PLEDGE OF ALLEGIANCE

CONSENT AGENDA
1. Approval of Agenda 09/25/18
2. Approval of Minutes 09/11/18 Meeting
3. Ratification of Vouchers 09/18/18
4. Approval of Vouchers 09/25/18
5. Saratoga Passage View Development - Termination of Water System Completion Agreement

NEW EMPLOYEE INTRODUCTION – Brian Henshaw, Finance Manager

AUDIENCE COMMENTS

OLD BUSINESS
6. Manager’s Report

NEW BUSINESS
7. Budget Augmentation and Sole Source Justification
   iWorkWise – WTP Process Safety Management (PSM) Program – Action
8. Quit Claim Deed – Vacate Easement AF#641411 - Action

MISCELLANEOUS

COMMISSIONER COMMENTS

EXECUTIVE SESSION – Mundt Creek Water Rights – Approximate 1-Hour Duration
Per RCW 42.30.110(1)(i)(ii)

ADJOURNMENT

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

September 11, 2018

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 September 11, 2018.

The meeting was called to order at 4:34 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, Treasurer and Kim Carpenter, Clerk of the Board; Audience: Judy Littlefield and District Employees: Mark Semrau, Kathy White, Kevin Tate, Wes Stene, Dean Myers, Eddie Johnson, Tyrone Kaech, Matt Walker, Brad Washington and Luis Gonzalez.

Commissioner Robertson requested a moment of silence following the Pledge of Allegiance for the victims of 09/11/01.

Commissioner Littlefield led the Pledge of Allegiance.

Commissioner Littlefield moved to approve the Consent Agenda for September 11, 2018:
1. Approval of Agenda 09/11/18
2. Approval of Minutes 08/28/18Meeting
3. Ratification of Vouchers 09/04/18
   No. 1815 - Voucher Nos. 13465-13503, Payroll Check Nos. 23740-23825 ($344,368.17)
4. Approval of Vouchers 09/11/18
   No. 1816-Voucher Nos. 13504-13567 ($869,033.92)
   No. 1817-Voucher No. 135686 ($1,577.96)

The motion passed.

Treasurer Saxton presented the Treasurer’s Report for the month of July 2018.

There were no audience comments.

Under Old Business:
5. Manager’s Report

Manager Sidhu reported on the following items:

- Received a letter from Drainage and Irrigation District #15 regarding coordination of work on the McLean Road Project. The drainage and dike districts have formed a consortium and hired Jenna Friebel as their lead. Jenna and Brandon Roozen, Executive Director, Western Washington Agricultural Association, met with me to discuss the project. The PUD project will not affect the drainage lines and the consortium was offered additional information and surveys to help with the design of their project.
• State Auditors are still on site and expect to be finished by week’s end or early next week.
• An update regarding the 2019 Budget schedule and work sessions. Manager Sidhu stated his goal is to present the draft budget on October 1.

Engineering Manager Handzlik presented the quarterly report for the Engineering Department, including updates regarding real estate services for the sale of surplus property and results; HDR contract in the second phase of the Judy-Mount Vernon Transmission Line Project design and bidding; Conway I-5 Crossing Project; Sedro-Woolley Fill Station Project; Skagit River Diversion (SRD) pump and motor maintenance; WTP Operations manual and GIS model of the plant for maintenance purposes; contract for conduit purchase in the railroad right-of-way; McLean Road Project; South 16th Street, East Hazel Street to East Broadway Street pipe replacement project; RanneyWell Decommissioning and Abandonment; Saratoga Passage; upcoming State Street and College Way work; and WA PUD Association (WPUDA) Water Workshop attendance and presentations by District employees. Discussion ensued regarding various aspects of the updates presented.

Under New Business:

7. Northwest Safety Signs – Agreement for Professional Services
Task Order#018
South 16th Street, East Hazel Street to East Broadway Street – Action

Commissioner Berg moved to authorize the General Manager to execute Task Order #18 with Norwest Safety Signs, Inc., in the estimated amount of $48,248.00 for flagging services related to the South 16th Street, East Hazel Street to East Broadway Street pipe replacement project in Mount Vernon. The motion passed.

Under Miscellaneous, Manager Sidhu indicated that the Commissioner notebooks include a letter to the editor.

Under Commissioner Comments, Commissioner Berg asked about the Salmon Festival; Community Relations Manager Tate replied that there was a good turnout and the District had a positive presence and shared information regarding the watershed.

Commissioner Robertson stated he will be attending various WPUDA committee meetings tomorrow and Thursday, including telecom, government affairs, and water committees and commissioner education.

Having no further business to come before the Board, Commissioner Littlefield moved for adjournment. The motion passed and the meeting of September 11, 2018 was adjourned at 5:10 PM.

Respectfully submitted:
Kim Carpenter
Clerk of the Board
September 19, 2018

TO: George Sidhu, P.E., General Manager
FROM: Mark Handzlik, P.E., Engineering Manager

SUBJECT: Termination of Water System Completion Agreement Saratoga Passage View Development

Requested Action:
Terminate the Saratoga Passage View Development Water System Completion Agreement and the First Amendment thereto.

Background:
The completion of the water system in the Saratoga Passage subdivision was able to happen through the implementation of the Water System Completion Agreement (Agreement) with the project’s proponents, and through Resolution No. 2257-17 (Resolution). Among other things, the Agreement and Resolution indemnify the District from action arising out of the work to complete the Saratoga Passage water system and temporarily transferred easements to the project proponents. The Resolution contains specific language that triggers termination; however, the Agreement does not.

On September 12, 2018, General Manager Sidhu accepted the Saratoga Passage Water System through delegation of authority granted by the Commission at their regular meeting of July 24, 2018. Notice is given in the letter that the District is invoking the termination clause under Section 9 of the Agreement.

The project has been accepted and the District has issued letter of water availability. This action will complete the closure of the Agreement through its termination under Section 9.

Fiscal Impact:
No impact is anticipated.

kac

Attachments: Project Acceptance Letter
Water System Completion Agreement
Amendment 1 to the Agreement
Resolution No. 2257-17
September 12, 2018

Tom Paulus
Padilla Financial, LLC, et al.
15278 Flightline Road
Burlington WA 98233

RE: Saratoga Passage Water System - Project Acceptance
C.O. # 4559, Project # 3725

Dear Mr. Paulus:

Public Utility District No. 1 of Skagit County ("District") has approved the plans and specifications and has inspected the installation of the Saratoga Passage Water System. The District’s Engineering Department has received satisfactory pressure and bacteriological test results for the system. The project Participants have completed all work relating to the water system and provided all required documentation.

On December 12, 2017, at the regular meeting of the Commission, the Board adopted Resolution No. 2257-17 ("Resolution"). The Resolution, among other things, conditionally accepted the incomplete water system subject to a Water System Completion Agreement between the District and the Participants ("Agreement"), and conveyed temporary easements to the Participants so that they could complete the system. The conditional acceptance granted under the Resolution expired after a period of 365 days of the adoption of the Resolution or final acceptance of the project by the District Commission, whichever came first.

On July 24, 2018, at the regular meeting of the Commission, the Board approved a motion to delegate final authority to the General Manager to accept the Saratoga Passage water system improvements, subject to the entry of the Final Judgement Order quieting title to real property on and in which the water system is constructed (Skagit Cty. Sup. Ct. Case No. 17-2-00673-7).

The Court’s Order, along with a permanent injunction, barring defendants in the above-referenced case from any further interference or assertions of property interest claims against the project, were entered by the Court on August 23, 2018.

On September 5, 2018, the Participants recorded all documents necessary to transfer legal ownership of the water system to the District (e.g., Quit Claim Deed (Auditor No.: 201809050058), Bill of Sale (Auditor No.: 201809050059), and Termination of Easement (Auditor No.: 201809050060)). In addition, as of September 11, 2018, the Participants provided the District with satisfactory evidence of having fulfilled the project’s bonding requirement (e.g. Maintenance Bond (LX-9822757)).
Therefore, having completed the water system according to District standards, obtained the Final Judgement Order quieting title to the property, permanently enjoined defendants from further interference, satisfied all conditions of the Agreement, and provided the District with all other necessary documentation, this project is accepted without condition by the District and formally taken under District ownership.

By virtue of this final acceptance, the Resolution is considered expired by its terms and shall be rescinded. Furthermore, under Section 9 of the Agreement, this letter constitutes prior notice to the Participants of the District’s intent to terminate the Agreement.

Sincerely,

George Sidhu, P.E.
General Manager

kac

cc: Mark Handzlik, P.E., Engineering Manager
    Michael E. Demers, Engineering Technician
Saratoga Passage View Development
Water System Completion Agreement

This Water System Completion Agreement pertaining to the Saratoga Passage View Development project in Skagit County ("Agreement") is entered into between the Public Utility District No 1 of Skagit County (the "District") and Columbia State Bank, Padilla Financial, LLC, Mountain Pacific Bank, and Padilla Bay, LLC (collectively, the "Participants").

Whereas, currently the water system at Saratoga Passage View Development ("Saratoga Passage") has not been completed and therefore has not been accepted by the District;

Whereas, in order for individual residential lots at Saratoga Passage to be permitted for construction, the water system must be completed and accepted by the District, after which individual lots can be connected to a public water system operated by the District;

Whereas, the real property on which the Saratoga Passage water system must to be constructed, tax parcel nos. 130357 and 130565 (the "Property"), is owned by the District – who has the right to operate a public water system (Class A) within the Saratoga Passage project subdivision;

Whereas, in 2011, the Participants commenced non-judicial foreclosure proceedings against the Saratoga Passage developer, and concluded such proceedings relating to certain of their interests in 2013;

Whereas, and since at least 2011, the water system at Saratoga Passage has remained incomplete, and therefore individual lots in the project subdivision cannot be further developed;

Whereas, the Participants are all current owners of several individual residential lots, in whole or in part, within the project subdivision who wish to enter onto the Property and take all necessary actions to complete the water system in order for further development of the project to proceed; and

Whereas, in the interest of public health and welfare and the completion of the project, the District is willing to allow the Participants to take all necessary actions to complete the Saratoga Passage water system, in order for further development of the project to proceed, by
Saratoga Passage View Development
Water System Completion Agreement

temporarily transferring title to the Property to the Participants so that they can complete the water system as the property owners.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which the parties acknowledge, the parties agree that above recitals are incorporated into this Agreement by reference and to the following terms and conditions:

1) **District Requirements.** The District shall provide the Participants with its District Water Policy and all other District specifications required to complete the Saratoga Passage water system to the District’s design standards and criteria.

2) **Approvals & Fees.** The Participants, at their sole cost, shall provide the District with engineered plans and specifications for the water system that meet the District’s specifications and policies, and shall revise the same as necessary, for the District’s final approval. In addition, the Participants shall pay the District its calculated fees associated with the District’s plan review, administration, construction inspection and connection work.

3) **Cooperation.** The Participants agree to negotiate and enter into such other agreements with the District, and comply with such other conditions, as required by the District in the ordinary course of business (e.g., Work/Job Order Authorization Form, and Developer’s Agreement) to complete the water system.

4) **Temporary Title Transfer to Participants.** In the event the District temporarily transfers title to the Property to the Participants in order to complete the water system, Participants in their capacity as Property owner agree to resolve all claims of ownership made by Bruce Johnson or Shauna Johnson or Bruce Johnson Contracting LLC to the water system fixtures and/or equipment as currently installed and/or constructed by Participants prior to transferring the installed water system and the Property to the District.

5) **Title Transfer to District / Bill of Sale.** The Participants agree to transfer title to the Property back to the District along with a Bill of Sale for the water system upon completion of the system and resolution of ownership claims.
6) **Indemnification.** In the event the District temporarily transfers title to the Property to the Participants, Participants agree to indemnify, defend, and hold harmless the District after such transfer from and against all claims, expenses and liabilities arising out of, involving, or in connection with Participants' entry onto the Property or work relating to the completion of the water system. In the event of concurrent negligence of the District and the Participants resulting in injury or damage to persons or property that relates to the Participants' construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of the water system on the Property, the Participants' obligation to indemnify the District shall be limited to the extent of the Participants' negligence, and that of its agents, employees, invitees, licensees or contractors.

7) **Integration / Modification.** This Agreement constitutes the entire understanding between the parties and supersedes all prior or contemporaneous understandings and representations. No prior discussions or statements, whether oral or written are made part of this Agreement, unless expressly stated herein. No modification of this Agreement shall be effective unless agreed in writing and signed by the parties.

8) **Assignment.** Participants may assign this Agreement with the written consent of the District which shall not be unreasonably withheld.

9) **Termination.** This Agreement may be terminated in writing at any time by either party without prior notice, but only prior to the District transferring title to the Property to the Participants to complete the water system.

10) **Attorney's Fees.** If either party institutes suit against the other concerning this Agreement, the most prevailing party is entitled to reasonable attorney's fees and expenses.

[REMAINDER LEFT BLANK INTENTIONALLY – SIGNATURE PAGE FOLLOWS]
Saratoga Passage View Development
Water System Completion Agreement

By: [Signature] 1/10/17
P.U.D. No. 1 of Skagit County  Date

By: GEORGE SITH
[Print Name & Title Above]
INTERIM GENERAL MANAGER  Date

Columbia State Bank  Date
By: [Signature] 1/12/17

Robert M.B. Draper, SVP  Date
[Print Name & Title Above]

By: [Signature] 11/6/17
Padilla Financial, LLC  Date

By: [Signature] 11/6/17
Padilla Bay, LLC  Date

By: [Signature] 1/13/17
Mountain Pacific Bank  Date

By: KIRBY R. DUNCAN, EVP & CFO  Date
[Print Name & Title Above]
Water System Completion Agreement
First Amendment

The undersigned hereby agree to amend Paragraph 6 of the Water System Completion Agreement, pertaining to the Saratoga Passage View Development project in Skagit County, Washington, to read as follows:

6) **Indemnification.** In the event the District temporarily transfers title, and/or grants easements (temporary or otherwise) or other access and use rights, to the Property to the Participants, or takes other formal action by resolution at the request of Participants to facilitate such transfers, grants or work required under the Agreement ("Resolution"), Participants agree to indemnify, defend, and hold harmless the District after such transfer, grant, or Resolution from and against all claims, expenses and liabilities, including reasonable attorney's fees incurred by the District in the event it is sued, arising out of, involving, or in connection with Participants', their contractors', or the District's entry onto the Property or work relating to the completion of the water system, District Resolution(s), or claims of superior title made by third-parties relating to such grants, easements or other access and use rights. In the event of concurrent negligence of the District and the Participants resulting in injury or damage to persons or property that relates to the Participants' construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of the water system on the Property, the Participants' obligation to indemnify the District shall be limited to the extent of the Participants' negligence, and that of its agents, employees, invitees, licensees or contractors.

By: P.U.D. No. 1 of Skagit County  Date:  
By: George Sidhu, P.E., General Manager  12/22/17

By: Columbia State Bank  Date:  
By: Robert M.B. Draper, SVP  12/21/17

By: Padilla Financial, LLC  Date:  
By: Benjamin Paulus, its Manager  12/21/17

By: Mountain Pacific Bank  Date:  
By: Kirby R. Duncan, EVP & CCO

By: Padilla Bay, LLC  Date:  
By: Benjamin Paulus, its Manager
RESOLUTION NO. 2257-17

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, AUTHORIZING CONDITIONAL ACCEPTANCE OF CERTAIN IMPROVEMENTS WITHIN THE PLAT OF SARATOGA PASSAGE

WHEREAS, Public Utility District No. 1 of Skagit County ("District"), is a purveyor of public water for the residents of Skagit County, Washington;

WHEREAS, the District operates its utility under a franchise agreement within the Skagit County rights of way and within its own easements;

WHEREAS, the District allows developers to extend the District’s water system to provide service to new customers within lands that will eventually become dedicated County rights of way or District easements;

WHEREAS, Vio Benson executed a Developer’s Agreement to extend the District’s water system to the parcels of land collectively known as PLAT OF SARATOGA PASSAGE VIEW C.A.R.D. PL 06-0107 (recorded per Auditor’s File No.: 200906100089) (the "Plat") in accordance with District design and engineering standards for the pumping, storage and distribution of potable water for domestic consumption and fire suppression uses;

WHEREAS, the District conditioned final project approval and recommendation for acceptance on, among other things, completion of punch list work provided to the developer on November 11, 2010;

WHEREAS, after the developer recorded the Plat with the County, which in part dedicated certain public rights of way and public utility easements within the Plat, the developer ceased construction of the water system improvements prior to District’s formal acceptance;

WHEREAS, Columbia State Bank, Padilla Financial LLC, Mountain Pacific Bank, and Padilla Bay LLC (collectively the “Participants”) are now the owners and have entered into a Water System Completion Agreement with the District for the purpose of completing the water system improvements within the Plat;

WHEREAS, the beneficial outcome of the Water System Completion Agreement to the District is extension of its service and clear title to the system improvements; and

WHEREAS, the Participants agree to indemnify, defend and hold the District harmless for any and all claims or potential liability to anyone claiming an ownership or other interest in the property and against any claims or actions whatsoever for the District’s conditional acceptance of the project.

NOW, THEREFORE, BE IT RESOLVED that the Commission of Public Utility District No. 1 of Skagit County authorizes the General Manager to provide the Participants a temporary easement over certain easement rights conveyed to the District within the County Rights of Way and other easements as shown on the Plat, together with water system improvements related thereto, as described in the attached Easement (Exhibit I) granting the Participants rights over and across, along, in and under to repair and construct certain water system improvements, which Participants will relinquish back to the District upon termination of the Water System Completion Agreement or project acceptance;

BE IT FURTHER RESOLVED that in accordance with the Plat, dated June 10, 2009, the District conditionally accepts the water system improvements as they existed on November 11, 2010, effective as of that date, conditioned on the Participants completion of work items listed in the November 11, 2010 punch list (Exhibit II), as they exist today, conditioned on bringing the improvements up to current District standards, and conditioned on fulfilling the terms of the Water System Completion Agreement (Exhibit III); and

BE IT FURTHER RESOLVED that conditional acceptance shall expire within 365 calendar days of the dated adoption of this resolution or final acceptance by the District Commission whichever comes first.
ADOPTED by the Commission of Public Utility District No. 1 of Skagit County, Washington, at a regular meeting held this 12th day of December, 2017.

Robby Robertson, President

Eron Berg, Vice President

ATTEST:

Al Littlefield, Secretary
September 18, 2018

TO: George Sidhu, PE, General Manager

FROM: Jay Sedivy, CSP, Safety & Risk Coordinator

SUBJECT: iWorkWise Sole Source Authorization and Budget Amendment

Requested Action:

1. Authorize the General Manager to execute the Sole Source Justification and to enter into an Agreement with iWorkWise to write and implement a water chlorination Process Safety Management (PSM) program at the water treatment plant.

2. Authorize a budget amendment to the Professional Services budget in the amount of $26,490 to fund the PSM development by iWorkWise.

Background:
In January 2017, an employee was injured in the chemical feed room at the water treatment plant. As part of the Labor and Industries (L&I) investigation into this incident, the District was found not to be in compliance with a PSM program that centers on the engineering, maintenance, and operational considerations of the water chlorination process and its equipment. Since the incident, the District has been making incremental improvements to the maintenance of the equipment at the water treatment plant, including the tracking of the maintenance. However, in my opinion, if further significant improvements are not made, the District runs the risk of additional findings from L&I during follow-up inspections and potential significant fines.

Through my contacts within the safety industry, I investigated consultants that could provide the technical writing services for the PSM. I discussed our needs with three consulting firms and found that two of them were specialized in larger and more complex facilities and would have a hard time scaling down their services for our water treatment plant. The other consultant, iWorkWise, provides services that are tailored to facilities such as our treatment plant and also offers services that would benefit the District such as cloud-based web access to all PSM materials, training and other process documents.

iWorkWise provided a quote to provide services to complete the PSM for the water treatment plant in the amount of $26,400. I have spoken with the company president, Amy Duz, and she is prepared and available to begin work immediately with a goal of having the work completed before the end of the year.

Fiscal Impact:
The anticipated cost of services is $26,490. This line item was not anticipated for the 2018 budget; therefore an amendment to the Professional Services budget would be required in order to complete this work.

kac
10 September 2018

Mr. Jay Sedivy  
Skagit PUD  
1415 Freeway Drive  
Mount Vernon, WA 98273  

RE: PSM/RMP Program Related Work

Dear Jay,

Thank you for the opportunity to provide you with this Proposal to assist in completing tasks identified during your recent LNI DOSH inspection. Performance of all tasks will require access to all related documents and support and review from facility personnel.

**Process Safety Information**

Part 1: Assist in completing documentation requested for process technology (1-1B):  
- Complete a BFD for the process  
- Complete a process chemistry section  
- Document the maximum intended inventory  
- Create operating limit/consequences of deviation tables for the process

Cost.................................................................................................................................................. $ 2,050

Part 2: Assist in completing documentation requested for process equipment (1-1C):  
- Document materials of construction, refer to manuals where they are available, assemble piping and tubing system and valve documentation provided by Skagit PUD  
- Document electrical class  
- Document codes and standards applicable to the process  
- List and describe safety systems

By Skagit PUD:  
- P&IDs  
- Ventilation design information  
- Scrubber design information  
- Material and energy balance, if required  
- Valve lists/numbers  
- Labeling/tagging protocols

Cost.................................................................................................................................................. $ 3,125
Part 3: Create documentation to confirm that equipment complies with RAGAGEP (1-2).

Cost..................................................................................................................$ 4,590

Process Hazard Analysis (PHA) (1-3)

iWorkWise will lead an on-site team through the PHA. It is estimated that the onsite portion of the PHA process will take 4-8 hours. Appropriate personnel will need to be present during the PHA; Skagit PUD will provide operations and engineering team members as well as employee(s) as needed to meet the requirements of the employee participation section of the facility’s PSM/RMP plan.

The PHA will address the hazards of the process; identification of previous incidents that had potential for catastrophic consequences, if any; engineering and administrative controls applicable to the hazards; consequences of the failure of engineering and administrative controls; facility siting; human factors; and a qualitative evaluation of the safety effects of failure of controls, as required.

The analysis will be fully documented and a report will be prepared regarding the study methodology and particulars and include a follow up log for any recommendations.

Cost..................................................................................................................$ 4,480

Contractor Evaluation (1-6)

Create a contractor packet including a questionnaire, orientation and evaluation to facilitate gathering required information from contractors whose work is covered under the PSM standard.

Cost..................................................................................................................$ 1,150

Mechanical Integrity (MI) Program Updates (1-7, 1-9)

Compile recommended maintenance tasks and schedules from provided OEM documentation and from industry recommendations, submit for review and revision by Skagit PUD. Skagit PUD will make all decisions as to what the actual maintenance/repair/testing/inspection procedures and frequencies will be.

Final tasks will be provided for copy and paste into a CMMS or put into checklist format for simplified documentation of required information.

Cost..................................................................................................................$ 3,490

Compliance Audit

The three year required compliance audit is currently overdue.

Conduct a Process Safety Management & Risk Management Program Compliance Audit per Washington DOSH and EPA requirements. Work will meet the requirements of the PSM and RMP standards and provide a comprehensive review of plan materials to verify that they meet requirements. Work will include:

- Review of each of the fourteen sections of the existing PSM program, including both written and operational procedures, using the most current industry standard methodology and documented in an audit checklist format. Assess compliance based on the standard, directives, and industry citations.
- Review of the Risk Management Plan, models, and all supporting documentation.
- Interview operators/plant personnel to obtain input on the effectiveness of the program and to assess levels of expertise with program elements and industry standards.
- Report on findings in writing and provide appropriate documentation of audit for facility records required by the standard.
- Develop a corrective action table for plant personnel to establish priorities, timetables, requirements, and responsibilities for audit findings.

The audit will require approximately two days on-site with access to appropriate facility personnel and PSM and RMP program documentation.

Cost..................................................................................................................................................$ 5,105

SharePoint Site Setup – PSM/RMP
Set up a private SharePoint Site for program storage and organization for documentation and records management for the facility. Site will include scheduling of basic PSM program tasks (other than maintenance) and a status survey that may be used to score compliance status.

Note: Maintenance, Admin & Support, and Updates applies to administration of the document control site, it does not include PSM consulting. However, the site supports consulting providing remote visibility and reducing travel time.

Cost, IWW Site Setup..................................................................................................................................$ 2,500
Cost, IWW Site, Maintenance, Admin & Support, Updates, each facility, per month........$ 99

SPECIFIC TERMS

TRAVEL. Any/all travel time and expense is included in this proposal.

SCHEDULE. The schedule for completion will be mutually agreed to by Skagit PUD and iWorkWise upon acceptance of proposal. Proposal is accepted upon receipt of Purchase Order, or the date the work commences, whichever is sooner. This proposal is valid for 60 days.

PRICING. Pricing is based on inclusions, exclusions and terms and conditions. Changes to any of these may require updated pricing.

PAYMENT. An invoice will be submitted at the completion of each project subsection. Invoices will be due 15 days from receipt.

Please call with any questions, changes, or clarifications needed in the proposal (206) 310-5512.

Best Regards,
IWORKWISE

Amy A. Duz
Terms and Conditions

These Terms and Conditions (“Terms”) are applicable to Services provided by iWorkWise, (“Consultant”) for, or on behalf of, Skagit PUD (“Client”). Client engages Consultant to assist with various safety and regulatory issues.

1. Consultant’s Responsibilities. Consultant shall provide services and advice relating to regulatory compliance, (“Services”) as set forth in the attached “Proposal” or “Statement of Services” (collectively “SOS”), which are part of these Terms and Conditions. Client acknowledges these Terms and Conditions set forth the sole duties, tasks and obligations of Consultant.

2. Client’s Responsibilities. Client shall (a) provide Consultant with access to Client’s facility to facilitate Consultant’s timely performance of the Services; and (b) provide sufficient qualified personnel capable of performing Client’s duties. Client acknowledges that its failure to timely perform any of its duties or obligations may affect the timing and cost of the Services. ENFORCEMENT OF ALL REGULATIONS IS SOLELY THE RESPONSIBILITY OF THE CLIENT AND IS NOT THE RESPONSIBILITY OF CONSULTANT.

3. Compensation. Client will pay the fees within 15 days of being invoiced. Overdue invoices will accrue interest on the balance at 1.5% per month until paid. If out-of-pocket expenses are billed separately, at Client’s request, Consultant will provide documentation to verify such expenses. Any time and expense incurred in response to litigation or subpoenas related to services provided to Client will be billed to Client at current billing rates.

4. Independent Contractor. The relationship of the parties is that of independent contractor and client, and is governed solely by these Terms and Conditions. Nothing herein shall be deemed to create a joint venture, partnership, agency, or employee/employer relationship. Neither party is authorized to act as agent for, or otherwise on behalf of, the other party.

5. Services Warranty and Exclusion of Warranties. Consultant warrants that it shall perform the Services in a professional and workmanlike manner. In the event Consultant fails to perform any Services as provided in the SOS, Consultant’s sole and exclusive obligation shall be to promptly take such action as may be reasonably necessary to correct such failure. Consultant makes no other express or implied representations or warranties with respect to the Services to be performed by Consultant or any products that may result therefrom. Client acknowledges that Consultant has been hired for consultancy and advisory services only.

5.1 Limitation of Liability. Consultant’s total liability under these Terms and Conditions for any cause whatsoever, including without limitation, breach of contract or warranty, negligence or gross negligence, is limited to the amount actually paid by Client under these Terms and Conditions for the services that gave rise to such liability. Consultant shall in no event be liable for any consequential, incidental, indirect, exemplary, punitive, or special or similar damages including, but not limited to, personal injury or Jones Act claims, accident costs, loss of profits, loss of revenue, or loss of data.

5.2 Indemnification. Client shall indemnify, defend and hold harmless Consultant and Consultant’s directors, officers, employees, representatives, agents, successors and assigns (“Indemnified Parties”), and shall pay any and all losses, liabilities, damages, costs and expenses (including attorney’s fees) incurred by the Indemnified Parties as a result of Client’s operation of its business including, without limitation, losses, liabilities, damages, costs and expenses arising or resulting from real or alleged safety violations by Client.

6. Legal. These Terms and Conditions shall survive termination of the SOS or completion of the SOS. These Terms and Conditions shall be governed by the laws of the State of Washington. Any dispute or disagreement between the parties shall be settled by arbitration in Seattle, Washington under the Commercial Arbitration Rules then in effect with the American Arbitration Association and the non-prevailing party shall be liable for reasonable attorneys’ fees, court costs and other costs and expenses of litigation or arbitration, including the fees and costs of experts and investigators.

7. Proprietary Materials. Each party is and shall remain the owner of all right, title and interest in its proprietary materials. Neither party shall obtain any right or license in the other’s proprietary materials.

8. Force Majeure. Each party shall be excused from performance and shall have no liability to the other party for any period it is prevented from performing any of its obligations, in whole or in part, as a result of delays caused by the other party by an act of God, war, civil disturbance, court order, third party performance or nonperformance, strikes, work stoppages or other cause beyond its reasonable control, and such nonperformance shall not be a default under, or grounds for termination of, this Agreement.

9. Other. Any terms and conditions attached to, part of, or referred to in a purchase order are expressly rejected. The SOS and these Terms and Conditions shall take precedence. In case of conflicting clauses, to the extent necessary to resolve the conflict, the following order of interpretation shall apply: (a) the SOS and the Terms and Conditions herein; (b) a specific signed contract or master agreement between the parties; and (c) any other standard terms and conditions of Client.
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

Sole Source Justification Form

Vendor Name: iWorkWise
Address: 18551 Aurora Avenue
City, State, Zip: Seattle, WA 98133
Phone Number: (206) 331-4130
Contact Person: Amy Duz, President

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

Technical writing service for process safety management (PSM) required by WA DOSH and EPA due to the amount of chlorine used at our water treatment plant (WTP). The PSM information will be gathered; an operations and maintenance program integration will be performed; an internal audit will occur; and a living document-style program of PSM developed. Training and cloud-based web access and support are ongoing services.

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)

The services provided by iWorkWise are tailored to our WTP. Similar consultants are focused on petrochemical facilities. Discussions with two other consulting firms revealed that they specialize in dealing with much larger and more complex facilities without the ability to scale down effectively in service and price. Also, iWorkWise offers an
industry-first cloud-based web access service to all developed PSM materials, training, and other process documents.

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)

DuPont Sustainable Solutions, Virginia Beach, VA (877) 262-7825 – no programs scaled for water chlorination processes. Provides training support, but not small operation program building consultation services.

AcuTech Consulting, Vienna, VA (703) 676-3180 – no programs scaled for water chlorination processes. Provides web-based risk management services that we do not need as part of the consultation. Scaled for large petro-chemical operations.

**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.

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Signature of Requestor: [Signature]

Date: 9/12/2018

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**General Manager Approval**

☐ Approved   ☐ Denied

George Sidhu, General Manager

Date
September 20, 2018

TO: George Sidhu, P.E., General Manager
FROM: Mark Handzlik, P.E., Engineering Manager
BY: Mike Demers, Engineering Technician

SUBJECT: Quit Claim Deed – Vacate Easement AF# 641411

Requested Action:
Authorize the General Manager to execute a Quit Claim Deed and Hold Harmless Agreement which vacates a portion of a District utility easement (Skagit County Auditor’s File No. 641411) located on parcel P39288.

Background:
Staff received a request to vacate a certain 20-ft wide utility easement for an abandoned 2-inch plastic waterline in order to make property available for use by owners on Alderwood Lane in Sedro-Woolley. The waterline was installed in 1963 and abandoned by the District in 1993 when meters were relocated to Alderwood Lane.

Staff has reviewed the water system in the area and determined the vacation of the easement to be of no consequence to the District. Future line extensions in the area would likely be facilitated from Alderwood Lane, Beachley Road or Portobello Avenue.

Fiscal Impact:
None. The plastic pipe will be left in place and the Quit Claim Deed and Hold Harmless Agreement will be recorded by the applicant requesting the vacation.

Attachments: Maps
Quit Claim Deed and Hold Harmless Agreement
Quit Claim Deed – Vacation of Easement

Legend

- Easement Area
- Main Line
- Abandoned Main

Af # 641411

Map 2 of 2

This map was created from available public records and existing map sources, not from field survey, while great care was taken in its process, maps from different sources only agree as to the precise location of geographic features. The relative positioning of map features to one another results from combining different map sources without field verification.

The PUD #1 of Skagit County disclaims any warranty of merchantability or warranty of fitness of the map for any particular purpose, either expressed or implied. No representation or warranty is made concerning the accuracy, currency, completeness or quality of data explored on this map. Any use of this map assumes all responsibility for use thereof, and further agrees to hold the PUD #1 of Skagit County harmless from any damages, loss, or liability arising from the use of this map.
QUIT CLAIM DEED AND HOLD HARMLESS AGREEMENT

For and in consideration of mutual benefits and other valuable consideration, receipt of which is hereby acknowledged, PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, a municipal corporation (Grantor), hereby conveys and quit claims to HARVINDER SINGH, his successors and assigns (Grantee), all rights, title and interest in and to that portion of the certain utility easement crossing Grantee’s property acquired through an instrument dated September 27, 1963 and recorded under Skagit County Auditor's file No. 641411, Records of Skagit County on September 30, 1963.

Said easement being within the tracts of land designated:

P39288  
Tax parcel P39288 as described in Auditor’s File No. 8911150003.

Easement Description:
The North 20.0 feet of the South Half of the South Half of the North 1/3 of Government Lot 2, Section 18, Township 35 North, Range 5 East of the Willamette Meridian, lying East of the Wickermans Highway.  
Situate in the County of Skagit, State of Washington.

Grantee(s), their heirs, successors, or assigns agree to defend, indemnify, and hold harmless Grantor from any and all claims, demands, losses, and liabilities connected with any pipelines or other utility appurtenances remaining on or buried in the property. Grantee also assumes all ownership and liability related to such material.

IN WITNESS WHEREOF, the Parties hereto have executed this instrument effective this ______ day of __________________, 2018.

PUBLIC UTILITY DISTRICT NO. 1  
OF SKAGIT COUNTY

Harvinder Singh  
George Sidhu, P.E., General Manager

STATE OF WASHINGTON  
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that Harvinder Singh is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

Date: ____________________________

(Signature)
Notary Public in and for the State of Washington
(Printed Name)
My appointment expires: _________________________

STATE OF WASHINGTON  
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that George Sidhu, P.E. is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated he was authorized to execute the instrument and acknowledged it as the General Manager of Public Utility District No. 1 of Skagit County to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: ____________________________

(Signature)
Notary Public in and for the State of Washington
(Printed Name)
My appointment expires: _________________________