>
<td>176 days</td>
<td>Tue 9/12/17</td>
<td>Tue 5/15/18</td>
<td></td>
</tr>
<tr>
<td><strong>CONTRACT</strong></td>
<td>4 days</td>
<td>Tue 9/12/17</td>
<td>Fri 9/15/17</td>
<td></td>
</tr>
<tr>
<td><strong>Project Approval</strong></td>
<td>1 day</td>
<td>Tue 9/12/17</td>
<td>Tue 9/12/17</td>
<td></td>
</tr>
<tr>
<td><strong>Contract Signed</strong></td>
<td>3 days</td>
<td>Wed 9/13/17</td>
<td>Fri 9/15/17</td>
<td></td>
</tr>
<tr>
<td><strong>TASK I - NEEDS ANALYSIS</strong></td>
<td>42 days</td>
<td>Mon 9/18/17</td>
<td>Tue 11/14/17</td>
<td></td>
</tr>
<tr>
<td>Items 1-3 Initial Meeting, Sustainability &amp; Observe</td>
<td>3 days</td>
<td>Mon 9/18/17</td>
<td>Wed 9/20/17</td>
<td></td>
</tr>
<tr>
<td>Items 4-5 Review District Data &amp; Reports</td>
<td>3 days</td>
<td>Thu 9/21/17</td>
<td>Mon 9/25/17</td>
<td></td>
</tr>
<tr>
<td>Item 6 District Staff Meetings</td>
<td>3 days</td>
<td>Tue 9/26/17</td>
<td>Thu 9/28/17</td>
<td></td>
</tr>
<tr>
<td>Item 7 Questionnaires</td>
<td>5 days</td>
<td>Fri 9/29/17</td>
<td>Thu 10/5/17</td>
<td></td>
</tr>
<tr>
<td>Item 8 Draft Written Program</td>
<td>8 days</td>
<td>Fri 10/6/17</td>
<td>Tue 10/17/17</td>
<td></td>
</tr>
<tr>
<td><strong>TASK II - IDENTIFICATION OF POTENTIAL OPTIONS</strong></td>
<td>8 days</td>
<td>Wed 10/18/17</td>
<td>Fri 10/27/17</td>
<td></td>
</tr>
<tr>
<td>Items 10-13 Draft Exhibits: Adjacency Matrix, Workstation Inventory, Workstation Standards, Program Area Requirements</td>
<td>7 days</td>
<td>Thu 10/18/17</td>
<td>Thu 10/26/17</td>
<td></td>
</tr>
<tr>
<td>Item 14 Review and Revise Exhibits</td>
<td>8 days</td>
<td>Fri 10/27/17</td>
<td>Tue 11/7/17</td>
<td></td>
</tr>
<tr>
<td>Item 15 Board Presentation</td>
<td>5 days</td>
<td>Wed 11/8/17</td>
<td>Tue 11/14/17</td>
<td></td>
</tr>
<tr>
<td><strong>TASK III - DEVELOPMENT OF A MASTER PLAN AND FINAL CONCEPT</strong></td>
<td>45 days</td>
<td>Wed 1/10/18</td>
<td>Tue 3/13/18</td>
<td></td>
</tr>
<tr>
<td>Item 24 Master Planning</td>
<td>10 days</td>
<td>Wed 1/10/18</td>
<td>Tue 1/23/18</td>
<td></td>
</tr>
<tr>
<td>Item 25 Update Cost Estimate</td>
<td>5 days</td>
<td>Wed 1/24/18</td>
<td>Tue 1/30/18</td>
<td></td>
</tr>
<tr>
<td>Item 26 Review and Revise</td>
<td>5 days</td>
<td>Wed 1/31/18</td>
<td>Tue 2/6/18</td>
<td></td>
</tr>
<tr>
<td>Item 27 Presentation</td>
<td>5 days</td>
<td>Wed 2/7/18</td>
<td>Tue 2/13/18</td>
<td></td>
</tr>
<tr>
<td>Item 28 Final Master Plan Option</td>
<td>5 days</td>
<td>Wed 2/14/18</td>
<td>Tue 2/20/18</td>
<td></td>
</tr>
<tr>
<td>Item 29 Update Cost Estimate</td>
<td>5 days</td>
<td>Wed 2/21/18</td>
<td>Tue 2/27/18</td>
<td></td>
</tr>
<tr>
<td>Item 30 Review and Revise</td>
<td>5 days</td>
<td>Wed 2/28/18</td>
<td>Tue 3/6/18</td>
<td></td>
</tr>
<tr>
<td>Item 31 Presentation</td>
<td>5 days</td>
<td>Wed 3/7/18</td>
<td>Tue 3/13/18</td>
<td></td>
</tr>
<tr>
<td><strong>TASK IV - CONCEPT DESIGN AND FLOOR PLANS (OPTIONAL)</strong></td>
<td>45 days</td>
<td>Wed 3/14/18</td>
<td>Tue 5/15/18</td>
<td></td>
</tr>
<tr>
<td>Items 32-33 Develop Floor Plans and Ext. Design</td>
<td>20 days</td>
<td>Wed 3/14/18</td>
<td>Tue 4/10/18</td>
<td></td>
</tr>
<tr>
<td>Item 34 Update Cost Estimate</td>
<td>5 days</td>
<td>Wed 4/11/18</td>
<td>Tue 4/17/18</td>
<td></td>
</tr>
<tr>
<td>Item 35 Review and Revise</td>
<td>10 days</td>
<td>Wed 4/18/18</td>
<td>Tue 5/18/18</td>
<td></td>
</tr>
<tr>
<td>Item 36 Presentation</td>
<td>5 days</td>
<td>Wed 5/2/18</td>
<td>Tue 5/8/18</td>
<td></td>
</tr>
<tr>
<td>Item 37 Provide Final Report</td>
<td>5 days</td>
<td>Wed 5/8/18</td>
<td>Tue 5/15/18</td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>DESCRIPTION</td>
<td>TOTAL Hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>-------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TASK II, (3) SITES, SD ESTIMATE, UNIT COST &amp; ROM DETAIL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Scope Review &amp;/Or Meetings</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Scope and Itemize Project</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Price Out Project, Unit Cost &amp; ROM</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Review, Revise, Refine</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hours</strong></td>
<td><strong>12</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Estimating Services Fee</strong></td>
<td><strong>$1,200</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TASK IIIa, (3) LAYOUTS, SD ESTIMATE, UNIT COST &amp; ROM DETAIL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Scope Review &amp;/Or Meetings</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Scope and Itemize Project</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Price Out Project, Unit Cost Detail</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Review, Revise, Refine</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hours</strong></td>
<td><strong>12</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Estimating Services Fee</strong></td>
<td><strong>$1,200</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TASK IIIb, FINAL SITE &amp; LAYOUT, SD ESTIMATE, UNIT COST &amp; ROM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Scope Review &amp;/Or Meetings</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Scope and Itemize Project</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Price Out Project, Unit Cost Detail</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Review, Revise, Refine</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hours</strong></td>
<td><strong>18</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Estimating Services Fee</strong></td>
<td><strong>$1,800</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TASK IV, FINAL SITE &amp; LAYOUT, UPDATE ONLY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Scope Review &amp;/Or Meetings</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Update Scope</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Update Pricing</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Review, Revise, Refine</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hours</strong></td>
<td><strong>8</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Estimating Services Fee</strong></td>
<td><strong>$800</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This scope of work will help determine the District’s needs over the next 5 to 30 years and plan for future facilities. This work will be separated into three/four tasks. The first task includes District needs analysis and documentation of the space required to accommodate the identified District needs. The second task includes exploring site relocation options. The third task includes master planning the selected site. The optional fourth task includes developing floor plans and exterior views of the proposed facilities.

**TASK I - NEEDS ANALYSIS**

1. **Initial Meeting**
   - Meet with the District team to verify requirements and determine functional relationships, procedures, contact points, paper flow, budget requirements and project schedule. Review the draft questionnaires.

2. **Sustainability**
   - Develop broad sustainability goals for District office and operations facilities.

3. **Observe District Operation**
   - Following the meeting, tour the main site to observe District staff, working conditions, tasks, and procedures.

4. **District Data**
   - Review data related to operations, policies, and procedures of the District. This would include the District’s current Capital Improvement Plan and Comprehensive Plan, as well as business plans, existing space allocation information, organizational charts, job descriptions, vulnerability assessment, etc., as available.

5. **Previous Reports**
   - Review previous reports commissioned by the District to evaluate their existing facilities.

6. **District Staff Meetings and Interviews**
   - Meet with District departments in brief meetings to discuss the process of Needs Analysis and the expectations for the questionnaires. Afterwards, we will interview department heads to discuss general programming for their departments.

7. **Questionnaires**
   - Prepare, for District distribution, questionnaires related to commissioners, managers, supervisors and employees. Receive these back from the District and compile information.

8. **Draft Written Program**
   - From the information gained in items 1 - 7, develop a written Architectural Program which outlines our understanding of the needs and design requirements of the District.
9. **Review and Revise Program**  
   Provide draft Architectural Program to District team to review. Determine whether the program adequately responds to requirements of the District for the next 30 years. Make revisions as necessary.

10. **Workstation Inventory**  
    Develop a workstation inventory for move-in and the 30 year outlook.

11. **Adjacency Matrix**  
    From the questionnaires, create an Adjacency Matrix to illustrate the relationships of different departments and spaces.

12. **Workstation Standards**  
    Develop standard sizes for offices and workstations.

13. **Program Area Calculations**  
    From existing documents, draft the existing floor plans and calculate areas of existing spaces. Calculate program area requirements for District needs as included in the Architectural Program identifying the square footage needed for each department/office/shared space/parking.

14. **Review & Revise Exhibits**  
    Provide exhibits to District for review and meet with District to discuss. Update the program and exhibits as required.

15. **Report to Board**  
    Present the project at a regularly scheduled Board meeting. Make updates as requested by the Board.

Deliverables: Final Architectural Program, Adjacency Matrix, Workstation Inventory, Workstation Standards, Program Area Requirements.

**TASK II - IDENTIFICATION OF POTENTIAL OPTIONS**

16. **FEMA Research**  
    Review documents from the cities, county and District related to the flood plain and requirements for construction within the flood plain. Become familiar with the extent of the current flood plain.

17. **Zoning Code Research**  
    Research zoning codes in target jurisdictions to determine potential locations for a new facility.

18. **Identify Options**  
    Identify and evaluate options for building new facilities on the existing site or relocating the District. Solutions could include rent/lease, purchase, remodel, build new, or a combination. Report will include schedule considerations and LEED opportunities.

19. **Identify Available Real Estate**  
    Create a property requirements list that outlines target site area, paved area for parking and yards, sizes of buildings and zoning/flood plain requirements. Coordinate with District’s real estate consultant to identify appropriate available land or buildings that might accommodate
District needs. Review properties sent by real estate agent and analyze up to 6 potential locations.

20. **Travel Time**

   From a list of District connection addresses, map the travel time it takes from the District facility to all connections. This will also be performed and compared to travel times from up to 2 new locations.

21. **Rough Cost of Options**

   When appropriate options are identified, we will create rough site layouts and calculate the general project cost for remaining on the existing site and up to 2 new locations. Determine what the cost to the District would be from initial cost through remodel, expansion or construction completion. Cost will consider constructability, life cycle costs, options for value engineering and District costs due to changes in travel time.

22. **Review & Revise**

   Meet to review the information with the District team and make revisions as necessary.

23. **Presentation**

   Present the Potential Options report and findings to the Board and ask that one site be selected.


**PHASE III - DEVELOPMENT OF A MASTER PLAN AND FINAL CONCEPT**

24. **Master Planning**

   Initiate preliminary master planning for one selected site outlining how that solution would address the District’s needs over the next 30 years and beyond. Develop 3 options for the master plan.

25. **Update Cost Estimate**

   Update the initial cost estimate for the selected site to account for the Master Plan options.

26. **Review and Revise**

   Meet to review the options with the District team and make revisions as needed.

27. **Presentation**

   Present the Master Plan options to the Board. Board to select one option and give direction on what changes they would like to see made.

28. **Final Master Plan Option**

   Based on the selected Master Plan option and Board comments, develop the final concept with a site and building phasing plan. However, based on Board comments, this work may include different variations of the selected Master Plan.

29. **Update Cost Estimate**

   Revise the cost estimate for the selected Master Plan option. If Board comments lead to variations of the selected Master Plan, the cost estimate will outline differences between the variations.
30. **Review and Revise**
   Provide updated Master Plan option(s) and cost estimate to the District team. Meet to review and revise.

31. **Presentation**
   Present final Master Plan, or variations of the selected final Master Plan, and report to the Board and revise per their comments.

**Deliverables:** Master Plan Option(s), Updated Cost Estimate(s), Final Master Plan, Master Plan narrative outlining the decision making that led to the selection of the Final Master Plan.

**PHASE IV – CONCEPT DESIGN AND FLOOR PLANS (OPTIONAL SCOPE OF WORK)**

32. **Develop Schematic Floor Plans**
   From the approved Master Plan, develop a department layout plan for the proposed facilities. Provide to District for review. From the approved department layout plan, develop floor plans. Meet with the District team to review and revise.

33. **Site and Exterior Design**
   Once schematic floor plans are approved, develop the exterior appearance of the facilities. Incorporate site features and prepare exterior views of the buildings and site.

34. **Update Cost Estimate**
   Update the cost estimate based on the floor plans and exterior design.

35. **Review and Revise**
   Meet to review floor plans, exterior design and cost estimate with the District team. Revise as necessary.

36. **Presentation**
   Present final report and findings to the Board. Make revisions as requested.

37. **Provide Final Report**
   Provide up to 5 bound copies of the final report.

**Deliverables:** Floor Plans, Site Design, Exterior Renderings, Updated Cost Estimate, Final Reports.

**ADDITIONAL SERVICES**

- Measure and document existing buildings in order to create accurate, existing floor plans.
- Measure and document existing areas required for parts and inventory storage.
- Evaluate more than 6 potential new locations targeted by real estate agent.
- District connection addresses must be in standards postal service format. They cannot include descriptions such "back building". If they do, it will require additional time to alter the address, or we can simply provide the number of address that were not able to be mapped due to this issue.
Review growth potential including infill and population growth projections in the Comprehensive Plan, and potential changes in District size due to annexation or potential mergers. Review county and municipal growth projections.

Interview all employees following the review of the questionnaires.

ASSUMPTIONS

- No evaluation of existing facilities will occur. Just review of previous reports.
- The facilities at the water treatment plant will not be included in this scope of work. However, accounting for any hoteling stations needed at the main facility for plant employees is included.
- The District will provide a current vehicle list with dimensions and also the turning radii for the largest vehicles. List is to include height, length and width of specific tow vehicles attached to trailer with backhoe loaded.
- Included meetings
  - Task I: 3 meetings with District team and 1 Board presentation.
  - Task II: 1 meeting with District team and 1 Board presentation.
  - Task III: 2 meetings with District team and 2 Board presentations.
  - Task IV: 2 meetings with District team and 1 Board presentation.

DISTRICT RESPONSIBILITIES

- Create a District project team to attend meetings with the Architect, review documents and make decisions
- Attend meetings outlined in schedule
- Provide District data to Driftmier including: Capital Improvement Plan and Comprehensive Plan, business plans, existing space allocation information, organizational charts, job descriptions, vulnerability assessment, existing drawings (PDF, CAD or hard copy), previous reports, vehicle lists with turning radii, inventory lists
- Fill out questionnaires
- Tour facilities with Architect
- Review documents within scheduled timelines
- Select a real estate agent consultant that is familiar with local properties
**ARCHITECTURAL SERVICES**

**TIME AND FEE ESTIMATE**

<table>
<thead>
<tr>
<th>Description</th>
<th>Est. Hours</th>
<th>Staff</th>
<th>Staff Hours</th>
<th>Rate $/hr.</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TASK I NEEDS ANALYSIS</strong></td>
<td>300</td>
<td>Principal/PA 150</td>
<td>$138.00</td>
<td>$20,700.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Drafter 150</td>
<td>$85.00</td>
<td>$12,750.00</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotals</strong></td>
<td>300</td>
<td></td>
<td></td>
<td></td>
<td>$33,450.00</td>
</tr>
<tr>
<td><strong>TASK II IDENTIFICATION OF POTENTIAL OPTIONS</strong></td>
<td>168</td>
<td>Principal/PA 84</td>
<td>$138.00</td>
<td>$11,592.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Drafter 84</td>
<td>$85.00</td>
<td>$7,140.00</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotals</strong></td>
<td>168</td>
<td></td>
<td></td>
<td></td>
<td>$18,732.00</td>
</tr>
<tr>
<td><strong>TASK III DEVELOPMENT OF A MASTER PLAN AND FINAL CONCEPT</strong></td>
<td>228</td>
<td>Principal/PA 114</td>
<td>$138.00</td>
<td>$15,732.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Drafter 114</td>
<td>$85.00</td>
<td>$9,690.00</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotals</strong></td>
<td>228</td>
<td></td>
<td></td>
<td></td>
<td>$25,422.00</td>
</tr>
<tr>
<td><strong>SUBTOTAL ARCH. LABOR</strong></td>
<td>892</td>
<td></td>
<td>892</td>
<td></td>
<td>$77,604.00</td>
</tr>
<tr>
<td><strong>REIMB. EXPENSE ESTIMATE</strong></td>
<td></td>
<td>5%</td>
<td></td>
<td></td>
<td>$3,880.20</td>
</tr>
<tr>
<td><strong>SUBCONSULTANTS</strong></td>
<td>$4,200.00</td>
<td></td>
<td></td>
<td></td>
<td>$4,620.00</td>
</tr>
<tr>
<td>Cost Estimate Consultant (The Woolsey Company)</td>
<td>$4,200.00</td>
<td>$420.00</td>
<td></td>
<td></td>
<td>$4,620.00</td>
</tr>
<tr>
<td><strong>TOTAL TASKS I-III</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$86,104.00</td>
</tr>
<tr>
<td><strong>TASK IV SCHEMATIC PLANS AND EXTERIOR DESIGN</strong></td>
<td>196</td>
<td>Principal/PA 98</td>
<td>$138.00</td>
<td>$13,524.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Drafter 98</td>
<td>$85.00</td>
<td>$8,330.00</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotals</strong></td>
<td>196</td>
<td></td>
<td></td>
<td></td>
<td>$21,854.00</td>
</tr>
<tr>
<td><strong>SUBTOTAL ARCH. LABOR</strong></td>
<td>196</td>
<td></td>
<td>196</td>
<td></td>
<td>$21,854.00</td>
</tr>
<tr>
<td><strong>REIMB. EXPENSE ESTIMATE</strong></td>
<td></td>
<td>5%</td>
<td></td>
<td></td>
<td>$1,092.70</td>
</tr>
<tr>
<td><strong>SUBCONSULTANTS</strong></td>
<td>$800.00</td>
<td></td>
<td></td>
<td>$80.00</td>
<td>$880.00</td>
</tr>
<tr>
<td>Cost Estimate Consultant (The Woolsey Company)</td>
<td>$800.00</td>
<td>$80.00</td>
<td></td>
<td></td>
<td>$880.00</td>
</tr>
<tr>
<td><strong>TOTAL TASK IV</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$23,827.00</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$109,931.00</td>
</tr>
</tbody>
</table>

**NOTE:** This estimate is for fee generation only. Actual hours and staff distribution will vary from this. Individual tasks will take more or less time.
September 7, 2017

TO: George Sidhu, P.E., General Manager

FROM: Mark C. Handzlik, P.E., Engineering Manager

BY: Mark Semrau, P.E., PMP, Capital Projects Manager

SUBJECT: GC Systems Sole Source Authorization

Requested Action:
Authorize the General Manager to execute the Sole Source Justification and to enter into an Agreement with GC Systems to rebuild four (4) Cla-Val pump control valves at the Skagit River Diversion (SRD) Pump Station.

Background:
The SRD Pump Station transfers water from the Skagit River to Judy Reservoir during the spring and summer when runoff from Cultus Mountain is insufficient to meet in-stream flow levels. This water transfer is critical for maintaining adequate levels in Judy Reservoir during late summer and fall.

To meet this strategic objective, the SRD must have operable pumping systems at all times. Critical maintenance is required on the pump control valves in order to maintain an operable pumping system with modest redundancy. The pump control valve for Pump #105 was rebuilt in the spring of 2017. The remaining 4 pump control valves also need to be rebuilt.

The pump control valve is a Cla-Val model 61-21. Beau Swet from GC Systems inspected the pump control valves in November 2016 and determined that they need replacement of the stainless steel trim, rubber diaphragms, seals, and O-ring components. GC Systems is the sole-source supplier and service representative for Cla-Val.

GC System provided a quote, including Washington State sales tax of 8.5%, of $61,628.00 to supply these replacement components for 4 pump control valves and perform this refurbishment work. The components are special order and will take 4 to 8 weeks to get. Once the components have been shipped, Mr. Swet will schedule the refurbishment work.

Fiscal Impact:
The cost for this work will be deducted from the $150,000 set aside in the 2017 Operation & Maintenance budget for the SRD Pump Station Rebuild.

cmp
AGREEMENT
CO-0165-Judy-

THIS CONTRACT is made and entered into by and between PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY (Owner) and GC SYSTEMS (Contractor) whose names are subscribed hereto.

WITNESSETH:

WHEREAS the Owner has invited proposal from the Contractor for SRD PUMP STATION CONTROL VALVES through a Sole Source Justification process, has received and analyzed said proposal, and has duly given Notice of Acceptance of Proposal to the Contractor, all of which are made a part hereof and which constitute the whole Contract between the Owner and the Contractor.

NOW, THEREFORE, it is hereby agreed that:

1. The Contractor shall furnish the work, pay all costs, and perform all requirements of this Contract in the manner specified in the attached proposal dated August 30, 2017.

2. Said Proposal calls for time and material pricing set forth in #1 above with a not to exceed price without Owner written approval. The Owner shall pay to the Contractor a total contract amount computed from the unit prices in said Proposal and the actual quantities of units furnished. Based upon the unit prices in the Contractor's Proposal the estimated Total Contract Amount including Washington State Sales Tax (8.5%) is Sixty One Thousand Six Hundred Twenty Eight Dollars ($61,628.00).

3. In Washington State the Owner is required to pay state or local sales or use taxes included in the Total Contract Amount and the Contractor is required to receive the said taxes for payment to the state, the amount payable to the Contractor by the Owner shall be the Total Contract Amount as above specified including the amount of the said taxes. Invoices will be paid by the District to the Contractor within 30 days of receiving monthly invoices based on actual quantities of work performed.

4. It is further agreed that the Contractor shall start work within ten (10) calendar days after the date specified in the Owner’s Notice to Proceed and shall be substantially complete within 120 consecutive calendar days from the date the Notice to Proceed is issued.

5. The attached Indemnification Agreement is hereby made part of this agreement.

6. The Contractor shall furnish to the Owner any guarantee or warranty furnished as a normal trade practice in connection with the purchase of any equipment, materials, or items used in this work.

7. Either party hereto may terminate this agreement upon thirty (30) days written notice either personally delivered or mailed postage-prepaid by certified mail, return receipt requested, to the party’s last known address for the purposes of giving notice under this paragraph. If this agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this agreement prior to the effective date of termination.

IN WITNESS WHEREOF, two (2) identical counterparts of this Contract, each of which shall for all purposes be deemed an original hereof, have been duly executed by the parties hereinafter.

GC SYSTEMS, INC  PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

Post Office Box 848, Sumner, WA  

George Sidhu, P.E., General Manager  
Post Office Box 1436, 1415 Freeway Drive  
Mount Vernon, WA 98273

Printed Name & Title  

Date  

SRD Pump Station Control Valves  AGREEMENT - 1  

September 7, 2017
INDEMNIFICATION AGREEMENT

The Contractor agrees to defend, indemnify, and hold the District harmless from any and all claims, demands, losses, and liabilities to or by third parties arising from, resulting from, or connected with work performed or to be performed under this Contract by the Contractor, its agents, employees, and subcontractors, even though such claims may prove to be false, groundless or fraudulent, to the fullest extent permitted by law and subject to the limitations provided below.

The Contractor's duty to indemnify the District shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the District or the District's agents or employees. The Contractor's duty to indemnify the District for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of Contractor, its agents, employees, or subcontractors and/or the District or the District's agents or employees, shall apply only to the extent of negligence of Contractor, its agents, employees, or subcontractors.

With respect to claims against Contractor by the District pursuant to this Contract only, Contractor expressly waives any immunity that may be granted it under the Workers' Compensation, Industrial Insurance or like statutes and/or any administrative regulations issued pursuant thereto. This waiver does not include or extend to any claims by Contractor's employees directly against Contractor.

Further, Contractor's defense and indemnification obligations under this Contract shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under Workers' Compensation, Industrial Insurance or like statutes and/or any administrative regulations issued pursuant thereto.

Contractor's duty to indemnify the District for liabilities or losses, other than for bodily injury to persons or damage to property caused by or resulting from negligence, shall apply only to the extent of the fault of Contractor, its agents, employees, or subcontractors, except in situations where fault is not a requirement for liability, in which case indemnity will be provided to the extent the liability or loss was caused by Contractor or its agents, employees, or subcontractors.

Contractor's duty to defend, indemnify and hold the District harmless shall include, as to all claims, demands, losses and liabilities to which it applies, the District's actual attorneys' fees and costs incurred in connection with defending such claim(s) including, without limitation, consultant and expert witness fees and expenses and personnel-related costs in addition to costs otherwise recoverable by statute or court rule.

THE UNDERSIGNED HEREBY CERTIFY THAT THIS AGREEMENT WAS MUTUALLY NEGOTIATED.

GC SYSTEMS, INC.
SUMNER, WASHINGTON

By: ____________________________
Signature

By: ____________________________
Name & Title

Dated: __________________________

PUBLIC UTILITY DISTRICT No. 1
OF SKAGIT COUNTY, WASHINGTON

By: ____________________________
George Sidhu, P.E., General Manager

Dated: __________________________

The Contractor shall cause each of its subcontractors (and suppliers to the extent any perform any work on the Project site) to execute an Indemnification Contract substantially in the form of the foregoing by which each such entity or person assumes to the District all obligations Contractor assumes to the District as set forth above.
August 30, 2017

PUD #1 of Skagit County  
Water Treatment Plant  
11932 Morford Road  
Sedro-Woolley, WA  98284

Attn.: Mr. Mark Semrau, PE

Re: Proposal for Cla-Val Rebuild

Dear Mr. Semrau:

The cost for the rebuild of your four (4) 8” model 60-13BY pump control valves at the SRD pump station will be $56,800.00.

This rebuild includes the replacement of all metal parts and rubber parts inside the valve, labor to disassemble, the cleaning of the valve internals and reassembly.

Also included is putting the valves back online and testing that they are operating correctly.

Please advise if you want to schedule this service. Thank you Mark.

Regards,

Carol Wells  
GC Systems Inc.
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

Sole Source Justification Form

Vendor Name: GC Systems, Inc.
Address: PO Box 848
City, State, Zip: Sumner, WA 98239
Phone Number: (800) 525-9425
Contact Person: Beau Swet (cell 253-951-6098)

1. **Description of Item** (be specific including part number, quantity, quality, type desired, proposed delivery date and any other significant terms of the purchase).

   Cla-Val designs and manufactures pilot-operated control valves for the waterworks industry. These valves include pressure reducing valves, pressure sustaining valves, pressure relief valves, and pump control valves. At present, the District has at least 113 of these valves within its water systems.

   GC Systems, Inc. is the only factory-authorized service representative within the Pacific Northwest for parts and service for Cla-Val products. This designation means that any repair work provided complies with warranty conditions and requirements.

2. **This vendor is a sole source because:**
   - ☒ sole provider of items that are compatible with existing equipment, inventory, systems, programs or services
   - ☐ sole provider of goods and services for which the District has established a standard (i.e., brand or manufacturer)
   - ☒ sole provider of factory-authorized warranty service
   - ☐ sole provider of goods or service that will meet the specialized needs of the District or perform an intended function
   - ☐ sole provider of a licensed or patented good or service
   - ☐ other (provide explanation)
3. What necessary features does this vendor provide which are not available from other vendors? (be specific)

GC Systems is the only vendor in the Pacific Northwest that is approved by Cla-Val to perform service repair and provide genuine Cla-Val parts for their valves.

4. What steps were taken to verify that these features are not available elsewhere? (list names and phone numbers of other vendors and explain why they were not suitable)

This information was confirmed through direct inquiry to Cla-Val. See the attached letter from Cla-Val.

Statement of Requestor

My department’s recommendation for sole source is based upon an objective review of the goods/services being required and appears to be in the best interest of the District. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favor or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms been a deciding influence on my request to sole source this purchase when other suppliers are known to exist.

Mark Semrow
Signature of Requestor

Sept. 7, 2017
Date

General Manager Approval

☐ Approved ☐ Denied

George Sidhu, P.E., General Manager
Date

Form revised 05/11/17
MAY 2017

Subject: Authorized Sales and Service Agency

To Whom It May Concern:

Please be advised; since 1981, GC Systems, Inc. has been the only Cla-Val Authorized Sales and Service Agency set up in the Greater Northwest, including the states of Alaska, Idaho, Montana, Oregon and Washington.

GC Systems, Inc. maintains a complete inventory of parts, controls, accessories, and complete valve assemblies, which are ready to service all your Automatic Control Valve requirements. Their Service Department is available for normal scheduled maintenance and repairs.

For additional details please contact:

GC SYSTEMS, INC.
PO BOX 848
SUMNER, WA 98390
(800) 525-9425
Mr. Dale Fletcher
Ms. Carol Wells

Sincerely,

Fred Fuller

Fred Fuller
Western Regional Manager