



**Mason County PUD No. 1  
Special Board Meeting  
April 26, 2022  
10:00 a.m.**

Join Zoom Meeting  
<https://us02web.zoom.us/j/85869053743>

Meeting ID: 858 6905 3743  
1 (253) 215-8782

**1:00 p.m. Call to Order & Flag Salute**

**1) Consent Agenda**

**Minutes:** April 12, 2022 Special Board Meeting

<b>Disbursements:</b>	Accounts Payable Wire	\$ 53,470.80
	Check Nos. 121510-121565	\$128,886.01
	121567-121568	\$ 1,119.27
	<b>A/P Sub-Total</b>	<b>\$183,476.08</b>
	Payroll Wire	\$ 65,510.28
	Check No. 121566	\$ 1,587.29
	<b>Grand Total</b>	<b>\$ 250,573.65</b>

**2) Public Comment-** *Members of the public wishing to comment may request permission to do so during the Public Comment portion of the agenda. Comments shall be limited to no more than 5 minutes per speaker. There will be no action or discussion of public comment items, although the board may defer to PUD management for any necessary response.*

**3) Business Agenda**

- March 2022 & 1st Quarter Financials
- Authorize the GM to sign the DOH Contract for Ripplewood Water System
- 1<sup>st</sup> Quarter Strategic Plan Update
- Authorize the GM to sign the DOH Contract for Lake Arrowhead Water System

**4) Staff Reports**

- General Manager
- District Treasurer
- Water Resource Manager
- Legal Counsel

**5) Correspondence**

**6) Board Comments**

**7) Other Business/Public Comment**

**8) Executive Session - None**

**9) Adjournment**

## **2022 Calendar**

April 28	WPAG	9:00 am
May 4-5	PPC	Embassy Suites Portland Airport
May TBA	WPUDA	Telecom Workshop
May TBA	WPUDA	Managers Committee
May 18	WPAG	9:00 am
May 22-25	NWPPA	Annual Conference
June 1-2	PPC	Virtual
June TBA	WPUDA	Strategic Planning Committee Meeting
June 10-15	APPA	National Conference
June 23	WPUDA	TBA (Water Committee Meeting)
June 23	WPAG	9:00 am
July 13-15	WPUDA	TBA (Association Meetings)
July 8	PUD	Employee Appreciation BBQ
July 28	WPAG	9:00 am
August 3-4	PPC	Sheraton Portland Airport
August 25	WPAG	9:00 am
August 31/Sept 1	PPC	Virtual (Executive Committee Meeting)
September 14-16	WPUDA	TBA (Association Meetings)
September 22	WPAG	9:00 am
September 21-23	WPUDA	TBA (Water Workshop)
October 5-6	PPC	Virtual (Executive Committee Meeting)
October 13	WPUDA	TBA (Budget Committee meeting)
October 22	WPAG	9:00 am
November 16-18	WPUDA	TBA (Association Meetings)
November 16	PPC Town Hall	Sheraton Portland Airport
November 17	PPC Annual Mtg.	Sheraton Portland Airport
Nov/Dec	WPAG	Date/Time TBA



**Mason County Public Utility District No. 1**  
Board of Commissioners Regular Board Meeting  
April 12, 2022, Potlatch, Washington

**Present:**

Mike Sheetz, President  
Jack Janda, Vice President  
Ron Gold, Board Secretary  
Kristin Masteller, General Manager  
Katie Arnold, District Treasurer  
Brandy Milroy, Water Resource Manager  
Julie Gray, Executive Assistant (Online)  
Rob Johnson, Legal Counsel

**Visitors:**

None

**CALL TO ORDER:** Mike Sheetz called the Regular Board meeting to order at 1:00 p.m.

**APPROVAL OF CONSENT AGENDA:**

**Minutes:** March 29, 2022 Regular Board Meeting

<b>Disbursements:</b>	<u>Accounts Payable Check Register</u>	
	Accounts Payable Wire	\$ 175,292.14
	Check Nos. 121454-121484	\$ 113,679.73
	121487-121509	\$ 20,426.64
	<b>A/P Sub Total</b>	<b>\$ 309,398.51</b>
	<u>Payroll Expense</u>	
	Payroll Wire	\$ 120,651.40
	Check No. 121485-121486	\$ 15,064.76
	<b>Grand Total</b>	<b>\$ 445,114.67</b>

Jack made a motion to approve the consent agenda as presented, Ron seconded the motion. Motion carried.

**PUBLIC COMMENT:** None.

**BUSINESS AGENDA:**

**Resolution No. 2059 Designating Applicant Agent** – Jack made a motion to authorize Katie Arnold as the Designated Applicant Agent for Resolution No. 2059. Ron seconded the motion. Motion carried.

**Discussion on Special Meeting Dates** – Jack made a motion to change the April 26<sup>th</sup> regular meeting time to a special meeting time of 10:00 a.m. and to move the May 24<sup>th</sup> regular meeting to a May 31<sup>st</sup> special meeting at 1:00 p.m. Ron seconded the motion. Motion carried.

**Pre-Qualified Electrical Contractors** – Jack made a motion to approve the List of Pre-qualified Electrical Contractors as presented. Ron seconded the motion. Motion carried.



**Mason County Public Utility District No. 1**  
Board of Commissioners Regular Board Meeting  
April 12, 2022, Potlatch, Washington

**Staff Reports -**

**General Manager** – Kristin reported that her time spent in DC was the best conference she has attended to date. She met with Representative Kilmer’s and Senator Murray’s offices and staff. She reported that the electric crew is working on McReavy replacing some old underground. She reported that a new VAC trailer had been ordered, delivery time is estimated 9 months from now. Kristin reported that she is looking at inventory costs so that we are charging the correct amount for jobs. She also reported that they have received some applications for the engineering job and are hoping to receive some applications for the summer temp crew.

**Director of Finance** –Katie gave the board an update on the status of upcoming grants. The FEMA resiliency grant project is due April 14<sup>th</sup>, 2022. She stated this is a \$3.2 million project that would help upgrade overhead and underground lines throughout the District’s service territory that has a high number of outages. There are additional mitigation grant rounds opening that are due in June 2022. Staff is currently working on a few pre-applications specific to generators for the District’s water systems, and reservoir retrofits.

**Water Resource Manager** – Brandy reported that H2O Solutions will be doing the reservoir cleaning and inspection again this year. She also reported that WPUDA had appointed her as the representative for the NSDC (National Special Districts Coalitions) Water Infrastructure for Fire Fighting Working Group. The first sub-group meeting is tomorrow. There will be a follow up meeting on Wednesday, April 20<sup>th</sup>. After that both the water and fire sub-groups will meet.

**Rob Johnson, Attorney** – Rob reported that PUD 3 board just approved the change of business days to 4-10’s. The PUD 3 office will be closed on Fridays.

**Correspondence** – A note from Representative Kilmer to Kristin for joining the USDA meeting.

**Board Reports –**

Mike – Attended the NWPPA meeting.

Jack – Attended Energy Northwest meeting.

Ron – Ron attended the Hood Canal Coordinating Council, PPC and WPUDA meeting

**PUBLIC COMMENT** – None.

**EXECUTIVE SESSION** – None.

**Adjournment: 2:17 p.m.**

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**Mike Sheetz, President**

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**Jack Janda, Vice President**

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**Ron Gold, Secretary**

04/21/2022 11:29:07 AM

# Accounts Payable Check Register

Page 1

04/11/2022 To 04/21/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
645 04/18/2022	WIRE	IRS	WEST COAST BANK	FEDERAL TAX LIABILITY	26,571.01
646 04/18/2022	WIRE	WASH 1	WA DEPT OF RETIREMENT SYS	STATE RETIREMENT - PLAN 2	15,797.92
647 04/18/2022	WIRE	WASH 7	WA STATE TREAS-MS: PO-11	DEFERRED COMPENSATION	8,164.75
648 04/18/2022	WIRE	HRA	HRA VEBA TRUST CONTRIBUTI	VEBA MEDICAL SAVINGS	2,937.12
121510 04/11/2022	CHK	AIRGAS	AIRGAS USA, LLC	DUCKABUSH SUB STATION-NITROGEN	132.22
121511 04/11/2022	CHK	ANIXTER	ANIXTER INC	ELECTRIC NON INVENTORY-DEADEND AUTO TYPE	1,033.06
121512 04/11/2022	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	VACCUM TRAILER PARTS	118.77
121513 04/11/2022	CHK	CAPIT2	CAPITAL INDUSTRIAL, INC.	VEHICLE #61-FUEL FILTER	91.22
121514 04/11/2022	CHK	CENTUR	CENTURYLINK	TELEPHONE CHARGES ACCT#206-Z05-0016 020	1,050.68
121515 04/11/2022	CHK	CRC	COOPERATIVE RESPONSE CENTER, INC	AFTER HOURS ANSWERING SERVICE	1,360.34
121516 04/11/2022	CHK	DOH	DEPT. OF HEALTH	MADRONA BEACH SUPPLY-SURVEY FEE	3,000.00
121517 04/11/2022	CHK	PAPE COMPANY	DITCH WITCH WEST	VEHICLE #107-PROSPECTOR NOZZLE	870.23
121518 04/11/2022	CHK	DON SMALL & S	DON SMALL & SONS OIL DIST	GAS & DIESEL	4,528.24
121519 04/11/2022	CHK	GORDON TRUC	FREIGHTLINER NORTHWEST OLYMPIA	VEHICLE #78-CAMSHAFT CONVERSION KIT	119.73
121520 04/11/2022	CHK	GDS ASSOCIATE	GDS ASSOCIATES, INC	MONTHLY WPAG EXPENSES	196.41
121521 04/11/2022	CHK	GE SOFTWARE	GE SOFTWARE INC DBA EKOS	MONTHLY EKOS FUEL SITE MODULE	80.00
121522 04/11/2022	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC NON INVENTORY-METER RINGS	488.25
121523 04/11/2022	CHK	GRAY	GRAY & OSBORNE, INC	SHADOWOOD WATER SYSTEM IMPROVEMENT	25,581.77
121524 04/11/2022	CHK	HOOD CANAL	HOOD CANAL MARKET FRESH	DISTILLED WATER	141.84
121525 04/11/2022	CHK	L.G.	L. G. ISAACSON CO. INC.	ELECTRIC NON INVENTORY-MARKING PAINT	165.41
121526 04/11/2022	CHK	LEMAY MOBILE	LEMAY MOBILE SHREDDING	SHRED (1)65 GALLON - TWO DIFFERENT TIMES	114.40
121527 04/11/2022	CHK	LILLIWAUP FAL	LILLIWAUP FALLS GENERATING COMP	MARCH POWER USAGE	34,501.81
121528 04/11/2022	CHK	MARSH	MARSH MUNDORF PRATT & SUL	MONTHLY WPAG SERVICES	265.65
121529 04/11/2022	CHK	MASON CO GAR	MASON COUNTY GARBAGE	MONTHLY GARBAGE CHARGES	957.77
121530 04/11/2022	CHK	SHEL 2	MASON COUNTY JOURNAL	CANAL VIEW WATER-RELEASE OF FUNDS AD	1,061.20
121531 04/11/2022	CHK	MASTELLER	KRISTIN MASTELLER	REIMBURSE-NWPPA POLICY CONFERENCE EXPENS	1,893.30

04/21/2022 11:29:07 AM

# Accounts Payable Check Register

Page 2

04/11/2022 To 04/21/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
121532 04/11/2022	CHK	MAVEN UTILITI	MAVEN UTILITIES LLC	MCREAVY RD - 2' ROAD CROSSING	4,991.00
121533 04/11/2022	CHK	NISC	NISC	MARCH 2022 RECURRING INVOICE	7,915.31
121534 04/11/2022	CHK	NWPPA	NWPPA	ONLINE JOB ADVERTISING-ELECTRICAL ENGINE	600.00
121535 04/11/2022	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VEHICLE #65	716.10
121536 04/11/2022	CHK	RICOH USA	RICOH USA, INC.	MONTHLY RENT (2)COPY MACHINES	514.29
121537 04/11/2022	CHK	JOHN 3	ROBERT W. JOHNSON	MARCH-RETAINER FEE & DNR EASEMENT RECORD	3,823.04
121538 04/11/2022	CHK	SCOTT MCLEND	SCOTT MCLENDON'S HARDWARE #2	BEL AIRE COVE WATER-MARINE BATTERY & COR	134.34
121539 04/11/2022	CHK	SPECTRA LAB	SPECTRA LABORATORIES-KITSAP, LLC	VARIOUS WATER TESTING	2,388.00
121540 04/11/2022	CHK	TOZIER	TOZIER BROS, INC	HOLIDAY BEACH WATER PARTS	66.41
121541 04/11/2022	CHK	UTILI1	UTILITIES UNDERGROUND LOCATION	MONTHLY UNDERGROUND LOCATES	152.46
121542 04/11/2022	CHK	WPUDA	WASHINGTON PUD ASSOC.	MONTHLY DUES	1,758.00
121543 04/11/2022	CHK	WASH21	WASHINGTON STATE DEPT. OF RETIRE	OLD AGE & SURVIVORS INSURANCE	25.00
121544 04/11/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	SHOP SUPPLIES	456.10
121545 04/11/2022	CHK	2	CONSUMERS POWER, INC	NW USERS GROUP MEETING 4/26-4/27 KATIE	150.00
121546 04/13/2022	CHK	AIR FLO HEATIN	AIR FLO HEATING COMPANY	DUCTLESS HEATPUMP & BPA INCENTIVE-JONES	1,300.00
121547 04/13/2022	CHK	ALPINE DUCTLE	ALPINE DUCTLESS HEATING	DUCTLESS HEATPUMP & BPA INCENT-M CURRENT	1,300.00
121548 04/13/2022	CHK	AMERICOOOL	AMERICOOOL HEATING & AIR CONDITI	DUCTLESS HEATPUMP & BPA INCENTIVE-RAGAN	1,300.00
121549 04/13/2022	CHK	BKI ENGINEERI	BKI ENGINEERING SERVICES	ENGINEER COACHING-MENTORING	645.00
121550 04/13/2022	CHK	BRUFF	BARNEY BRUFF	TRAVEL PER DIEM-NWPPA E& O (SPOKANE)	230.00
121551 04/13/2022	CHK	BUILDERS	BUILDERS FIRSTSOURCE, INC	SHOP SUPPLIES	43.78
121552 04/13/2022	CHK	CENTUR	CENTURYLINK	TELEPHONE CHARGES ACCT#206-Z05-0016 020	1,047.15
121553 04/13/2022	CHK	CSM HEATING	CSM HEATING & COOLING	DUCTLE HEATPUMP & BPA INCENTIVE-PEARSON	1,300.00
121554 04/13/2022	CHK	GENPAC	GENERAL PACIFIC INC	ELECTRIC NON INVENTORY PARTS	3,703.97
121555 04/13/2022	CHK	L.G.	L. G. ISAACSON CO. INC.	PINK MARKING PAINT	166.78
121556 04/13/2022	CHK	VALLEY	VALLEY LJ	MILEGE REIMBURSEMENT-CAMP RILEA	152.10
121557 04/13/2022	CHK	MASTELLER	KRISTIN MASTELLER	NWPPA - WASHINGTON,DC TRIP(HOTEL CHARGE)	1,420.80

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# Accounts Payable Check Register

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04/11/2022 To 04/21/2022

Bank Account: 4 - COLUMBIA BANK - DISTRICT

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
121558 04/13/2022	CHK	NISC	NISC	MARCH 2022-PRINT SERVICES	4,853.90
121559 04/13/2022	CHK	NWPPA	NWPPA	NWPPA ANNUAL CONF	2,250.00
121560 04/13/2022	CHK	PARSON	PARSONS DIESEL & STEAM	SERVICE VARIOUS VEHICLES	2,088.63
121561 04/13/2022	CHK	NAPA AUTO PA	WESTBAY NAPA AUTO PARTS	SHOP SUPPLIES	441.55
121562 04/13/2022	CHK	2	WILLIAM EATON	DUCTLESS HEATPUMP & BPA INCENTIVE REBATE	1,300.00
121563 04/13/2022	CHK	2	JENNY S KIRK	DUCTLESS HEATPUMP & BPA INCENTIVE REBATE	1,300.00
121564 04/13/2022	CHK	2	JENNIFER L REICH	DUCTLESS HEATPUMP & BPA INCENTIVE REBATE	1,300.00
121565 04/13/2022	CHK	2	KYLE SKARRA	DUCTLESS HEATPUMP & BPA INCENTIVE REBATE	1,300.00
121567 04/18/2022	CHK	IBEW	IBEW LOCAL UNION #77	UNION DUES	899.27
121568 04/18/2022	CHK	PUDEMP	PUD #1 EMPLOYEE FUND	EMPLOYEE FUND	220.00
Total Payments for Bank Account - 4 :					(62) 183,476.08
Total Voids for Bank Account - 4 :					(0) 0.00
Total for Bank Account - 4 :					(62) 183,476.08
Grand Total for Payments :					(62) 183,476.08
Grand Total for Voids :					(0) 0.00
Grand Total :					(62) 183,476.08

04/21/2022

11:29:07 AM

# Accounts Payable Check Register

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**PARAMETERS ENTERED:****Check Date:** 04/11/2022 To 04/21/2022**Bank:** All**Vendor:** All**Check:****Journal:** All**Format:** Summary**Extended Reference:** No**Sort By:** Check/Transaction**Voids:** Current**Payment Type:** All**Group By Payment Type:** No**Minimum Amount:** 0.00**Authorization Listing:** No**Credit Card Charges:** No



04/19/2022 1:35:09 PM

GENERAL LEDGER  
TRANSACTION DETAIL

Page: 1

APR 2022 To APR 2022

Date	Journal Description	Actv BU Project	Mod	Jrnl Reference Code	
Account: 0 131.2 CASH-GENERAL FUND (DISTRICT)			Department:	0	
04/18/22	66015 Check Print	0	PL	2 PAYROLL	65,510.28

## PARAMETERS ENTERED:

Division: All

Accounts: 0 131.2

Department: All

Activity: All

Sort By: Div/Acct

Date Selection: Period

Period: APR 2022 To APR 2022

Module: PL

Journal Activity: All

Accounts With No Transactions: Yes

Extended Reference: No

Interface Detail: No

Group by Department: Yes

51217

/pro/rpttemplate/acct/2.52.1/gl/GL\_TRANS\_DETAIL.xml.rpt

Karnold

04/19/2022 1:36:34 PM

## Payroll/Labor

Page 1

## Check Register

Pay Date: 04/18/2022 To 04/18/2022

Empl Name	Pay Date	Dir Dep/Check	Net Pay	Type
135 TIMOTHY BROWN	04/18/2022	121566	1,587.29	CHK

## PARAMETERS ENTERED:

Pay Date: 04/18/2022 To 04/18/2022

Check/Direct Deposit: All

Employee: 135

Journal: 0

Division: All

Format: Summary By Check

Sort By: Check/Direct Deposit



## PUD1 – Executive Summary – March 2022

This report summarizes information on the current financial status of Mason County  
PUD No. 1 for the month of March 2022:

- **Work in Progress:**
  - 2021 Annual Report (State Auditors Office) – Due May 30, 2022
  - FEMA Grant Applications (Due April 14, 2022)
- **Completed Projects:**
  - 2021 Form 7 – Due March 31, 2022
  - Clean Energy Implementation Plan
  - 2021 Privilege Tax Return
  - 2022 Budget Development
  - Hazard Mitigation Grants – 2021 / 2022
  - DOH Construction Loans / Grants for 2022 Projects
- **Planned Key Milestones, Activities and / or Events:**
  - Long range financial and budgetary planning – ongoing.

### Financial Highlights:

- Revenue – Gross Revenue was \$1,198,808 for the month of March 2022.
- Expenditures – Gross expenditures were \$1,013,372 for the month of March 2022.
- COVID Metrics – As of March, there were 62 electric accounts and 27 water accounts that were 90 days or more past due for a total of \$42,439.

<b>Financial Metrics as Compared with Prior Year:</b>	<b>March 2022</b>	<b>March 2021</b>
Total General Cash and Investments	\$1,261,769	\$1,324,397
Current Ratio (Current Assets/Current Liabilities)	2.74 to 1	2.73 to 1
Debt Service Coverage (O&M/ Debt Service)	3.41	2.78
Long-Term Debt to Net Plant	36%	39%
Total Debt to Equity Ratio (Total Liabilities/Total Equity)	48%	54%
Long Term Debt to Equity Ratio (Long Term Debt / Total Equity)	44%	48%
Times Interest Earned Ratio (Earnings before Interest & Taxes/Total Interest)	7.83	3.92
Cash on Hand (Total Available Cash/Average Daily Costs)	42 Days (General) 162 Days (All Funds)	47 Days (General) 143 Days (All Funds)



## Mason County PUD No 1

*Budget Summary by Division For the Month Ended March 31, 2022*

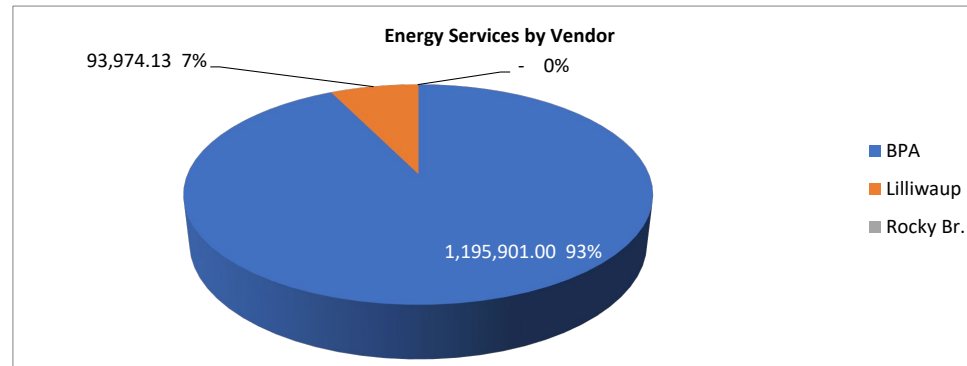
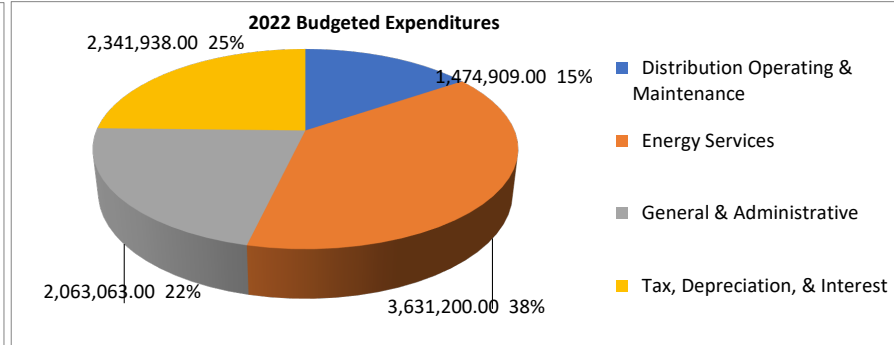
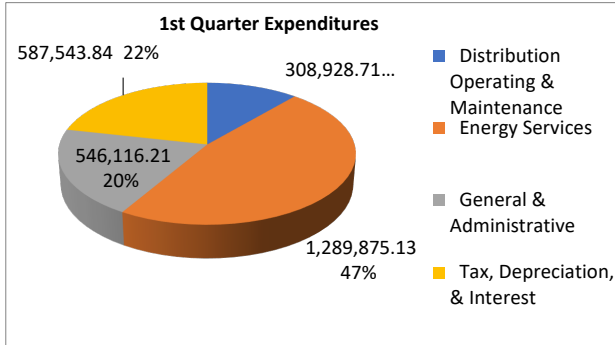
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
<b>Total Revenue</b>	\$ 995,464.68	\$ 202,410.22	\$ 932.80	\$ 1,198,807.70
<b>Budgeted</b>	\$ 969,804.01	\$ 172,985.00	\$ 903.75	\$ 1,143,692.76
<b>Difference (-/+)</b>	\$ 25,660.67	\$ 29,425.22	\$ 29.05	\$ 55,114.94
<b>% of Budget</b>	103%	117%	103%	105%
<b>Total Expenditures</b>	\$ 840,916.00	\$ 172,372.83	\$ 83.30	\$ 1,013,372.13
<b>Budgeted</b>	\$ 822,554.55	\$ 180,761.57	\$ 526.34	\$ 1,003,842.46
<b>Difference (-/+)</b>	\$ 18,361.45	\$ (8,388.74)	\$ (443.04)	\$ 9,529.67
<b>% of Budget</b>	102%	95%	16%	101%
<b>Net Operating Margins</b>	\$ 154,548.68	\$ 30,037.39	\$ 849.50	\$ 185,435.57
<b>Budgeted</b>	\$ 147,249.46	\$ (7,776.57)	\$ 377.41	\$ 139,850.30
<b>Difference (-/+)</b>	\$ 7,299.22	\$ 37,813.96	\$ 472.09	\$ 45,585.27
<b>% of Budget</b>	105%	-386%	225%	133%

## Mason County PUD No. 1

*Status of Budget*  
As of March 31, 2022

### ELECTRIC DIVISION

	1st Quarter 2022	1st Quarter Budget	% of 1st Qtr Budget	2022 Actuals	2022 Budget	% of Annual Budget
<b>Revenue</b>	3,312,011.91	3,015,497.03	110%	3,312,011.91	9,867,493.00	34%
<b><u>Expenditures</u></b>						
<b>Distribution Operating &amp; Maintenance</b>	308,928.71	282,900.20	109%	284,539.40	1,474,909.00	19%
<b>Energy Services</b>	1,289,875.13	1,147,700.00	112%	1,289,875.13	3,631,200.00	36%
<b>General &amp; Administrative</b>	546,116.21	530,112.04	103%	546,116.21	2,063,063.00	26%
<b>Tax, Depreciation, &amp; Interest</b>	587,543.84	608,681.40	97%	587,543.84	2,341,938.00	25%
<b>TOTAL EXPENDITURES</b>	\$ 2,732,463.89	\$ 2,569,393.64	106%	2,708,074.58	\$ 9,511,110.00	28%
<b>NET OPERATING MARGINS</b>	\$ 579,548.02	\$ 446,103.39	130%	603,937.33	\$ 356,383.00	169%



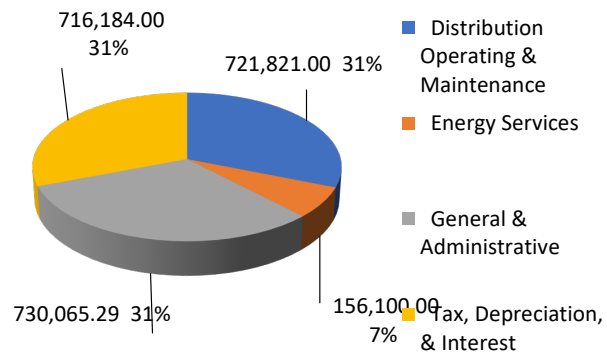
## Mason County PUD No. 1

*Status of Budget*  
As of March 31, 2022

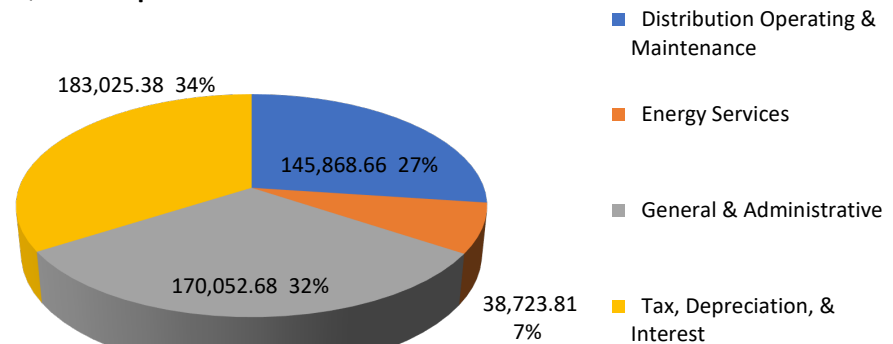
### WATER DIVISION

	1st Quarter 2022	1st Quarter Budget	% of 1st Qtr Budget	2022 Actuals	2022 Budget	% of Annual Budget
Revenue	631,120.55	517,455.00	122%	631,120.55	2,559,920.00	25%
<b><u>Expenditures</u></b>						
Distribution Operating & Maintenance	145,868.66	136,129.03	107%	145,868.66	721,821.00	20%
Energy Services	38,723.81	38,000.00	102%	38,723.81	156,100.00	25%
General & Administrative	170,052.68	193,971.59	88%	170,052.68	730,065.29	23%
Tax, Depreciation, & Interest	183,025.38	168,987.96	108%	183,025.38	716,184.00	26%
<b>TOTAL EXPENDITURES</b>	<b>\$ 537,670.53</b>	<b>\$ 537,088.58</b>	<b>100%</b>	<b>537,670.53</b>	<b>\$ 2,324,170.29</b>	<b>23%</b>
<b>NET OPERATING MARGINS</b>	<b>\$ 93,450.02</b>	<b>\$ (19,633.58)</b>	<b>-476%</b>	<b>93,450.02</b>	<b>\$ 235,749.71</b>	<b>40%</b>

**2022 Budgeted Expenditures**



**1st Quarter Expenditures**



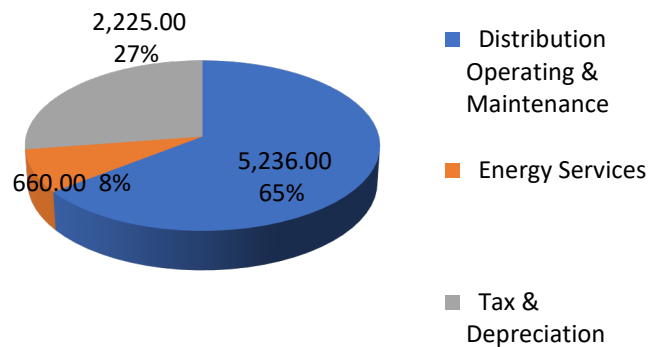
## Mason County PUD No. 1

*Status of Budget*  
As of March 31, 2022

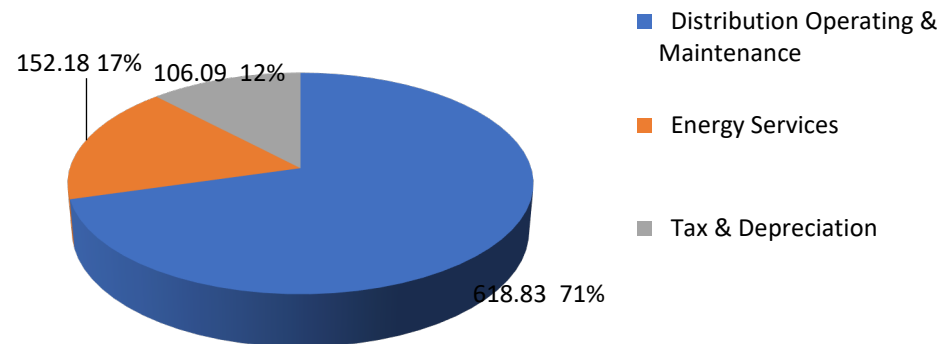
### SEWER DIVISION

	1st Quarter 2022	1st Quarter Budget	% of 1st Qtr Budget	2022 Actuals	2022 Budget	% of Annual Budget
Revenue	2,764.60	2,711.25	102%	2,711.25	11,124.00	24%
<b>Expenditures</b>						
Distribution Operating & Maintenance	618.83	1,309.02	47%	618.83	5,236.00	12%
Energy Services	152.18	165.00	92%	152.18	660.00	23%
Tax & Depreciation	106.09	105.00	101%	106.09	2,225.00	5%
<b>TOTAL EXPENDITURES</b>	<b>\$ 877.10</b>	<b>\$ 1,579.02</b>	<b>56%</b>	<b>\$ 877.10</b>	<b>\$ 8,121.00</b>	<b>11%</b>
<b>NET OPERATING MARGINS</b>	<b>\$ 1,887.50</b>	<b>\$ 1,132.23</b>	<b>167%</b>	<b>\$ 1,834.15</b>	<b>\$ 3,003.00</b>	<b>61%</b>

**2022 Budgeted Expenditures**



**1st Quarter Expenditures**



**Mason County PUD No. 1**  
*Treasurer's Report to Commission*  
March 31, 2022

**3/31/2022**

General Electric Cash	290,219.61
General Water Cash	94,143.91
General Sewer Cash	4,195.20
Investments	872,610.01
Petty and Register	600.00
<b>General Funds Total</b>	<b>1,261,768.73</b>

**Designated Reserves**

Commerical Liability Fund	32,525.19
Computer Replacement Fund	111,351.14
Contruaction Fund (Electric)	148,144.90
Contruaction Fund (Water)	393,547.48
Pole Yard	103,114.54
Privilege Tax Fund	30,215.93
Replacement Equipment Fund	529,331.92
Substation Fund	2,068,961.86
Water Regulatory Fund	100,278.19
System Development Fee	125,058.02
<b>Designated Reserves Total</b>	<b>\$ 3,642,529.17</b>

**Restricted Funds**

Customer Deposits	65,300.80
Electric Revenue Bond '18	213,662.38
Electric Revenue Bond Reserve '18	499,582.73
Electric System Revenue Bond 2014	170,220.80
Electric System Bond Reserve '14	304,091.54
Public Works Trust Fund	89,190.08
RUS Treasury Bond	202,478.06
US Treasury Reserves	235,946.79
Water System Revenue Bond '18	81,078.26
<b>Restricted Funds Total</b>	<b>1,861,551.44</b>
<b>TOTAL ALL FUNDS</b>	<b>6,765,849.34</b>

**Long-Term Debt**

	Beginning Balance	Principle Payments	Ending Balance
Electric Revenue Bond 2014	2,510,000.00		2,510,000.00
Electric Revenue Bond 2018	6,025,000.00		6,025,000.00
PWTF	622,093.83		622,093.83
RUS Long Term Debt	2,745,846.30	(29,846.15)	2,716,000.15
Water Bond '18	2,296,000.00		2,296,000.00
<b>Total Long Term Debt</b>	<b>14,198,940.13</b>	<b>(29,846.15)</b>	<b>14,169,093.98</b>



**Mason County PUD No. 1**  
*LGIP Investment Activity 1st Qtr 2022*

	<u>12/31/2021</u>	Transfer In	Interest Earned	Transfers Out	<u>3/31/2022</u>
<b>General Investments</b>	834,217.85	38,100.00	292.16		<b>872,610.01</b>
<b>Designated Reserves</b>					
Commerical Liability Fund	129,261.95	32,250.00	13.24	(129,000.00)	32,525.19
Computer Replacement Fund	111,313.63		37.51		111,351.14
Pole Yard	103,078.93		35.61		103,114.54
Privilege Tax Fund	165,202.69	45,000.00	10.28	(180,000.00)	30,212.97
Replacement Equipment Fund	454,163.55	75,000.00	168.37		529,331.92
Substation Fund	2,372,707.01	95,500.00	754.85	(400,000.00)	2,068,961.86
Water Regulatory Fund	100,243.54		34.65		100,278.19
Sysyem Development Fund	100,021.92	24,999.00	37.10		125,058.02
<b>Designated Reserves Total</b>	<b>3,535,993.22</b>	<b>272,749.00</b>	<b>1,091.61</b>	<b>(709,000.00)</b>	<b>3,100,833.83</b>
<b>Restricted Funds</b>					
Electric Revenue Bond '18	85,606.79	128,013.00	42.59		213,662.38
Electric Revenue Bond Reserve '18	499,410.17		172.56		499,582.73
Electric System Revenue Bond 2014	91,806.12	78,375.00	39.68		170,220.80
Electric System Bond Reserve '14	303,986.51		105.03		304,091.54
Public Works Trust Fund	53,276.50	36,000.00	22.02		89,298.52
RUS Treasury Bond	478,973.66	60,000.00	148.46	(100,697.27)	438,424.85
Water System Revenue Bond '18	15,128.49	66,000.00	14.14		81,142.63
<b>Restricted Funds Total</b>	<b>1,528,188.24</b>	<b>368,388.00</b>	<b>544.48</b>	<b>(100,697.27)</b>	<b>1,796,423.45</b>
<b>TOTAL ALL FUNDS</b>	<b>5,898,399.31</b>	<b>679,237.00</b>	<b>1,928.25</b>	<b>(809,697.27)</b>	<b>5,769,867.29</b>

April 11, 2022



Mason County PUD No. 1  
Katie Arnold  
21971 North Highway 101  
Shelton, WA 98584  
karnold@mason-pud1.org

RE: Loan Contract Number: DWL27245

Dear Katie Arnold;

Enclosed is the Drinking Water State Revolving Fund Loan Contract Number identified above for your signature. The Loan Contract details the terms and conditions that will govern the agreement between us, which includes the project's Scope of Work as a formal attachment. Failure to return the contracts within 60 calendar days of the date of this letter may result in your loan offer being withdrawn.

Review, print and sign the document. Once signatures are obtained, scan and return by email to [dohcon.mgmt@doh.wa.gov](mailto:dohcon.mgmt@doh.wa.gov) or print and sign a hard copy, and return the originals to us for full execution.

Please note that the U.S. Environmental Protection Agency is the funding source for this program and the Catalog of Federal Domestic Assistance (CFDA) number is 66.468. Consequently, the loan funds are federal and subject to both state and federal requirements.

A non-refundable one-percent loan administration fee will be collected at contract execution (If applicable), including any subsequent amendments where funds are added. The loan amount may be modified to include an amount sufficient to cover the one-percent loan administration fee. In most cases, the fee will be collected in full at contract execution. Please review the terms and conditions of the Loan Contract and all attachments carefully for details.

A requirement of the DWSRF program is that you must maintain updated project records and yearly renewal of your registration in the System for Award Management at [www.sam.gov](http://www.sam.gov).

Another requirement of the DWSRF program is that all entities are required to verify that the federal government has not suspended or debarred them from receiving federal funds. This includes, but is not limited to, project contractors, subcontractors, engineers, architects, consultants, and equipment vendors. The Exclusion Report can be accessed at [www.sam.gov](http://www.sam.gov). Failure to provide this required certification may result in termination of your loan contract.

After the Loan Contracts have been signed by the Department or its designee, one fully executed original will be returned to you for your files. Instructions for drawing the loan funds will be returned to you with the executed Loan Contract, as well as the necessary forms. The Loan Contract specifies that draws may be made for costs that have been incurred within the contract period of performance, and which have supporting documentation such as receipts or bills.

We are looking forward to working with you over the course of this project. If you have any questions about this Loan Contract, please contact me.

Sincerely,

Eloise Rudolph  
DOH Contract Manager  
360-236-3124  
[Eloise.rudolph@DOH.WA.GOV](mailto:Eloise.rudolph@DOH.WA.GOV)

Enclosures:

ATTACHMENT I: SCOPE OF WORK (PROJECT)  
ATTACHMENT II: ATTORNEY'S CERTIFICATION  
ATTACHMENT III: FEDERAL AND STATE REQUIREMENTS  
ATTACHMENT IV: DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS  
ATTACHMENT V: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS  
ATTACHMENT VI: DWSRF ELIGIBLE PROJECT COSTS  
ATTACHMENT VII: LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE GOVERNMENTAL ENTITIES

Washington State Department of Health

# DWSRF Municipal Loan Boilerplate

May 2018

Version History		
Date	Revision(s)	Version
05-15-2018	Original - developed via a team of the DWSRF Grant and Loan Unit Supervisor, the DOH Office of Drinking Water Finance Director, the DOH Office of Contracts and Procurement Technical and Policy Advisor, and DOH's Financial Services Assistant Attorney General.	1

# 1. CONTRACT FACE SHEET

**2021-3999 Loan Number: DWL27245**  
**Washington State Department of Health (DOH)**  
**Drinking Water State Revolving Fund (DWSRF)**  
**Municipal**

<b>1. Borrower</b> Mason County PUD No. 1 21971 North Highway 101 Shelton, WA 98584		<b>2. Borrower Doing Business As (optional)</b>	
<b>3. Borrower Type</b> Construction Loan		<b>4. Borrower's Statutory Authority</b>	
<b>5. Borrower Contract Manager Information</b>  Katie Arnold District Accountant 360-877-5249 karnold@mason-pud1.org		<b>6. DOH Contract Manager</b>  Eloise Rudolph P.O. Box 47822 Olympia, WA 98504-7822 360-236-3124 Eloise.rudolph@doh.wa.gov	
<b>7. Project Name</b> Ripplewood Tracts Mainline Replacement			
<b>8. Loan</b> Amount: \$705,762.00 Loan Fee: Waived Interest Rate: 1.25	<b>9. Funding Source</b> Federal: <input checked="" type="checkbox"/> State: <input checked="" type="checkbox"/> Other: <input type="checkbox"/>	<b>10. Start Date</b> DOE	<b>11. End Date</b> 10/01/2046
<b>12. Federal Funding Agency</b> Environmental Protection Agency <b>Catalogue of Federal Assistance (CFDA) Number</b> 66.468			
<b>13. Borrower Tax ID #</b> 91-6001048	<b>14. SWV #</b> 002871-00	<b>15. Borrower UBI #</b> 232-000-374	<b>16. Borrower DUNS #</b> 175291152
<b>17. Contract Purpose</b> DOH and the party identified above as Borrower, hereafter referred to as BORROWER, have entered into this contract to fund the project identified above that furthers the goals and objectives of the DOH DWSRF Program. The project will be done by the BORROWER as described in the scope of work and this contract. The rights and obligations of the parties are governed by this contract and the following documents incorporated by reference: General Terms and Conditions including Declarations; Attachment I: Scope of Work (Project); Attachment II Attorney's Certification; Attachment III: Federal and State Requirements; Attachment IV: Disadvantaged Business Enterprise Requirements; Attachment V: Certification Regarding Debarment, Suspension, and Other Responsibility Matters; Attachment VI: DWSRF Eligible Project Costs; and Attachment VII: Labor Standard Provisions for Subrecipients that are Governmental Entities. By the signature below, the parties acknowledge and accept the terms of this contract.			
<b>FOR CONTRACTOR</b>		<b>FOR DOH</b>	
SIGNATURE AND DATE		SIGNATURE and DATE	
NAME and TITLE		NAME and TITLE	
		<b>APPROVED AS TO FORM ONLY</b> Mark Calkins, AAG Signature on File	

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<b>ATTACHMENT VII</b>	LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE GOVERNMENTAL ENTITIES

## 3. DECLARATIONS

### 3.1. BORROWER INFORMATION

Legal Name:	Mason PUD 1
Loan Number:	DWL27245
Award Year:	2022
State Wide Vendor Number:	002871-00

### 3.2. PROJECT INFORMATION (PROJECT)

Project Title:	Ripplewood Tracts Mainline Replacement
Project Location (City or County):	Mason
Project State:	Washington
Project Zip Code:	98584

Project Scope of Work (PROJECT): Attachment I, attached hereto and incorporated by reference.

### 3.3. CONTRACT COMMUNICATION

Communications regarding Contract performance is delegated by each party to its Contract Manager. Either party may change its Contract Manager by express notice to the other party. Either party may identify on an as needed basis an alternate Contract Manager to serve during the stated temporary absence of its primary Contract Manager. Notices between the parties regarding Contract performance must be provided by written communication to the other party's Contract Manager. Written communication includes email but not voice mail. Notices are presumed received by the other party's Contract Manager upon evidence of delivery between the hours of 8:00 am to 5:00 pm except for state holidays and weekends.

### 3.4. LOAN INFORMATION

Loan Amount:	<b>\$705,762.00</b>
Loan Fee (Included in loan amount if applicable):	<b>Loan Fee Waived</b>
Principal Loan Forgiveness %:	<b>50%</b>
Loan Term:	<b>24 Years</b>
Interest Rate:	<b>1.25%</b>
Payment Month(s):	<b>October 1<sup>st</sup> Annually</b>
Earliest Date for Construction Reimbursement:	<b>12 months prior to contract signing</b>
Time of Performance:	<b>48 months from Contract start date (date of last signature) to Project Completion date.</b>

Notice to Proceed:	18 months from Contract start date (date of last signature)
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### 3.5. FUNDING INFORMATION

Total Funds from BORROWER:	N/A
Source(s) of Funds from Borrower, with assigned amounts per source:	To be determined
Total State Funds:	To be determined
Total Amount of Federal Award (as applicable):	To be determined
Total Amount of Loan:	\$705,762.00
Federal Award Date:	To be determined
Federal Award ID # (FAIN):	To be determined
Amount of Federal Funds Obligated by this Action:	To be determined

### 3.6. SPECIAL TERMS AND CONDITIONS

Not Applicable

## 4. GENERAL TERMS AND CONDITIONS

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### DRINKING WATER STATE REVOLVING FUND (MUNICIPAL)

#### 4.1. AUTHORITY

Acting under the authority of Section 1452 of the Safe Drinking Water Act (SDWA) Section 130, RCW 39.34, RCW 43.70.040, and RCW 70.119A.170 the Washington State Department of Health (DOH) has awarded BORROWER a Drinking Water State Revolving Fund Loan (LOAN) for the project identified in the Declarations (PROJECT). Under this CONTRACT, BORROWER is a sub-recipient of funds provided by the United States Environmental Protection Agency (EPA), CFDA Number 66.468, Safe Drinking Water State Revolving Fund.

In some CONTRACT attachments, DOH is referred to as “Lender” and BORROWER is referred to as “Contractor.”

#### 4.2. FULL AGREEMENT

This CONTRACT contains the full agreement of the parties. No other understandings, oral or otherwise, regarding the subject matter of this CONTRACT exists.

#### 4.3. ORDER OF PRECEDENCE

In the event of an inconsistency in this CONTRACT, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: The order of precedence for terms and conditions under categories B and C is subject to the proviso that when a contract term or condition appears in more than one contract document, the more specific contract term or condition shall control if the different contract provisions cannot be harmonized.

- A. Applicable local, state, and federal statutes and regulations
- B. Contract amendments
- C. The Contract (in this order)
  - Declarations and Special Terms and Conditions
  - General Terms and Conditions
  - Attachments I – VII

#### 4.4. LOAN AMOUNT

DOH, using funds from the Drinking Water Assistance Account, will loan BORROWER a sum not to exceed the amount shown as LOAN AMOUNT in the Declarations. The LOAN AMOUNT shall not exceed one hundred percent (100%) of the actual eligible PROJECT costs.

#### 4.5. LOAN FEE

If DOH assessed a LOAN FEE, it is shown in the Declarations as LOAN FEE and included in the total LOAN AMOUNT. The fee (if applicable) is one percent (1%) of the loan request and will not be reduced, regardless of the final LOAN AMOUNT at PROJECT completion. If the LOAN FEE applies and the total LOAN AMOUNT is increased by amendment, DOH will assess an additional LOAN FEE equal to one percent (1%) of the additional LOAN AMOUNT. LOAN FEES are non-refundable.

#### 4.6. LOAN TERM

Unless changed by an amendment, the LOAN TERM will not exceed the period of time shown in the Declarations. The repayment period for DOH subsidized loans is twenty-four (24) years from this CONTRACT's start date. The repayment period for non-DOH subsidized loans is twenty (20) years from this CONTRACT's start date.

#### 4.7. INTEREST RATE

The interest rate is stated in the Declarations. Interest is per annum on the outstanding principal balance and starts to accrue from the date DOH releases LOAN FUNDS to BORROWER.



#### **4.8. LOAN FORGIVENESS**

If the LOAN qualifies for LOAN Forgiveness, the percent of the LOAN balance that DOH will forgive at PROJECT completion is stated in the Declarations. DOH calculates the amount forgiven when DOH approves the BORROWER's Project Completion Report. The amount forgiven will be based on either the LOAN AMOUNT or BORROWER's ELIGIBLE PROJECT COSTS, whichever is less, and accrued interest.

#### **4.9. RELEASE OF LOAN FUNDS AND REQUIRED DOCUMENTATION**

DOH will release LOAN funds to BORROWER to reimburse BORROWER for eligible PROJECT costs. To request reimbursement, BORROWER must submit a signed and completed invoice using a form provided by DOH. The invoice must reference the PROJECT activity performed, and include supporting documentation such as bills, invoices, receipts, and documentation of compliance with CONTRACT requirements as requested by DOH. The invoice must be signed by an official of BORROWER with authority to bind BORROWER.

Invoices must also include a report of the progress made since the last invoice, and the PROJECT status to date. DOH will not release funds until the PROJECT status report and documentation are approved by DOH. Approval will not be unreasonably withheld or delayed. After approving the invoice, documentation, and PROJECT status report, DOH will release funds to BORROWER within thirty (30) days, if BORROWER is not in alleged or actual breach of CONTRACT.

DOH will withhold ten percent (10%) of LOAN funds until DOH confirms that BORROWER has successfully completed all steps for PROJECT COMPLETION. The 10% holdback will be available to BORROWER as part of the last LOAN disbursement.

#### **4.10. TIME OF PERFORMANCE**

BORROWER will begin the activities in the PROJECT within thirty (30) calendar days of the CONTRACT start date. BORROWER will issue a 'Notice to Proceed', after the formal award of a construction contract, within eighteen (18) months of the CONTRACT start date.

BORROWER must reach PROJECT COMPLETION within the TIME OF PERFORMANCE. If there are extenuating circumstances, BORROWER may request, in writing, at least ninety (90) calendar days prior to the PROJECT COMPLETION that DOH extend the deadline for PROJECT COMPLETION. At its discretion, DOH may issue an extension. DOH's decision is final and not subject to the dispute clause.

If BORROWER does not meet the requirements of this section, it is a breach of CONTRACT, and DOH may terminate or suspend this CONTRACT.

#### **4.11. PROJECT COMPLETION AMENDMENT AND THE PROJECT COMPLETION REPORT**

The PROJECT Completion Amendment determines the final LOAN AMOUNT and LOAN TERM. When activities in the PROJECT are complete, BORROWER will start the process for the PROJECT Completion Amendment by sending DOH the PROJECT Completion Report. In the PROJECT Completion Report, BORROWER will provide the following information to DOH:

- A. A statement of the actual dollar amount spent, from all fund sources, to complete the PROJECT.
- B. A statement that all ELIGIBLE PROJECT COSTS have been incurred. Costs are incurred when goods and services are received and/or contracted work is performed.
- C. Evidence showing BORROWER'S compliance with financial the audit requirements of this CONTRACT.
- D. An invoice for the remaining ELIGIBLE PROJECT COSTS.
- E. Documentation of BORROWER's compliance with National Historic Preservation Act, 54 USC Subtitle III.

#### **4.12. LOAN PAYMENTS**

BORROWER must begin repaying the LOAN no later than one (1) year after the CONTRACT start date. Payments are due on the first day of the month(s) shown as the PAYMENT MONTH(S) in the Declarations. The first payment is only the interest accrued at that time. All other payments are principal and interest accrued up to the PAYMENT

MONTH(S).

BORROWER can repay in full the LOAN balance, including fees and repayment of LOAN FUNDS for ineligible project costs (if any), at any time or make accelerated payments without penalty. The final payment must be on or before the end of the LOAN TERM.

#### **4.13. LOAN DEFAULT**

DOH must receive BORROWER'S payment within thirty (30) calendar days of the due date. Late payments are delinquent and assessed a monthly penalty on the first (1<sup>st</sup>) day past the due date. The penalty is one percent (1%) of the late payment amount per month. Penalty and fees accrue interest at the rate stated as LOAN INTEREST in the Declarations.

DOH may notify any other entity, creditors, or potential creditors of BORROWER's delinquency. BORROWER is responsible for all attorney fees and costs incurred by DOH in any action taken to enforce its rights under this section, including in any alternative dispute resolution proceeding.

#### **4.14. LOAN SECURITY**

LOAN Security is only required if identified in the Declarations. In its sole discretion and if allowed under the EPA regulations relevant to this Contract, DOH may subordinate its LOAN security to Borrower's obligations under existing or future bonds and notes. Nothing in this section releases BORROWER from the obligation to make LOAN PAYMENTS when due, and to adjust rates, fees, or surcharges as necessary to meet its obligations under this CONTRACT.

#### **4.15. AMENDMENTS, MODIFICATIONS, ASSIGNMENTS, AND WAIVERS**

Amendments, modifications, assignments, and waivers to any of the terms of this CONTRACT supersede, if applicable, those terms as found in the original CONTRACT, and are not binding unless they are in writing and signed by representatives authorized to bind each of the parties. Only the authorized representative or their designee has the express, implied, or apparent authority to alter, amend, assign, modify, or waive any terms of this CONTRACT.

Neither this CONTRACT nor any claim arising under it may be transferred or assigned by BORROWER without DOH's prior written consent. During the LOAN TERM, DOH must approve in advance, any change in ownership of the water system(s) improved with LOAN FUNDS. DOH may require the LOAN, including fees and ineligible project costs (if any), be paid in full as a condition of approval.

Nothing in this CONTRACT may be waived unless approved by DOH in writing. No waiver of any default or breach is implied from any failure to take action upon such default or breach if the default of breach persists or repeats. Waiver of any default or breach is not a waiver of any subsequent default or breach.

#### **4.16. AMERICAN IRON AND STEEL**

None of the LOAN funds can be used for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used are produced in the United States. "Iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

DOH may waive this requirement if:

- A. Compliance would be inconsistent with the public interest; or
- B. The particular iron and steel products are not produced in the United States in sufficient and reasonably available quantities and are not of a satisfactory quality; or
- C. Inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than twenty-five (25) percent; and
- D. The waiver is approved by the Environmental Protection Agency (EPA).

BORROWER must submit the waiver request to DOH, which will submit it to EPA. The full text of the American Iron and Steel requirements can be found in H.R. 3547, Consolidated Appropriations Act, 2014, P.L. 113-76, SEC. 436.

#### **4.17. ATTORNEYS' FEES**

Unless expressly stated under another section of the CONTRACT, each party agrees to bear its own attorneys' fees and costs for litigation or other action brought to enforce the contract terms.

#### **4.18. BONUS AND COMMISSION PAYMENTS NOT ALLOWED**

Funds provided under this CONTRACT cannot be used to pay any bonus or commission to gain approval of the loan application or any other approval under this CONTRACT. This section does not prohibit paying for bona fide technical consultants, managerial, or other such services, if payment is for ELIGIBLE PROJECT COSTS.

#### **4.19. COMPLIANCE**

BORROWER will comply with all applicable federal, state and local laws, requirements, and ordinances for the design, implementation, and administration of the PROJECT and this CONTRACT, including but not limited to those stated in the CONTRACT attachments. BORROWER will provide DOH with documentation of compliance, if requested.

In the event of BORROWER's alleged or actual noncompliance with any part of this CONTRACT, DOH may suspend all or part of the CONTRACT, withhold payments, or prohibit BORROWER from incurring additional obligations of LOAN FUNDS during the investigation and pending corrective action by BORROWER, or a decision by DOH to terminate the CONTRACT.

#### **4.20. DISPUTES**

Except as otherwise provided in this CONTRACT, when a dispute arises between the parties that cannot be solved by direct negotiation, either party may request a dispute hearing with the Director of the Office of Drinking Water (the Director), who may designate a neutral person to decide the dispute. The parties will be equally responsible for any reasonable costs and fees incurred by the neutral.

The party requesting a dispute hearing must:

- A. Be in writing;
- B. State the disputed issues;
- C. State the relative positions of the parties;
- D. State BORROWER's name, address, and the CONTRACT number;
- E. Provide contact information for the requester's representative, and,
- F. Be mailed to the other party's (respondent's) Contract Manager within three (3) working days after the parties agree that they cannot resolve the dispute.

The respondent must send a written answer within five (5) working days.

In the alternative, the parties can agree to submit a mutual request to the Director, which should include each party's response to the other party's characterization of the dispute.

The Director or designee will review the written statements and reply in writing to both parties within ten (10) working days. The Director or designee may extend this period if necessary by notifying the parties. The decision on the dispute is non-binding and is not admissible in any succeeding judicial or quasi-judicial proceeding.

This non-binding dispute process must precede any action in a judicial or quasi-judicial tribunal. Nothing in this CONTRACT limits the parties from using any mutually acceptable alternate dispute resolution (ADR) method in addition to or instead of the dispute hearing procedure outlined above.

#### **4.21. ELIGIBLE PROJECT COSTS**

BORROWER will comply with Attachment VI: DWSRF Eligible Project Costs and is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

The purchase of any land necessary for the PROJECT must be included in the PROJECT and be documented with an appraisal or equivalent market evaluation, if approved by DOH, and a valid purchase and sale agreement.

Construction expenses incurred after the date shown as earliest date for construction reimbursement in the Declarations are eligible for reimbursement. Requests for reimbursements for costs related to construction activities will not be accepted until BORROWER has met the following conditions:

- A. Completed the State Environmental Review Process (SEPA Review under RCW 43.21C);
- B. Complied with all provisions of the National Historic Preservation Act, 54 USC Subtitle III;
- C. Complied with Prevailing Wage requirements;
- D. Received approval from DOH of the project report and related construction documents for all applicable activities described in the PROJECT; and
- E. Complied with any other LOAN conditions required by DOH.

BORROWER cannot use LOAN FUNDS for any expenses charged by BORROWER against any other contract, subcontract, or source of funds.

If DOH reimburses BORROWER for costs that are later determined by DOH to be ineligible, BORROWER must repay these funds to DOH no later than when the BORROWER returns the PROJECT Completion Amendment to DOH. Prior to final completion, DOH may withhold payment for such costs as allowed under Section 4.36 RECAPTURE. Repayment is subject to interest retroactive to the date of the applicable disbursement by DOH.

#### **4.22. FALSE, INCORRECT, OR INCOMPLETE INFORMATION OR CLAIM**

BORROWER warrants that they have not and will not submit to DOH any information that is materially false, incorrect, or incomplete. Providing false, fictitious, or misleading information with respect to the receipt and disbursements of LOAN funds is a basis for criminal, civil, or administrative fines and/or penalties. DOH may also pursue applicable remedies for violations by BORROWER of this section.

#### **4.23. FINANCIAL AUDIT**

DOH may require BORROWER to obtain an audit of this PROJECT conforming to Generally Accepted Accounting Principles (GAAP). BORROWER will maintain its records and accounts to facilitate the audit. BORROWER is responsible for correcting any audit findings. BORROWER is responsible for any audit findings incurred by its own organization and/or its subcontractors. DOH reserves the right to recover from BORROWER all disallowed costs and INELEGIBLE PROJECT COSTS resulting from the audit.

The audit must include a report on compliance, including an opinion (or disclaimer of opinion) about whether the BORROWER is in compliance with laws, regulations and requirements of this CONTRACT that could have a direct and material effect on DOH.

BORROWER must send a copy of any required audit per 2 CFR §200.512 to the DOH Contract Manager, no later than nine (9) months after the end of BORROWER's fiscal year(s). BORROWER must send any audit corrective action plan for audit findings and a copy of the management letter, within three (3) months of the audit report.

#### **4.24. GOVERNING LAW AND VENUE**

This CONTRACT shall be construed and interpreted according to the laws of the state of Washington, and the venue of any action brought under the CONTRACT will be in the Superior Court for Thurston County.

#### **4.25. HISTORICAL AND CULTURAL REQUIREMENTS**

BORROWER will not conduct or authorize destructive PROJECT planning activities before completing the requirements of the National Historic Preservation Act, 54 USC Subtitle III. BORROWER will not begin construction activities, ground disturbance, or excavation of any sort, until BORROWER has complied with all requirements of the National Historic Preservation Act of 1966, as amended.

If historical or cultural artifacts are discovered during the PROJECT, BORROWER will immediately stop construction and implement reasonable measures to protect the discovery site from further disturbance, take

reasonable steps to ensure confidentiality of the discovery site, restrict access to the site, and notify the concerned tribe's cultural staff or committee, Tribal Historical Preservation Officer (THPO), DOH Contract Manager, and the State's Historical Preservation Officer (SHPO) at the Washington State Department of Archaeology and Historic Preservation (DAHP). If human remains are uncovered, BORROWER will report the presence and location of the remains to the local coroner and law enforcement immediately, then contact the concerned tribe's cultural staff or committee, DOH Contract Manager, and DAHP.

BORROWER is legally and financially responsible for compliance with all laws, regulations, and agreements related to the preservation of historical or cultural sites and artifacts and will hold harmless the state of Washington and DOH in relation to any claim related to historical or cultural sites discovered, disturbed, or damaged as a result of BORROWER'S and BORROWER's subcontractors activities.

BORROWER will include the requirements of this section in all contracts for work or services related to the PROJECT. BORROWER will require that bid documents include an inadvertent discovery plan that meets the requirements of this section.

#### **4.26. INDEMNIFICATION**

BORROWER agrees to defend, indemnify, and hold harmless DOH and the state of Washington for claims arising out of or incident to BORROWER'S or any BORROWER'S subcontractor's performance or failure to perform the CONTRACT. BORROWER'S obligation to indemnify, defend, and hold harmless DOH and the state of Washington shall not be eliminated or reduced by any actual or alleged concurrent negligence of DOH or its agents, agencies, employees and officials. BORROWER'S obligation to indemnify, defend and hold harmless DOH and the state of Washington includes any claim by BORROWER'S agents, employees, officers, subcontractors or subcontractor employees.

BORROWER waives immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless the state and its agencies, officers, agents or employees.

#### **4.27. INDUSTRIAL INSURANCE COVERAGE**

BORROWER will comply with the applicable parts of Title 51 RCW, Industrial Insurance. If BORROWER fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as required by law, DOH may collect from BORROWER the full amount payable to the Industrial Insurance Accident Fund. DOH may deduct the amount owed by BORROWER to the accident fund from the amount payable to BORROWER by DOH under this CONTRACT, and transmit the deducted amount to the Washington State Department of Labor and Industries (L&I).

#### **4.28. LITIGATION**

BORROWER warrants that there is no threatened or pending litigation, investigation, or legal action before any court, arbitrator, or administrative agency that, if adversely determined against BORROWER, would have a materially adverse effect on BORROWER's ability to repay the LOAN. BORROWER agrees to promptly notify DOH if any above-referenced actions become known to BORROWER during the pendency of the Contract.

#### **4.29. NONDISCRIMINATION**

BORROWER will not discriminate on the basis of race, creed, color, national origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability in the performance of this CONTRACT. BORROWER will comply with all federal and state nondiscrimination laws, including, but not limited to Chapter 49.60 RCW, Washington's Law Against Discrimination and 42 USC 12101 et seq., the Americans with Disabilities Act (ADA), and 40 CFR Part 33 Participation by Disadvantaged Business Enterprises in US EPA Programs . Failure by BORROWER to carry out these requirements is a material breach of this CONTRACT. BORROWER is required to include these non-discriminatory provisions in any contract with a subcontractor.

#### **4.30. PREVAILING WAGE**

BORROWER will assure that all contractors and subcontractors performing work funded through this CONTRACT comply with prevailing wage laws by paying the higher of state or federal prevailing wages. BORROWER is legally and financially responsible for compliance with the prevailing wage requirements. BORROWER should consult the

United States Department of Labor and Washington State Department of Labor and Industries websites to determine the federal and State prevailing wages that must be paid.

#### **4.31. PROCUREMENT**

BORROWER will comply with all procurement requirements for subcontracting for the PROJECT and for obtaining PROJECT-related goods and services. BORROWER must maintain records to verify compliance with procurement requirements.

BORROWER must ensure that all contractors, subcontractors, engineers, vendors, and any other entity for work or services listed in the PROJECT will insert in full, in any contract, the labor standards provisions in Attachment VIII: Labor Standard Provisions for Subrecipients That Are Governmental Entities.

#### **4.32. PROHIBITION STATEMENT**

Per Section 106 of the federal Trafficking Victims Protection Act, BORROWER's contractors, subcontractors, engineers, vendors, and any other entity performing work funded by this CONTRACT must comply with and include the following terms and conditions in all contracts for work or services for the PROJECT.

"All forms of trafficking in persons, illegal sex trade, or forced labor practices are prohibited in the performance of this award or subawards under the award, or in any manner during the period of time that the award is in effect. This prohibition applies to you as the recipient, your employees, subrecipients under this award, and subrecipients' employees."

#### **4.33. PROJECT SIGNS**

If BORROWER displays, during the TIME OF PERFORMANCE, any signs or markers identifying parties that are providing funds for the PROJECT, BORROWER must include the Washington State Department of Health Drinking Water State Revolving Fund and the Washington State Department of Health as participants in the PROJECT.

#### **4.34. PUBLICITY**

BORROWER agrees to get prior written consent from DOH's Contract Manager before publishing or using any advertising or publicity materials that include Washington State or DOH's name, or includes language that may reasonably infer or imply a connection with either one.

#### **4.35. RATES AND RESERVES**

BORROWER will maintain reserves at a minimum as required by the Water System Plan or Small Water System Management Plan. BORROWER will timely adopt rate increases and/or capital assessments for the system's services to provide sufficient funds, along with other revenues of the system, to pay all operating expenses and debt repayments during the LOAN TERM.

#### **4.36. RECAPTURE**

DOH reserves the right to recapture from BORROWER sufficient funds to compensate DOH for BORROWER's noncompliance with any part of this CONTRACT, in addition to any other remedies available under the CONTRACT, at law, or in equity. DOH may withhold LOAN FUNDS from BORROWER to recapture such funds.

#### **4.37. RECORDKEEPING AND ACCESS TO RECORDS**

DOH, its agents, and authorized officials of the state and federal governments will have full access and the right to examine, copy, excerpt, or transcribe, at no additional cost and at all reasonable times, any pertinent documents, papers, records, and books of BORROWER and of persons, firms, or organizations with which BORROWER may contract, involving transactions related to this CONTRACT. BORROWER agrees to keep complete records of its compliance with this CONTRACT for a period of six (6) years from the date that the debt to DOH is paid in full. This includes but is not limited to financial reports. If any litigation, claim or audit is started before the expiration of the six (6) year period, BORROWER must keep the records until all litigation, claims or audit findings involving the records have been resolved. These records retention requirements are in addition to the local government records retention schedules applicable to the BORROWER.

**4.38. REGISTRATION WITH THE SYSTEM FOR AWARD MANAGEMENT (SAM)**

BORROWER must comply with 48 CFR 52.204-7 to register with the System for Awards Management (SAM.gov). BORROWER is responsible for the accuracy and completeness of its data in the SAM database and any liability resulting from the Government or DOH reliance on inaccurate or incomplete data in it. BORROWER must remain registered in the SAM database. BORROWER should annually review its information in SAM to ensure it is accurate and complete.

**4.39. SEVERABILITY**

If any part of this CONTRACT or part of any document incorporated by reference is found to be invalid, it will not affect the other parts of this CONTRACT that can be given effect without the invalid part.

**4.40. SUBCONTRACTING**

Prior to awarding contracts and/or subcontracts, BORROWER must verify that the complete names of both the selected contractor and the owner or president are not in the Federal Excluded Parties List System for Ineligible Professionals and Debarred Contractors (www.SAM.gov). BORROWER must provide the DOH Contract Manager with a screen printout documenting that neither the firm, the owner or the president are excluded.

BORROWER will ensure that every contract and subcontract awarded for the PROJECT after the CONTRACT start date will bind the parties to follow all applicable terms of this CONTRACT. BORROWER is responsible to DOH for noncompliance by its contractors and/or subcontractors. BORROWER's contracts or subcontracts do not release or reduce the BORROWER's liability to DOH for any breach in the performance of BORROWER's duties. BORROWER's contracts and subcontracts must include a term that the state of Washington and DOH are not liable for claims or damages arising from a contractor and/or subcontractor's performance or lack thereof.

**4.41. SURVIVAL**

The CONTRACT's terms, conditions, and warranties that by its sense and context are intended to survive the completion of the performance, cancellation or termination of this CONTRACT, shall so survive.

**4.42. TERMINATION FOR CAUSE**

If DOH concludes that BORROWER has failed to comply with the CONTRACT requirements or has otherwise breached one or more parts of the CONTRACT, DOH may, at its discretion, upon notice to BORROWER, terminate or suspend the CONTRACT and/or its attached agreements in whole or in part.

The notice will be in writing and state the reason(s) for termination or suspension, and the effective date. The effective date will be determined by DOH. The notice will allow BORROWER at least thirty (30) business days to cure the breach, if curable. If the breach is not cured or cannot be cured within thirty (30) business days, the outstanding balance of the LOAN, with any interest accrued and other costs as authorized by the CONTRACT shall be due and payable to DOH.

If DOH terminates this CONTRACT under this section, DOH is liable only for payment required under the terms of this CONTRACT for ELIGIBLE PROJECT COSTS incurred prior to the effective date of termination.

At DOH's discretion, the termination for cause may be deemed a termination for convenience if DOH determines that the default or failure to perform was outside BORROWER's control, fault or negligence. The rights and remedies of DOH provided in this CONTRACT are not exclusive and are in addition to any other rights and remedies provided by law. Nothing in this section affects BORROWER's obligations to immediately repay the unpaid balance of the LOAN as prescribed in the Washington Administrative Code (WAC) 246-296-150.

**4.43. TERMINATION OR SUSPENSION FOR CONVENIENCE**

If funding or appropriation from state, federal, or other sources is withdrawn, reduced, or limited in any way during the TIME OF PERFORMANCE, DOH may:

- A. Delay or suspend releasing LOAN FUNDS until funding or appropriation are available to DOH; or
- B. Amend the CONTRACT to reflect the new funding limitations and conditions; or

- C. Terminate the CONTRACT and/or its attached agreements, in whole or in part; or
- D. Suspend the CONTRACT and/or its attached agreements, in whole or in part.

If DOH terminates the CONTRACT and/or its attached agreements in whole or in part, under this section, DOH will notify BORROWER's representative in writing of the reason(s) for termination, and the effective date. The effective date will be determined by DOH.

DOH may choose to suspend this CONTRACT and/or its attached agreements in whole or in part, if DOH determines that the funding insufficiency will likely be resolved in time for BORROWER to resume activities prior to the end of the TIME OF PERFORMANCE. DOH will notify BORROWER's representative by facsimile or email of the reason(s) for suspension, and the effective date. DOH will determine the effective date. BORROWER must suspend performance on the effective date of the suspension. During the period of suspension each party must notify the other party's representative of any conditions that may reasonably affect its ability to resume performance.

During the suspension, when DOH determines that the funding insufficiency is resolved, DOH may notify BORROWER's representative of the proposed date to resume performance. BORROWER must respond to DOH's representative in writing, within five (5) business days of DOH sending notice, as to whether it can resume performance on that date or offer an alternative date to resume performance. If BORROWER cannot resume performance or the alternative date is not acceptable to DOH, the parties agree the CONTRACT will be deemed terminated for convenience, retroactive to the original date of suspension.

If DOH terminates or suspends this CONTRACT, DOH is liable only for payment required under the terms of this CONTRACT for eligible project costs incurred prior to the effective date of suspension or termination. Nothing in this section shall affect Contractor's obligations to repay the unpaid balance of the LOAN. Nothing in this section affects BORROWER's obligation to repay the LOAN, including fees and other expenses as allowed by the CONTRACT.

#### **4.44. TERMINATION PROCEDURES**

When BORROWER receives Notice of Termination or on the date a suspension is converted to a termination, except as otherwise directed by DOH, BORROWER will:

- A. Stop work under the CONTRACT on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities related to the CONTRACT;
- C. If expressly requested by DOH, assign to DOH any or all of the rights, title, and interest of BORROWER under the orders and subcontracts so terminated, in which case DOH has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts. Any attempt by BORROWER to settle such claims must have the prior written approval of DOH; and
- D. Preserve and transfer any materials, CONTRACT deliverables and/or DOH property in BORROWER's possession as directed by DOH.

Upon termination of this CONTRACT, DOH will pay BORROWER for amounts due under the CONTRACT prior to the date of termination unless such payment is precluded under any other provision of this CONTRACT. DOH may withhold any amount due as DOH reasonably determines is necessary to protect DOH against potential loss or liability resulting from the termination. DOH will pay any withheld amount to BORROWER if DOH later determines that loss or liability will not occur.

#### **4.45. WORK HOURS AND SAFETY STANDARDS**

If this CONTRACT exceeds \$100,000, BORROWER must comply with the applicable Contract Work Hours and Safety Standards Act (40 USC Chapter 37). These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.



# ATTACHMENT I: SCOPE OF WORK (PROJECT)

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**2021-3999 Mason County PUD #1 Ripplewood Tracts Mainline Replacement**

**DWSRF Scope of Work Form:**

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**Scope of Work:**

Project to include:

Construction of approximately 6,300 linear feet of 4-inch and 2-inch distribution mains to replace the entire distribution system of the Ripplewood Tracts Water System. Piping costs to include: pipe, valves, backfill, bedding, traffic control, surface restoration, connection of service lines to the system, and other appurtenances.

In addition to costs of construction, costs may include (but are not limited to): engineering, design, construction inspection, hydrogeologic assessment, cultural and environmental review, permits, public involvement, preparation of bid documents, fees, taxes, legal, administrative, and audit.

**2021-3999 Mason County PUD #1 Ripplewood Tracts Mainline Replacement****Project Costs by Cost Category:**

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<b>COST CATEGORY</b>	<b>CURRENT ESTIMATES</b>
Engineering Report (Preliminary Engineering)	\$3,795.00
Environmental Review	\$5,000.00
Historical Review/Cultural Review	\$5,000.00
Land/ROW Acquisition	
Permits	\$1,900.00
Public Involvement/Information	\$6,000.00
Bid Documents (Design Engineering)	\$35,321.00
Construction: Estimated Cost. Provide details on following pages.	\$482,344.00
DOH Review/Approval Fees:	\$2,700.00
Contingency: (10% min, 20% max)	\$117,627.00
Sales or Use Taxes	
Construction Engineering/Inspection	
Insurance:	
Audit:	
Legal:	
Service Meters (Purchase and Installation)	
Other:	\$46,075.00
<b>TOTAL ESTIMATED PROJECT COSTS (before Loan Fee)</b>	<b>\$705,762.00</b>
<b>DWSRF Loan Origination Fee (1%) (Waived)</b>	
<b>DWSRF Loan Award</b>	<b><u>\$705,762.00</u></b>

**Project Funding:**

TYPE OF FUNDING	SOURCE	CURRENT STATUS
<b>Grants and Other Non-Matching Funds</b>		
Grant #1		\$
Grant #2		\$
Other Grants		\$
New Grants		\$
<b>Total Grants and Other Non-Matching Funds</b>		a) <b>\$</b>
<b>Loans</b>		
<i>This Loan Request</i>	<b>DWSRF loan (DWL27245)</b>	<b>\$705,762.00</b>
Other Loan #1		\$
Other Loan #2		\$
Other Loans		\$
New Loans		\$
<b>Total Loans</b>		b) <b>\$</b>
<b>Local Revenue</b>		
Source #1	<b>Reserves</b>	\$
Source #2		\$
Other Local Revenue		\$
New Local Revenue		\$
<b>Total Local Revenue</b>		c) <b>\$</b>
<b>Other Funds</b>		
Other Funds		\$
Other Funds		\$
<b>Total Other Funds</b>		d) <b>\$</b>
<b>TOTAL PROJECT LOAN</b>		e) <b>\$705,762.00</b>

**Engineer's Certification:**

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The term of this loan will be based on an engineer's certification of the expected useful life of the improvements, as stated below, or 20 years, whichever is less. If the jurisdiction prefers the term of its loan to be less than either 20 years or the useful life of the improvements, the preferred loan term should be indicated here: \_\_\_\_\_ years.

I, \_\_\_\_\_, licensed engineer, certify that the average expected useful life for the improvements described above is \_\_\_\_ years.

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

Name: \_\_\_\_\_

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

Telephone: \_\_\_\_\_

Professional Engineer License Number: \_\_\_\_\_

## ATTACHMENT II: ATTORNEY'S CERTIFICATION

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### DRINKING WATER STATE REVOLVING FUND (MUNICIPAL)

I, \_\_\_\_\_, hereby certify:

I am an attorney at law admitted to practice in the state of Washington and the duly appointed attorney of BORROWER identified in the Declarations of the Contract identified above; and

I have also examined any and all documents and records, which are pertinent to the Contract, including the application requesting this financial assistance.

Based on the foregoing, it is my opinion that:

1. BORROWER is a public body, properly constituted and operating under the laws of the State of Washington, empowered to receive and expend federal, state and local funds, to contract with the state of Washington, and to receive and expend the funds involved to accomplish the objectives set forth in its application.
2. BORROWER is empowered to accept the Drinking Water State Revolving Fund financial assistance and to provide for repayment of the loan as set forth in the loan agreement.
3. There is currently no litigation in existence seeking to enjoin the commencement or completion of the above-described public facilities project or to enjoin BORROWER from repaying the Drinking Water State Revolving Fund loan extended by DOH with respect to such project. BORROWER is not a party to litigation, which will materially affect its ability to repay such loan on the terms contained in the loan agreement.
4. Assumption of this obligation would not exceed statutory and administrative rule debt limitations applicable to BORROWER.

\_\_\_\_\_  
Signature of Attorney

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and BAR Number (WSBA No.)

\_\_\_\_\_  
Address

# ATTACHMENT III: FEDERAL AND STATE REQUIREMENTS (NOT ALL INCLUSIVE)

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## 1) Environmental and Cultural Authorities

- a) Archeological and Historic Preservation Act of 1974, Public Law 86-523 as amended
- b) Clean Air Act, Public Law 84-159 as amended
- c) Coastal Zone Management Act, Public Law 92-583 as amended
- d) Endangered Species Act, Public Law 93-205 as amended
- e) Environmental Justice, Executive Order 12898
- f) Floodplain Management, Executive Order 11988 as amended by Executive Order 12148
- g) Protection of Wetlands, Executive Order 11990
- h) Farmland Protection Policy Act, Public Law 97-98
- i) Fish and Wildlife Coordination Act, Public Law 85-624 as amended
- j) National Historic Preservation Act, 54 USC Subtitle III
- k) Safe Drinking Water Act, Public Law 93-523 as amended
- l) Wild and Scenic Rivers Act, Public Law 90-542 as amended
- m) Washington State Environmental Policy Act, Chapter 43.21C RCW
- n) Native American Graves Protection and Repatriation Act, Archaeological Resources Protection Act, Revised Code of Washington (RCW) 27.44 regarding Indian Graves and Records; RCW 27.53 regarding Archaeological Sites and Resources; RCW 68.60 regarding Abandoned and Historic Cemeteries and Historic Graves; and Washington Administrative Code (WAC) 25-48 regarding Archaeological Excavation and Removal Permits.

## 2) Economic and Miscellaneous Authorities

- a) Demonstration Cities and Metropolitan Development Act of 1996, Public Law 89-754 as amended, Executive Order 12372
- b) Procurement Prohibitions under Section 306 of the Clean air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans
- c) Uniform Relocation and Real Property Policies Act, Public Law 91-646 as amended
- d) Debarment and Suspension, Executive Order 12549
- e) H.R. 3547, Consolidated Appropriations Act, 2014.

## 3) Social Policy Authorities

- a) Age Discrimination Act of 1975, Public Law 94-135
- b) Title VI of the Civil Rights Act of 1964, Public Law 88-352
- c) Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500 (the Clean Water Act)
- d) Section 504 of the Rehabilitation Act of 1973, Public Law 93-112 (including Executive Orders 11914 and 11250)
- e) Equal Employment Opportunity, Executive Order 11246
- f) Disadvantaged Business Enterprise, Public Law 101-549 (the Clean Air Act), and Public Law 102-389 (the Clean Water Act)
- g) Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Public Law 100-590
- h) Chapter 49.60 RCW, Washington's Law against Discrimination, and 42 USC 12101 et seq. the Americans with Disabilities Act (ADA).
- i) The Contract Work Hours and Safety Standards Act (40 USC 327-333)-Where applicable.
- j) The Genetic Information Nondiscrimination Act of 2008 (GINA), 42 USC s. 2000ff et seq.

## 4) State Laws

- a) Chapter 36.70A RCW, Growth Management Act
- b) Chapter 39.80 RCW, Contracts for Architectural and Engineering Services
- c) Chapter 39.12 RCW, Washington State Public Works Act
- d) Chapter 43.20 RCW, State Department of Health of Health
- e) Chapter 43.70 RCW, Department of Health
- f) Chapter 43.155 RCW, Public Works Project
- g) Chapter 70.116 RCW, Public Water Systems Coordination Act of 1977
- h) Chapter 70.119 RCW, Public Water Supply Systems Certification and Regulation of Operations
- i) Chapter 70.119A RCW, Public Water Systems, Penalties & Compliances
- j) Chapter 246-290 WAC, Group A Public Water Systems

- k) Chapter 246-291 WAC, Group B Public Water Systems
- l) Chapter 246-292 WAC, Waterworks Operator Certification Regulations
- m) Chapter 246-293 WAC, Water Systems Coordination Act
- n) Chapter 246-294 WAC, Drinking Water Operating Permits
- o) Chapter 246-295 WAC, Satellite System Management Agencies
- p) Chapter 246-296 WAC Drinking Water State Revolving Fund Loan Program
- q) Chapter 173-160 WAC, Minimum Standards for Construction & Maintenance of Wells
- r) Title 173 WAC, Department of Ecology Rules
- s) Title 40 Part 141 Code of Federal Regulations, Federal National Primary Drinking Water Regulations (Section Adopted by Reference)

# ATTACHMENT IV: DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS

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## GENERAL COMPLIANCE, 40 CFR, Part 33

BORROWER must comply with the requirements of Environmental Protection Agency's Program for Utilization of Small, Minority and Women's Business Enterprises (MBE/WBE) in procurement under this Contract, contained in 40 CFR, Part 33. BORROWER will use the directory of certified firms available through the Washington State Office of Minority and Women's Business Enterprises to meet the requirements.

## FAIR SHARE OBJECTIVES, 40 CFR, Part 33, Subpart D

The following are exemptions from the fair share objective Requirements:

- Grant and loan recipients receiving a total of \$250K or less in EPA financial assistance in a given fiscal year.
- Tribal recipients of Performance Partnership Eligible grants under 40 CFR Part 35, Subpart B.
  - There is a 3-year phase in period for the requirement to negotiate fair share goals for Tribal and Insular Area recipients.
- Recipients of Technical Assistance Grants.

The Fair Share Objectives or goals for the utilization of disadvantaged businesses negotiated with EPA by the WA Office of Minority Women Business are stated below.

Construction	10% MBE	6% WBE
Supplies	8% MBE	4% WBE
Equipment	8% MBE	4% WBE
Purchased Services	10% MBE	4% WBE

BORROWER must accept the fair share objectives/goals stated above and purchase the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as WA Office of Minority Women Business goals.

## SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C

Pursuant to 40 CFR, Section 33.301, BORROWER will make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to ensure that sub-recipients, loan recipients, and prime contractors also comply.

Records documenting compliance with the six good faith efforts shall be retained. The six good faith efforts shall include:

- A. Ensure Disadvantaged Business Enterprises are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local Government recipients, this will include placing the Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources.
- B. Make information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
- C. Consider in the contracting process whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. For Indian Tribal, State and Local Government recipients, this will include dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by Disadvantaged Business Enterprises in the competitive process.
- D. Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
- E. Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Health.
- F. If the prime contractor awards subcontracts, also require the prime contractor to take the five good faith efforts in paragraphs A through E above.



**MBE/WBE REPORTING, 40 CFR, Part 33, Sections 33.502 and 33.503**

BORROWER is required to submit MBE/WBE participation reports to DOH, on a quarterly basis, beginning with the Federal fiscal year reporting period BORROWER receives the award and continuing until the project is completed.

**CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, Section 33.302**

BORROWER agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

BORROWER agrees to require all general contractors to provide forms: EPA Form 6100-2 DBE Subcontractor Participation Form and EPA Form 6100-3 DBE Subcontractor Performance Form to all its Disadvantaged Business Enterprise subcontractors, engineers, vendors, and any other entity for work or services listed in the PROJECT. These two (2) forms may be obtained from the EPA Office of Small Business Program's website on the internet at <http://www.epa.gov/osbp/grants.htm>.

BORROWER agrees to require all general contractors to complete and submit to BORROWER and Environmental Protection Agency EPA Form 6100-4 DBE Subcontractor Utilization Form beginning with the Federal fiscal year reporting period BORROWER receives the award and continuing until the project is completed. Only procurements with certified MBE/WBEs are counted toward a Contractor's MBE/WBE accomplishments.

**BIDDERS LIST, 40 CFR, Section 33.501(b) and (c)**

BORROWER is also required to create and maintain a bidders list if BORROWER of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.

Section 33.501(b) of the rule is as follows:

A recipient of a Continuing Environmental Program Grant or other annual grant must create and maintain a bidders list. In addition, a recipient of an EPA financial assistance agreement to capitalize a revolving loan fund also must require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. The purpose of a bidders list is to provide the recipient and entities receiving identified loans who conduct competitive bidding with as accurate a database as possible about the universe of MBE/WBE and non-MBE/WBE prime and subcontractors. The list must include all firms that bid or quote on prime contracts or bid or quote on subcontracts under EPA assisted projects, including both MBE/WBEs.

The bidders list must be kept until the grant project period has expired and the recipient is no longer receiving EPA funding under the grant. For entities receiving identified loans, the bidders list must be kept until the project period for the identified loan has ended. The following information must be obtained from all prime and subcontractors:

- (1) Entity's name with point of contact;
- (2) Entity's mailing address, telephone number, and e-mail address;
- (3) The procurement on which the entity bid or quoted, and when; and
- (4) Entity's status as a MBE/WBE<sup>1</sup> or non-MBE/WBE.

The exemption found at § 33.501(c) is as follows:

A recipient of an EPA financial assistance agreement in the amount of \$250,000 or less for any single assistance agreement, or of more than one financial assistance agreement with a combined total of \$250,000 or less in any one fiscal year, is exempt from the paragraph (b) of this section requirement to create and maintain a bidders list. Also, a recipient under the CWSRF, DWSRF, or BCRLF Program is not required to apply the paragraph (b) of this section bidders list requirement of this subpart to an entity receiving an identified loan in an amount of \$250,000 or less, or to an entity receiving more than one identified loan with a combined total of \$250,000 or less in any one fiscal year. This exemption is limited to the paragraph (b) of this section bidders list requirements of this subpart.

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<sup>1</sup> Qualified Women and Minority business enterprises may be found on the Internet at [www.omwbe.wa.gov](http://www.omwbe.wa.gov) or by contacting the Washington State Office of Minority and Women's Enterprises at 360-704-1181.

# ATTACHMENT V: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

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United States Environmental Protection Agency  
Washington, DC 20460

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EPA Project Control Number

The terms, "covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded", as used in this attachment, are defined in the rules implementing Executive Order 12549, including 13 CFR § 400.109. You may contact DOH for help getting a copy of these regulations.

BORROWER, defined as the primary participant and its principals, certifies by signing below that to the best of its knowledge and belief they:

- A.** Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- B.** Have not within a three-year (3) period preceding this CONTRACT, been convicted of or had a civil judgment against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
- C.** Are not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses described in this attachment; and,
- D.** Have not within a three-year period (3) preceding the signing of this CONTRACT had one or more public transactions (federal, state, or local) terminated for cause or default.

Prior to awarding contracts for the PROJECT, BORROWER must verify that neither the contractor's business name(s) nor the names of its principals are in the Federal Excluded Parties List System for Ineligible Professionals and Debarred Contractors ([www.SAM.gov](http://www.SAM.gov)). BORROWER must keep documentation in the PROJECT files and provide a copy to the DOH Contract Manager.

BORROWER will include the language below without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

The lower tier contractor certifies, by signing this CONTRACT that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

I understand that a false statement on this certification may be ground for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine or imprisonment for up to 5 years, or both.

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Typed or Printed Name & Title of Authorized Representative

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Signature of Authorized Representative

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Date

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I am unable to certify to the above statements. My explanation is attached.

## ATTACHMENT VI: DWSRF ELIGIBLE PROJECT COSTS

Must be directly attributable to the project.

1. The costs for complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
2. DWSRF loan fees.
3. The purchase of a portion of another system's capacity, if it is the most cost effective solution (limited to publicly owned (municipal) systems).
4. Construction of reservoirs (clear wells) that are part of the treatment process and are collocated with the treatment facility.
5. Construction of distribution reservoirs (finished water).
6. Cost associated with restructuring or consolidation of existing water systems by publicly owned water systems.
7. Main extensions to connect to safe and reliable sources of drinking water.
8. Cost associated with collecting and preparing environmental assessment documents to obtain local permits.
9. Direct labor including related employee benefits:
  - a. Salaries and wages (at actual or average rates) covering productive labor hours of employees of the borrower (excluding the administrative organization of the operating unit involved) for periods of time actively or incidentally engaged in pre-design engineering, design engineering, construction engineering, acquisition of rights of way, and the cleaning, sterilization or bacteriological testing of water system components prior to public use. The costs of services rendered by employees generally classified as administration/project management of the loan are considered a direct cost only when such employees are assigned the types of services described above and shall be limited to 3% or less of the project loan amount.
  - b. Employee benefits relating to labor are considered a direct cost of construction projects. The following items may be included as employee benefits:
    - F.I.C.A. (Social Security) –employer's share.
    - Retirement benefits.
    - Hospital, health, dental, and other welfare insurance.
    - Life insurance.
    - Industrial and medical insurance.
    - Vacation.
    - Holiday.
    - Sick leave.
    - Military leave and jury duty.Employee benefits must be calculated as a percentage of direct labor dollars. The

computation of predetermined percentage rates to be applied to current labor costs must be based on the average of total employee benefits and total labor costs for the prior fiscal year and adjusted by known current year variations.

- c. Other than work identified in Number 9.a, no costs associated with labor performed by the borrower's employees, including force account work, are eligible for financing assistance.
10. Contract engineering, planning, design, legal, and financial planning services. The Department of Health reserves the right to declare ineligible legal costs that are unreasonable and disproportionate to the project.
11. Contract construction work.
12. Direct vehicle and equipment charges at the actual rental cost paid for the equipment or, in the case of city or county-owned equipment, at the rental rates established by the local government's "equipment rental and revolving fund" following the methods prescribed by the division of municipal corporations. However, such costs must be charged on a uniform basis to equipment used for all projects regardless of the source of funding. Cities with a population of eight thousand or less not using this type of fund are allowed the same rates as used by the State Department of Transportation.
13. Direct materials and supplies.
14. Other direct costs incurred for materials or services acquired for a specific project are eligible costs and may include, but are not limited to such items as:
  - a. Telephone charges.
  - b. Reproduction and photogrammetry costs.
  - c. Video and photography for project documentation.
  - d. Computer usage.
  - e. Printing and advertising.
15. Other project related costs include:
  - Competitive Bidding.
  - Audit.
  - Insurance.
  - Prevailing wages.
  - Attorney fees.
  - Environmental Review.
  - Archaeological Survey.

Water system plan costs are not eligible for reimbursement. Small water system management program and plan amendments costs are eligible for reimbursement.

Projects may be designed to accommodate reasonable growth. This is generally the 20-year projection included in the system's water system plan or small water system management program.

# **ATTACHMENT VII: LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE GOVERNMENTAL ENTITIES**

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## **Wage Rate Requirements Under The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6)**

### **Preamble**

With respect to the Clean Water and Safe Drinking Water State Revolving Funds, EPA provides capitalization grants to each state which in turn provides subgrants or loans to eligible entities within the state. Typically, the subrecipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman Numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section 3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the subrecipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

### **I. Requirements Under The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6)**

#### **For Subrecipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance under the FY 2013 Continuing Resolution with respect to State recipients and subrecipients that are governmental entities. If a subrecipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact Department of Health. If a State recipient needs guidance, they may obtain additional guidance from DOL's web site at <http://www.dol.gov/whd/>.

#### **1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.**

Under the FY 2013 Continuing Resolution, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site.

#### **2. Obtaining Wage Determinations.**

(a) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

- (i) While the solicitation remains open, the subrecipient shall monitor [www.wdol.gov](http://www.wdol.gov) weekly to ensure that the wage determination contained in the solicitation remains current. The subrecipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.
- (ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c) (3) (iv). The subrecipient shall monitor [www.wdol.gov](http://www.wdol.gov) on a weekly

basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from [www.wdol.gov](http://www.wdol.gov) into the ordering instrument.

(c) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the subrecipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project under the DWSRF financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the FY 2013 Continuing Resolution, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Borrower and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, [www.dol.gov](http://www.dol.gov).

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided, that the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The subrecipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing

apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually

registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The Borrower must comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The Borrower and/or subcontractor must insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.



(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes will be resolved according to the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, Borrower certifies that neither it (nor he or she) nor any person or firm who has an interest in the Borrower's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 USC 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the

contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Subrecipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence."

(c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The subrecipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the Department of Health and to the appropriate DOL Wage and Hour District Office listed at

[https://www.dol.gov/whd/WHD\\_district\\_offices.pdf](https://www.dol.gov/whd/WHD_district_offices.pdf).

# Mason PUD 1

## 2022 Strategic Work Plan

**\* NOTICE:** This work plan is a live, flexible document. The tasks assigned are budget and workforce contingent. Items will be added, and some will be removed or changed throughout the year. This work plan is approved by the board of commissioners. Senior staff reports the progress quarterly to the board to ensure that the PUD is on track and has a clear plan and direction.

<b>1.0</b>	<b>Finance</b>	<b>Status: Progress, On Track, Off Track, Completed, Removed</b>	<b>Assigned To:</b>	<b>Due Date:</b>
1.1	Loans & Grants		Staff	All Qs
<b>1.1.1</b>	<b>DOE – Streamflow Restoration Grant</b>	<b>Q1- Completed- applications submitted in February for both the water reclamation project and the lower aquifer well project.</b>	<b>Katie/Kristin/James</b>	<b>Q2</b>
1.1.2	Union Regional Mitigation	Q1- Application submitted to DOE for lower aquifer wells. No further action at this point until we find out if we are funded. Will also apply for ARPA funding for this.	Kristin	Q2
1.1.3	Alderbrook Water Reclamation	Q1- Application submitted to DOE for feasibility study. No further action until we find out if we are funded.	Kristin/Brandy/James	Q2
1.1.4	DOE – Remedial Action Grant – Pole Yard	Q1- James submitted this in March. Will wait to see if we were approved.	Kristin/James	Q2
1.1.5	DOE – Brownsfield Funding – Pole Yard	Q1- Submitted inquiry. Will apply for additional funding if its available before the end of the state’s fiscal year in June.	Kristin/James	Q2
<b>1.2</b>	<b>Construction</b>			
1.2.1	Lake Arrowhead Mainline (Entire System)	Q1 - Eligible for 50% subsidy through DWSRF. Will accept the funding to move the project forward. Kristin & Katie met with USDA-RD about layering their funding on top of DWSRF to help reduce the District’s share.	Katie / James /Brandy	Q4
1.2.2	Canal View Well/Treatment/Retaining wall	Q1- Nothing to report this quarter.	Katie / James / Brandy	Q4
<b>1.2.3</b>	<b>Alderbrook Mainline AC pipe</b>	<b>Q1- Applied for 2022. Not eligible for subsidy with this system through DWSRF so the District declined the funding. Will resubmit in 2023 if it looks like additional subsidy can be awarded with the federal funding coming down to the state. Brandy is developing a plan to replace this year-by-year in the regular capital work plan/budget, independent of funding packages.</b>	<b>Katie /James /Brandy</b>	<b>Q4</b>
<b>1.2.4</b>	<b>Union Mainline AC Pipe</b>	<b>Q1- Applied for 2022. Not eligible for subsidy with this system through DWSRF so the District declined the funding. Will resubmit in 2023 if it looks like additional subsidy can be awarded with the federal funding coming down to the state. Brandy is developing a plan to replace this year-by-year in the regular capital work plan/budget, independent of funding packages.</b>	<b>Katie / James /Brandy</b>	<b>Q4</b>

1.2.5	Canal Beach Tracts mainline	Q1- Material on site and planning on installing May	Katie / James /Brandy	Q4
1.2.6	Bay East manganese	Q1- The estimate to purchase property and install the treatment far exceeded the funding awarded. Not able to move project forward. District declined the funding and will continue to pursue grants. Working with attorney on negotiating the purchase of property or an easement to accommodate the treatment system.	Katie / James /Brandy	Q4
1.2.7	Island Lake, Cherry Park, Woodland Manor, Springwood, Lake wood intertie		Katie / James / Brandy	
1.2.8	Arcadia Estates Manganese	Q1- Applied through DWSRF and didn't not receive funding. Will apply again for 2023.	Katie / James /Brandy	Q4
1.2.9	Harstene Retreat Manganese	Q1- Applied through DWSRF and didn't not receive funding. Will apply again for 2023.	Katie / James / Brandy	Q4
<b>1.3</b>	<b>DOH – Feasibility/Consolidation</b>			
1.3.1	Bellwood A & B	Q1- Nothing to report this quarter.	Katie / Brandy/James	Q3
1.3.2	Cedar Meadows 1 & 2 and Black B & C	Q1- Nothing to report this quarter.	Katie /Brandy/James	Q3
1.3.3	Anthony Rd N & S	Q1- Nothing to report this quarter.	Katie / Brandy/James	Q3
1.3.4	Stonebriar 1, 2 & 3	Q1- Nothing to report this quarter.	Katie / Brandy/James	Q3
<b>1.4</b>	<b>DOE – Well decommissioning</b>			
1.4.1	Twano Heights well 2	Q1- Nothing to report this quarter.	Katie / Brandy / James	Q3
<b>1.5</b>	<b>FEMA – Hazard Mitigation – Due Nov 30 2021</b>			
1.5.1	Seismic Valves	Q1- Submitted to FEMA. Did not get picked for this round. Will apply again in the fall of 2022.	Katie / Brandy / James	Q4
1.5.2	Generators/Water Trees	Q1- Submitted to FEMA. Did not get picked for this round. Will apply again in the fall of 2022.	Katie / Brandy / James	Q4
1.5.3	Duckabush Relocation	Q1- Including Duckabush in DFW's FEMA hazard mitigation application. They were invited to submit a full proposal in January. PUD assisting in that application. Rep. Kilmer included a \$1 million appropriation in the federal budget, which was approved in March. Working with his office on next steps to accept the funding.	Katie / Kristin / James	Q4

1.5.4	Overhead to Underground Conversions	Q1- Included in FEMA system resiliency invitation for full application. Submitted in February.	Katie / Kristin / James	Q4
1.5.5	OH Rebuilds – high outage areas/bumps	Q1- Included in FEMA system resiliency invitation for full application. Submitted in February.	Katie / Kristin / James	Q4
1.5.6	Solenoid Valve – Pirate’s Cove	Q1- Submitted to FEMA. Did not get picked for this round. Will apply again in the fall of 2022.	Katie /Brandy / James	Q4
1.5.7	Pole Inspection /Testing	Q1- Nothing to report this quarter.	Kristin	Q4
<b>1.6</b>	<b>BEF</b>			
1.6.1	Car Charging Station	Q1- Included Port of Hoodsport and Union Square in Dept. of Commerce EV grant that is being jointly written by Energy Northwest. Nothing else to report this quarter.	Kristin	Q3
1.6.2	Community Solar III- Is this feasible? Site/location?	Q1- Nothing to report this quarter.	Kristin/Julie	Q4
<b>1.7</b>	<b>Substation Money</b>		Kristin	Q2
<b>1.7.1</b>	<b>Capital budget request</b>	<b>Q1- Submitted a \$255,000 capital budget request to Sen. Sheldon’s office for the Hood Canal-101 Broadband Project. HCC forwarded it to Rep. MacEwen as well. These were not included in the capital budget. Will try again in 2023.</b>	<b>Kristin</b>	<b>Q1</b>
1.7.2	ARPA/BBB Infrastructure	Q1- Working with McGuire/Whitney on possible appropriations for federal requests. Kristin working on CEDS list and APRA funding request to submit in March.	Kristin	Q4
<b>1.8</b>	<b>Infrastructure</b>			
1.8.1	Duckabush Relocation Project	Q1- Including Duckabush in DFW’s FEMA hazard mitigation application. They were invited to submit a full proposal in January. PUD assisting in that application. Rep. Kilmer included a \$1 million appropriation in the federal budget, which was approved in March. Working with his office on next steps to accept the funding.	Kristin	Q4
1.8.2	Jorstad Substation	Q1- This project is listed on our federal grant priorities plan and will be submitted for federal funding.	Kristin	Q4
1.8.3	Union Regional Projects	Q1- Several projects including reservoirs are included in the federal grant plan as well as being submitted to the Mason County CEDS list. Will work on a federal appropriation for reservoirs, likely.	Kristin/Brandy/James	Q4
1.8.4	Manzanita Campus	Q1- Water reservoirs, storage building, and campus security are included in the federal grant plan.	Kristin/James	Q4
<b>1.9</b>	<b>CEDS</b>			

1.9.1	Update EDC's CEDS list with infrastructure projects	Q1- COMPLETED- Updated list sent for EDC board approval in March.	Kristin/Staff	Q3
1.10	Continue Debt Strategy and Milestones			
1.10.1	Hold 2 finance committee meetings to review investment & debt policies	Q1- Nothing to report this quarter.	Katie	All Qs
1.11	Evaluate Staffing/Contractors for Assistance			
1.11.2	Grant Writing and Single Audit Requirement – Contract out to Audit Firm	Q1- Have contracted with McGuire Whitney for grant writing/lobbying services for capital plan projects and federal/state funding opportunities.	Katie/Kristin	Q2
1.12	Update Fee Schedule			
1.12.1	Pole Attachment Rate	Q1- Completed audit and sent out invoices to attachers. \$44,751 in newly-captured revenue from unauthorized attachments. We also billed Lumen & Wave a combined total of \$41,221 for a portion of the audit to help recover the cost of the audit. Cost to conduct study was \$70,909.65, so it was a good investment for the utility and now we're on track to do this every five years.	Katie/Kristin	Q1
1.12.2	Misc. Fee Schedule – reconnect/disconnect, etc.	Q1- Completed. Implemented new fee schedule.	Katie/Kristin/Shiane	Q1
1.12.3	Budget at end of the year for 2023 COSA tune-up to adjust targets and possibly scheduled rates- depending on impact of grant money to long term capital projects/needs	Q1- Received quote from FCS Group to do a refresh of the COSA and include the new grant funding the PUD has received as well as consider the costs for inflation on materials and see if the projections are still valid or if they should be adjusted in future ratemaking.	Kristin/Katie	Q4
1.13	Continue to Expand the Customer Assistance Program			
1.13.1	CETA – Low income Housing Assistance Program	COMPLETED. Q1- The PUD's CETA biannual filing was completed. Program is implemented.	Katie/Shiane	Q2
1.13.2	Formalize actual program	COMPLETED. Q1.	Katie/Shiane	Q2
1.13.3	Spend down ARPA funding	Q1- Printed bill credit program in newsletter. Have applied \$12,000 so far. Put in request to reappropriate \$100,000 to fiber project. Given the success of the arrearages program, customers were directed to CAC and Crossroads Housing before PUD ARPA funding was triggered. This resulted in the majority of arrearages being covered by those other agencies' allocations and having a surplus of PUD ARPA funds. The County commission agreed to reappropriate the funding.	Katie/Shiane	Q4
1.14	What contracts need renegotiated for cost savings			
1.14.1	Lumen	Q1- Lumen joint use contract settled. Julie pulling list of phone lines and getting pricing on options to see if we can save money with HCC.	Katie/Julie	Q2

	Community Solar II – Low income program	Place holder to remember to do new round of prequalifying low-income customers in 2023 to start participating in 2024		
<b>2.0</b>	<b>Facilities</b>			
<b>2.1</b>	<b>Manzanita Campus Plan</b>			
2.1.1	Staff develop plan – come up with steps and budget	Q1- Preliminary substation design/planning for the site has begun this quarter. Will work with Gray & Osborne on the water reservoirs and a utility storage building on the site. Will need a cost estimate for the grant applications for this as well as security and groundwork. Have put the Geotech report out to bid.	Kristin	Q3/Q4 for 2023 budget
<b>2.2</b>	<b>Continue Facility maintenance</b>			
2.2.1	Mow all vaults on highway each year	Q1- Nothing to report this quarter.	Temps	Q2 & Q3
2.2.2	Update landscaping along substations/sign cleaning	Q1- Nothing to report this quarter.	Rich/Temps	Q3
2.2.3	Re-stripe parking lot	Q1- Nothing to report this quarter.	Rich	Q3
2.2.4	Paint buildings-ops building and trim on other buildings	Q1- Nothing to report this quarter.	Kristin/Rich/Julie	Q3
2.2.5	Replace window in Water Office to opening window	Q1- Nothing to report this quarter.	Rich/Cole	Q3
2.2.6	Paint water leak repair area in lobby	Q1- Nothing to report this quarter.	Rich/Cole	Q4
<b>2.2.7</b>	<b>Re-bid landscaping contract</b>	<b>Completed. Put out to bid in February.</b>	<b>Brandy/James</b>	<b>Q1</b>
2.2.8	SLOW sign painted on asphalt to slow traffic on campus	Q1- Nothing to report this quarter.	Rich/Kristin	Q3
<b>2.3</b>	<b>Supplies on Hand</b>			
2.3.1	Water, Blankets, Paper products, food	Q1- Nothing to report this quarter. Have ordered Thermos's, looking for blankets	Julie/Trish	Q2
<b>2.4</b>	<b>Pole Yard</b>			
<b>2.4.1</b>	<b>Plan for TPU Monitoring Wells</b>	<b>Completed. Aspect has completed their plan, TPU has agreed. Work will start in Q1 2022.</b>	<b>James</b>	<b>Q1</b>

2.4.2	Plan for NFA	Completed. Aspect has completed their plan, TPU has agreed. Work will start in Q1 2022. Will be ongoing through 2023 and then reevaluated.	James	Q1
2.5	Future Facilities			
2.5.1	Viewcrest Beach	Q1- Nothing to report this quarter.	Brandy/Kristin/James	Q2
2.5.2	Manzanita wind stops	Q1- Nothing to report this quarter.	Brandy/Kristin/James	Q2
2.6	Easements			
2.6.1	Hood Canal	Q1- Nothing to report this quarter.	Mary/James	Q3
2.6.2	North Hill Hoodsport	Q1- Nothing to report this quarter.	Mary/James	Q3
2.6.3	Canal Mutual to North Hill Way	Q1- We have identified parcels for this and are reaching out to property owners.	Mary/James/JJ	Q3
2.6.4	BIA			
2.6.4.1	Fund Reserve Account	Q1- Nothing to report on this.	Katie & Kristin	Q3
2.6.5	Jorstad Easement			
2.6.5.1	Pay for easement & conveyance	Q1- Completed. Recorded with Mason County.	James	Q4
2.6.5.2	Clear & sell timber	Q1- Completed.	James	Q4
2.6.5.3	Woodpecker Poles	Q1- They are laid down in yard. Will install in Q2.	James	Q4
2.6.6	General Easement Items			
2.6.6.1	Schedule for annual mowing	Q1- Included in annual landscaping contract that was just awarded.	Kristin/Brandy	Q1
2.6.6.2	Map out easement recording process for Jefferson County	Q1- Nothing to report this quarter. James will see the process JJ had for doing this online.	James	Q1



2.6.6.3f	Map out easement recording process for Mason County	Completed. Q1- JJ supplies easements on the 15 <sup>th</sup> and 30 <sup>th</sup> of every month, Mary has Joyce prepare a check and records them. Recorded power easements are returned to JJ.	Mary & JJ	Q1
3.0	Org Development			
3.1	Implement staffing plan			
3.1.1	Training Program for all employees – include in annual budget	Q1- JJ to NWPPA staking class. Joyce, Mary, and JJ WO training via NWPPA in March. Water- Brandy to NWPPA Leadership class in February, TJ has water treatment classes 3 times a month, Reese & Cole attended 3 day Water Operator Class	Kristin/Katie/Brandy	All Qs
3.1.2	Continue System Tours – ask commissioners what they want to see	Q1- Nothing to report this quarter. Will schedule this summer now that COVID restrictions are lifted.	Kristin/Julie	Q4
3.1.3	NWPPA – Rigging & Operations Class in-house	This class is not being held due to COVID. Kristin is on the notification list when it is offered again.	Kristin	Q4
3.1.4	Budget for tuition reimbursement and trainings	Q1- Nothing to report this quarter.	Kristin/Katie/Brandy	Q3
3.1.5	Apprentices	Q1- Completed apprentice reviews for LJ and Kyle. Submitted hours to state.	Kristin / Katie	All Qs
3.1.6	Foreman Training	Q1- Nothing to report this quarter. NWPPA doesn't have this offered locally yet.	Kristin / Katie	Q4
3.2	Continue Partnerships to Accomplish Work Goals			
3.2.1	Hood Canal Communications	Q1- Eldon project awarded for fiber. Bore and work started at Colony Surf. Collaborated on joint work at AGYC w/ the HOA.	Kristin	All Qs
3.2.2	PUD 3	Q1- Working with PUD on power solutions for Agate Beach. Invited them into ditch at Lake Arrowhead; they declined.	Kristin	All Qs
3.2.3	Kitsap PUD	Q1- Had two meetings with KPUD re: stream monitoring. James hosted the KPUD monitor at our streams to go over data and field equipment and visited KPUD.	Kristin	All Qs
3.2.4	Clark PUD	Q1- Nothing to report this quarter.	Kristin	All Qs
3.2.5	Mason County	Q1- Commission reappropriated \$100,000 in ARPA funding to support the Hood Canal-101 Broadband Project. Katie and Kristin helping Public Works on a FEMA application for the Dips project. Handing out pandemic supplies at the front counter at the request of public health. Coordinated with Public Works on ditch work on Eells Hill Rd.		
3.3	Safety			

3.3.1	Practice the ERP	Q1- Nothing to report this quarter.	Staff	Q4
3.3.2	Conduct an office-specific training/meeting	Q1-Created a schedule with John. Will start first one in 2 <sup>nd</sup> Qtr.	Katie	All Qs
3.3.2.1	Panic Alarm testing	Q1- Nothing to report this quarter.	Staff	Q2
3.3.3	Fire Extinguisher Check	Q1 – Fire extinguishers were checked and tested.	Trish	All Qs
3.4	Technology Plan			
3.4.1	IT	Q1 – developed barcode scanning system to keep track of small & attractive assets and replacements.	Katie/Kyle (HCC)	All Qs
3.4.2	AMI	Q1- This is on the federal grants list. Kristin & Shiane had meeting with metering company this quarter on a quote for project management and installation for AMI meters for the entire systems of power and water.	Kristin	Q4
3.4.2.1	Setup AMI Committee	Q1- Nothing to report this quarter.	Kristin	Q4
3.4.2.2	List of utilities to talk to	Q1- Nothing to report this quarter.	Kristin	Q4
3.4.2.3	Setup meetings with vendors	Q1- Nothing to report this quarter.	Kristin	Q4
3.4.2.4	Estimate timeframe and budget	Q1- Nothing to report this quarter.	Kristin	Q4
3.4.2.5	Vendor/contractor install or in-house install	Q1- Nothing to report this quarter.	Kristin	Q4
3.4.2.6	Rollout implementation plan	Q1- Nothing to report this quarter.	Kristin	Q4
3.4.3	CYBER			
3.4.3.1	Energy NW Penetration testing	Q1- Nothing to report this quarter.	Katie	All Qs
3.4.3.2	Energy NW Training and phishing tests	Q1 – Phishing test completed for Q1. 95% pass rate.	Katie	All Qs
3.4.3.3	Vendor/Contractor testing	Q1- Contractors on EN list passed email phishing test.	Katie	Q3

3.4.4	Bill Print Design	Q1 – On NISC schedule for initial consultation in 2 <sup>nd</sup> Qtr to begin design process.	Katie/Shiane	Q1
3.5	<b>Go Paperless! Campaign</b>		Julie/Shiane	Q3
3.6	<b>Give Conservation program report</b>		Katie/Trish	Q4
3.6.1	Continue toward 200 streetlights replaced each year	Q1- New streetlight list has been updated and will be sent to crews.	Katie/Trish	All Qs
3.6.2	School partnerships – lighting – EVs	Q1- Nothing to report this quarter. Forwarded on BEF contact information regarding grant opportunities to school districts. Offered to help support, if needed.	Kristin/Trish	All Qs
3.6.3	Customer Appreciation Event/Public Power Week	Q1- Nothing to report this quarter.	Kristin/Julie	Q4
3.7	<b>Continue Canal Comfort Fund Drive</b>		Shiane	Q4
3.8	<b>Website</b>			
3.8.1	Spanish Language Page	Q1- Nothing to report this quarter.	Kristin/Julie	Q4
3.8.2	Interlocal Agreements	<b>Complete</b>	Julie	Q1
3.9	<b>Evaluate Disconnect Threshold</b>		Katie/Shiane	Q2
3.10	<b>Hire Temporary Crew for Summer – 2 electric; 2 water</b>		Kristin/Brandy/Katie	Q2
3.11	<b>Records Compliance</b>		Julie	All Qs
3.11.1	<b>Clean up Outback</b>	<b>Completed.</b>	<b>Julie</b>	<b>Q1</b>
3.11.2	Send Julie to training	Q1- Nothing to report this quarter.	Julie	All Qs
3.11.3	Conduct in-house training	Q1- Have scheduled training with the AG’s office in Q2.	Kristin/Julie	Q3
3.11.4	<b>Set budget for digitization of records &amp; use it all</b>	<b>Completed.</b>	<b>Julie/Kristin</b>	<b>Q1</b>

3.11.5	Apply for records scanning grant	Q1- Nothing to report this quarter.	Julie/Kristin	Q2
<b>3.12</b>	<b>Continue HR &amp; Employee Relations Functions</b>			
3.12.1	Hold benefits meeting/workshops with employees as needed: i.e. open enrollments	Q1- Provided information to employees regarding the Employee Assistance Fund and what services are provide.	Katie	All Qs
3.12.2	Employee Picnic	Q1- Nothing to report this quarter. Date set for July 8, 2022 Potlatch State Park	Julie	Q3
3.12.3	Service Awards	Q1- Nothing to report this quarter. Working on them	Julie	Q3
<b>3.12.4</b>	<b>Two potluck events in-house</b>	<b>Q1- Had two lunches together for going-away gatherings.</b>	<b>Kristin/Julie</b>	<b>All Qs</b>
3.12.5	Customer Appreciation Event	Q1- Nothing to report this quarter. September 30, Upper campus	Kristin/Julie	Q4
3.12.6	“Serving the Internal Customer” Training	Q1- Nothing to report this quarter.	Kristin/Katie	Q4
3.12.7	Workplace Violence Training	Q1- Nothing to report this quarter.	Kristin/Katie	All Qs
<b>3.13</b>	<b>Public Involvement</b>			
3.13.1	Career Day	Q1- Nothing to report this quarter.	Joyce	All Qs
3.13.2	Science Fair	Q1- Nothing to report this quarter.	Staff	All Qs
3.13.3	Parades	Q1- Nothing to report this quarter. Signed up for Forest Festival in Q2.	Julie	All Qs
3.13.4	Public Power Week	Q1- Nothing to report this quarter.	Kristin/Julie	Q4
3.13.5	EDC	Q1- Kristin continuing to attend regular board meetings.	Kristin	All Qs
3.13.6	Kiwanis	Q1- Nothing to report this quarter.	Kristin/Julie	All Qs
<b>4.0</b>	<b>Water</b>			
4.1	Engage with WPUDA, DOH, DOE, Tribes & Legislators on issues that impact the water business	Q1- WPUDA invited Kristin to provide stakeholder testimony to the state opposing mandating fluoridation of the public water supply. Kristin emailed	Kristin	All Qs

		legislators encouraging them to include culvert replacement funding for utility relocation in the state budget.		
<b>4.2</b>	<b>CONSOLIDATION</b>			
<b>4.2.1</b>	<b>List out 12-18 months of URWSP projects to start working on</b>	<b>Q1- Completed. We have the list of projects and are soliciting funding for each of them.</b>	<b>Brandy/TJ</b>	<b>Q1</b>
4.2.1.1	Vuecrest Design	Q1- In progress. Seeking ARPA funding to complete this project. Completed paving in upper area.	Brandy/TJ/James	Q3
4.2.1.1.1	Out to bid	Q1- Nothing to report this quarter.	Brandy/James	Q4
4.2.1.1.2	Easement to Union Ridge	Q1- Gathering information need to send to property owner.	Brandy	Q1
4.2.1.1.3	Construction	Q1- Nothing to report this quarter.	Brandy/TJ	Q4
4.2.1.1.4	Vegetation planted	Q1- Nothing to report this quarter.	TJ/Rooster	Q4
4.2.1.1.5	Punch list for road work that needs complete	Q1- Nothing to report this quarter.	TJ/Brandy	Q2
4.2.1.2	Manzanita Reservoir Design	Q1- Getting rough idea of sizes so we can do the Geotech for the Manzanita site.	TJ/Brandy/James	Q1
4.2.1.3	Highland Park easements	Q1- Nothing to report this quarter.	Brandy/Mary	Q2
4.2.1.4	Hood Canal/Union easements	Q1- Nothing to report this quarter.	Brandy/Mary	Q2
<b>4.3</b>	<b>Acquisitions</b>			
<b>4.3.1</b>	<b>What systems are in the works? List each quarter.</b>	<b>Q1- Lake Wood Water System acquired.</b>	<b>Brandy/Kristin</b>	<b>All Qs</b>
4.3.1.1	HIPMA	Q1- Nothing to report.	Brandy/Kristin	All Qs
<b>4.3.1.2</b>	<b>Lake Wood</b>	<b>Completed. Acquired in February.</b>	<b>Brandy/Kristin</b>	<b>Q1</b>
<b>4.4</b>	<b>Maintenance/CIP</b>			

4.4.1	Update the CIP – Brandy this is the document that we went over with TJ, take the projects that we lined out within the next 18 months.	Q1- Updating project list.	Brandy	Q1
4.4.2	Develop, request mainline extensions	Q1- Nothing to report this quarter.	Brandy/Kristin/James	All Qs
4.4.2.1	Union 2 <sup>nd</sup> St.	Q1- Material on site, projected start project in June.	Brandy/TJ	Q3
4.4.3	Address leakage issues	Q1- Repaired leaks: Holiday Beach, Hoodsport, Union, Lake Arrowhead, Alderbrook	TJ/Rooster	All Qs
4.4.3.1	Identify leaks to reduce water loss	Q1- Confirm inactive services are still off.	TJ/Rooster	All Qs
4.4.3.1.1	Canal Beach Tracts	Q1- Materials on site, projected start date is May.	TJ/Rooster	Q3
4.4.3.1.2	Hoodsport	Q1- Leak repaired off of N Lake Cushman Rd in Feb. believes this leak has going for some time.	TJ/Rooster	Q3
4.4.3.1.3	Lake Arrowhead	Q1- Hanson Excavation will start mainline replacement late spring. DWSRF application was accepted to replace the rest of the mainline, 50% loan forgiveness.	Brandy/TJ	Q1
4.4.3.1.4	Ripplewood	Q1- DWSRF application was accepted to replace the rest of the mainline, 50% loan forgiveness.	Brandy/TJ	Q1
4.4.3.1.5	Union	Q1- Leak repaired in January.	TJ/Rooster	Q3
4.4.3.1.6	View Ridge Heights	Q1- Nothing to report this quarter.	TJ/Rooster	Q3
4.4.3.2	Evaluate free leak detection services from Evergreen Rural Water	Q1- Nothing to report this quarter.	Brandy/TJ	All Qs
4.4.4	Well Houses	Q1- Nothing to report this quarter.	Brandy	Ongoing
4.4.4.1	Painting	Q1- Nothing to report this quarter.	Water Techs	Q3
4.4.4.1.1	Bel Aire Cove	Q1- Nothing to report this quarter.	Water Techs	Q3
4.4.4.1.2	Canal Mutual	Q1- Nothing to report this quarter.	Water Techs	Q3
4.4.4.1.3	Cherry Park	Q1- Nothing to report this quarter.	Water Techs	Q3

4.4.4.1.4	Lakewood Heights	Q1- Nothing to report this quarter.	Water Techs	Q3
4.4.4.1.5	Rhododendron Place	Q1- Nothing to report this quarter.	Water Techs	Q3
4.4.4.1.6	Tiger Lake	Q1- Nothing to report this quarter.	Water Techs	Q3
4.4.4.1.7	Two Jackies	Q1- Moving to 2023.	Water Techs	Q3
4.4.4.1.8	Union Ridge	Q1- Nothing to report this quarter.	Water Techs	Q3
4.4.4.1.9	Woodland manor (Park Pl.)	Q1- Moving to 2023.	Water Techs	Q3
4.4.4.2	Roofing/Repairs	Q1- Nothing to report this quarter.	Water Techs	Q3
4.4.4.2.1	Hamma Ridge	Q1- New tanks installed, building and roof enclosed, building painted.	Water Techs	Q3
4.4.4.2.2	Jade Dr.	Q1- Nothing to report this quarter.	Water Techs	Q3
4.4.4.2.3	Tiger Lake	Q1- Preparing building and getting a materials list together to replace deteriorating siding.	Water Techs	Q3
4.4.4.2.4	Two Jackies	Q1- Moving to 2023.	Water Techs	Q3
4.4.4.2.5	Woodland Manor (Park Pl)	Q1- Moving to 2023.	Water Techs	Q3
4.4.5	Generators – Bid this out Q1		James/Brandy	Q1
4.4.5.1	Arcadia Estates	Q1- Bid awarded to Henden Electric.	Brandy/TJ	Q2
4.4.5.2	Bellwood A	Q1- Bid awarded to Henden Electric.	Brandy/TJ	Q2
4.4.6	Reservoir Cleaning & Inspection			
4.4.6.1	Arcadia Estates	Q1- Out to bid.	Brandy	Q3
4.4.6.2	Bayshore	Q1- Out to bid.	Brandy	Q3

4.4.6.3	Canal Beach Tracts	Q1- Out to bid.	Brandy	Q3
4.4.6.4	Island Lake Manor	Q1- Out to bid.	Brandy	Q3
4.4.6.5	Lake Arrowhead	Q1- Out to bid.	Brandy	Q3
4.4.6.6	Mt. View	Q1- Out to bid.	Brandy	Q3
4.4.6.7	Union Ridge	Q1- Out to bid.	Brandy	Q3
4.4.7	Backflow Device & CCC Campaign			
4.4.7.1	Hood Canal	Q1- Nothing to report this quarter.	Brandy/Mary	Q2
4.4.7.2	Madrona Beach	Q1- Nothing to report this quarter.	Brandy/Mary	Q2
4.4.8	Water System Planning & Reports			
4.4.8.1	Bellwood A	Q1- Nothing to report this quarter.	James/Brandy	Q2
4.4.8.2	Highland Estates	Q1- Nothing to report this quarter.	James/Brandy	Q3
4.4.8.3	Shadowood	Q1- Pilot study complete, chapters 1-5 WSP done, pre-design for treatment and reservoir or in progress.	James/Brandy/G&O	Q1
4.4.8.4	View Ridge Heights	Q1- Nothing to report this quarter.	James/Brandy	Q4
4.4.9	Rain gauge at Alderbrook Well 3, Fiber connection	Q1- Fiber was installed, HCC working on Firewall transmission with Kitsap.	James	Q2
4.5	Water Lots			
4.5.1	Viewcrest Beach	Q1- Nothing to report this quarter.	Brandy/TJ	Q2
4.5.2	Bay East	Q1- Portion of parcel identified. Board approved Rob to begin negotiations for acquisition of easement or purchase. Rob has reached out to property owners.	Brandy/TJ	Q1
4.6	Water Rights			



4.6.1	Pickering View	Q1- Nothing to report this quarter.	Kristin/Brandy	Q2
4.6.2	Madrona Beach	Q1- Nothing to report this quarter.	Kristin/Brandy	Q4
<b>4.7</b>	<b>Capacity Analysis</b>			
<b>4.7.1</b>	<b>Highland Park</b>	<b>Completed- System needs additional storage before there can be additional connections</b>	<b>Brandy/James</b>	<b>Q3</b>
4.7.2	Bellwood A	Q1- Working with G&O to submit to DOH.	Brandy/James	Q1
<b>4.8</b>	<b>Personnel Education</b>			
4.8.1	ERWOW	Q1- Nothing to report this quarter.	Rooster/Marty/Mary	Q3
4.8.2	WPUDA Water Workshop	Q1- Nothing to report this quarter.	Brandy/TJ/Cole/Reese	Q3
<b>5.0</b>	<b>ELECTRIC</b>			
<b>5.1</b>	<b>Implement Staffing Plan &amp; Engineering Roster Plan</b>			
5.1.1	Training	Q1- Jeremiah doing onsite field training for JJ. JJ attending NWPPA courses and also getting software/mapping training through BKL. James attending NWPPA Engineering & Operations conference in April.	Kristin	Q3
<b>5.1.1.1</b>	<b>JJ Staking Program</b>	<b>Q1- Continuing NWPPA Staking certification training this quarter. JJ is taking new job out of state. This item is completed for 2022.</b>	<b>JJ</b>	<b>All Qs</b>
5.1.1.2	Mapping & process flow for jobs	Q1- BKL consultant assisting in repairing NISC and mapping info. Conducted onsite training this quarter. Jeremiah working with JJ on process and workflow for staking and building new jobs. Jeremiah built assembly units, pick lists, maps, and checklists to automate a lot of processes and improve the communication between engineering and the crew. Lots of progress being made in this area.	JJ/Kristin	All Qs
5.1.1.3	Linemen – to other utilities to learn new skills and processes	Q1- Two linemen and purchaser attending NWPPA E&O Conference in April. Have set up meter training for 2 <sup>nd</sup> quarter with National Metering Services.	Kristin	When available
5.1.1.4	Commissioner & Employee Site Visits	Nothing to report this quarter.	Kristin	When available
5.1.1.5	Foreman/Leadership Training	Nothing to report this quarter.	Kristin	When available
5.1.2	Select new electrical engineers on roster and assign projects for 2022	Q1- Have tried out new engineering firms on various projects to gauge the fit and how well we work together. Will reinterview firms through RFQ in Q2.	Kristin & James	Q1

5.2	Capital Work Plan			
5.2.1	Line Rebuilds	Q1- Wa-Wa Point completed. Eells Hill Rd. completed. Colony Surf started.	Kristin/James	All Qs
5.2.1.1	Skokomish Reservation – HCC Partnership	Nothing to report this quarter.	Kristin	If HCC or Skokomish get the funding- no date for this
5.2.1.2	Alderbrook URD Rebuild – conduit/annual \$	Plan completed. All road crossings identified and budgeted. Partnering with local companies to complete for 2022.	Kristin/Katie	Q1
5.2.1.3	URD Rebuild – Four Wheel Drive Road	Q1- Design completed. Ready to complete in 2022. Added to FEMA list if not completed in 2022 for some reason.	Engineer/James/Crew	Q2
5.2.1.4	OH to URD – Galloway Lane	Q1- Design completed. Ready to complete in 2022. Added to FEMA list if not completed in 2022 for some reason.	Engineer/James/Crew	Q2, Q3
5.2.1.5	OH to URD – Love Road (need HCC bore)	Q1- Design completed. Ready to complete in 2022. Added to FEMA list if not completed in 2022 for some reason.	Engineer/James/Crew	Q2, Q3
5.2.1.6	URD – Colony Surf Rebuild Divisions 5 & 6 (January)	Q1- This has started in Q1. Will be completed in Q2. Part of this work can be included in the January FEMA disaster declaration due to that area being torn up so badly, so the PUD will be reimbursed for a portion of it.	Engineer/James/Crew	Q1
5.2.1.7	OH Rebuild – Bee Mill	Q1- Design completed. Ready to complete in 2022. Added to FEMA list if not completed in 2022 for some reason.	Engineer/James/Crew	Q2
5.2.1.8	Eells Hill Rebuild – line out steps for this, include permitting. FEMA funded.	COMPLETED. Q1- Design, permitting and FEMA funding completed. Worked with Mason County Public Works to get in the ditch and run conduit. Will complete Q2.	Engineer/James/Crew	Q4
5.2.1.9	Seal Rock Rd	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	Q4
5.2.1.10	OH Rebuild – Skokomish Valley end of line rebuild	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	Q2
5.2.1.11	106 Pole Replacement Plan	Nothing to report this quarter.	Kristin/Engineer/James	Q4
5.2.1.12	Interties	Nothing to report this quarter.	Kristin	When ready
5.2.1.12.1	Manzanita Intertie	Nothing to report this quarter.	Kristin	When ready
5.2.1.13	Webster Ln (single phase)	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	When ready
5.2.1.14	Triton Head Dr. (single phase)	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	When ready

5.2.1.15	Bow Tree Ln (single phase)	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	When ready
5.2.1.16	Hamma Rec. Road (single OH)	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	When ready
5.2.1.17	Bottom end of Hamma Ridge Rd. (OH single)	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	When ready
5.2.1.18	N206 L Tap (OH) to Char Ln (single)	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	When ready
5.2.1.19	Eagle Creek Rd (single OH)	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	When ready
5.2.1.20	Robinson Rd. to post office in Lilliwaup (3P URD)	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	When ready
5.2.1.21	Indian Beach (single OH) to N133 R Tap	Q1- In design phase. Added to FEMA list for system resiliency.		
5.2.1.22	N 95 L Tap (single OH) up Virginia St. and N. Mardell Ln – Wire upgrade Poles	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	Q4
5.2.1.23	Upper end of Finch Creek (Single)	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	Q4
5.2.1.24	N44 L Tap (single)	Q1- In design phase. Added to FEMA list for system resiliency.	Engineer/James/Crew	Q4
5.2.2	Contracted Vegetation Management			
5.2.2.1	N300-N311	Q1- Put out to bid.	Contractor/James	Q4
5.2.2.2	N256-N270	Q1- Put out to bid.	Contractor/James	Q4
5.2.2.3	N244-N250	Q1- Put out to bid.	Contractor/James	Q4
5.2.2.4	N180-N200	Q1- Put out to bid.	Contractor/James	Q4
5.2.3	In-house Vegetation Management			
5.2.3.1	N386 R Tap	Q1- Nothing to report this quarter.	Crew	Q4
5.2.3.2	Webster Ln. (Mid Section)	Q1- Nothing to report this quarter.	Crew	Q4

5.2.3.3	Hamma Rec. Rd.	Q1- Nothing to report this quarter.	Crew	Q4
5.2.3.4	N206 L Tap (Shar Ln)	Q1- Nothing to report this quarter.	Crew	Q4
5.2.3.5	N55 L Tap (Finch Creek Rd)	Q1- Nothing to report this quarter.	Crew	Q4
<b>5.2.4</b>	<b>Danger Tree and Snag Removal</b>			
<b>5.2.4.1</b>	<b>N360-N363 (Leaning Firs and Alders)</b>	<b>Completed. Kemp West removed.</b>	<b>Contractor</b>	<b>Q1</b>
<b>5.2.4.2</b>	<b>N350-351/N317</b>	<b>Completed. Kemp West removed.</b>	<b>Contractor</b>	<b>Q1</b>
<b>5.2.4.3</b>	<b>N246 (Ivy Covered, Heavy leaning alders and Maples)</b>	<b>Completed. Kemp West removed.</b>	<b>Contractor</b>	<b>Q1</b>
<b>5.2.4.4</b>	<b>N206 (Leaning Alder at end of Shar Ln OH)</b>	<b>Completed. Kemp West removed.</b>	<b>Contractor</b>	<b>Q1</b>
5.2.4.5	Danger tree removal list	Q1- Nothing to report this quarter.	Kristin/Crew	All Qs
5.2.5	Broken Poles- list these out each quarter. Set up punch list in engineering office for to-do's	Q1- Nothing to report this quarter.	Line Crew	All Qs
<b>5.3</b>	<b>Complete Infrastructure Plans</b>			
5.3.1	10 Year Substation Plan	Q1- POWER Engineers is almost complete with this project. Will be done in Q2 and first steps added to 2023 budget and work plan.	Kristin/James	Q2
<b>5.3.2</b>	<b>Annual Substation Inspection &amp; Maintenance Plan</b>	<b>Q1- Completed. Jeremiah has developed a 5-year rotation plan that has different intervals of maintenance tasks and testing for both crews and contractors to ensure system is monitored and functioning correctly. PUD 3 engineering supervisor helped us scale this appropriately.</b>	<b>Kristin &amp; Engineer</b>	<b>Q1</b>
5.3.3	Pole Inspection & Testing Plan	Q1- Have obtained a draft copy of scope of work for this and will put it out to bid in 2022.	Kristin	Q2
<b>5.3.3.1</b>	<b>RFQ – Send out for Pole Inspection &amp; Testing</b>	<b>Q1- Completed. This is part of our prequal process now. James completed this in February.</b>	<b>Kristin/James</b>	<b>Q2</b>
<b>5.3.4</b>	<b>Vegetation Management &amp; Wildfire Mitigation Plan</b>	<b>Q1- Completed. Kristin and Jeremiah completed this plan and schedule for vegetation management, including a trimming map and rotation schedule that James created to monitor for effectiveness of 5-7 year cycle. This is not a requirement YET for our state, but it is heavily recommended each year by the liability insurance company. We were able to do this in-house thanks to</b>	<b>Kristin</b>	<b>Q1</b>

		<b>Jeremiah's expertise and saved the PUD \$15,000-20,000 in consultant fees to create the plan.</b>		
5.3.5	System Inspection Plan – Infrared & Drone Inspection – Tidal Crossing	Q1- This has started. Included in Jeremiah's work for the annual inspection plan. He spoke with Darin and found the old engineering documents. We are working on a scope for inspection and will get quotes for 2023's budget and work plan.	Kristin	Q3
<b>5.4</b>	<b>Duckabush Estuary Project</b>			
5.4.1	Earmark Funding	Q1- Kristin continuing to stay in contact with Rep. Kilmer's office on the budget for this earmark.	Kristin	Q1
5.4.2	Lobbying Plan for funding	Q1- Sen. Sheldon did not want to meet at the site. Said timing is bad. Kristin and Katie helping DFW on funding through FEMA.	Kristin	Q1
<b>5.4.3</b>	<b>Engineering Firm</b>	<b>Completed. Kristin and James are working with GDS on this project.</b>	<b>Kristin/James</b>	<b>Q1</b>
5.4.4	Final Design	Q1- Nearly complete. Working out a couple areas with WSDOT and will work on an easement with Hood Canal Salmon Enhancement Group for vault easements.	Kristin/James	Q1
5.4.5	Bidding & Contract Award	Q1- Once final design is approved, we will put together bid documents. Once funding comes in from Kilmer's office, we will put the phases out to bid and do a notice to proceed on Phase One.	Kristin/James	Q3
<b>5.5</b>	<b>Engage in Industry Associations that Support our Electric Business</b>			
5.5.1	WPUDA	Q1- Working with water committee on Ecology rulemaking on municipal water law and related policies as well as culvert replacement task force for funding to relocate electrical utilities.	Staff	All Qs
5.5.2	PPC	Q1- Board and Kristin continuing to attend meetings for discussions on BPA's 2028 contract preparations, power supply issues, and FCRPS.	Staff	All Qs
5.5.3	WPAG	Q1- Board and Kristin continuing to attend meetings for discussions on BPA's 2028 contract preparations, power supply issues, and FCRPS.	Staff	All Qs
5.5.4	NWPPA	Q1- Kristin attending GRC meetings. Kristin to attend NWPPA D.C. Rally in April.	Staff	All Qs
<b>5.5.5</b>	<b>BPA</b>	Q1- Kristin had meeting with transmission planner for historical update and planning on transmission upgrades and Potlatch substation. Katie worked with BPA to fix the Lilliwaup Falls report issues.	Staff	All Qs
<b>5.6</b>	<b>Telecom-HCC Partnership</b>			
5.6.1	CERB project	Q1- Initial round of funding approved. Received additional funding to support project. Project was put out to bid. Notice to proceed issued for both Schedule A (Eldon-HCC) and Schedule B (Triton-PUD).	Kristin/Katie	Q2
<b>5.6.2</b>	<b>Pole Replacements – Make ready, budget for Engineering</b>	<b>Q1- Completed.</b>	<b>James &amp; Engineer</b>	<b>Q1</b>

5.6.3	Skokomish URD	Q1- Nothing to report this quarter.	Kristin & Mike O.	When ready
5.6.4	Alderbrook URD	Q1- This plan is complete. Will occur throughout 2022 as HCC trenches. Replaced water main in Blackberry Ct. and HCC has installed road crossing for power while they opened the road.	Kristin & Mike O. & AGYC	When ready
5.6.5	Canal View Bore - Water	Q1- Nothing to report this quarter.	James	All Qs
5.6.6	Colony Surf – URD	Q1- Project started. Should be completed in Q2.	James	Q1
<b>5.7</b>	<b>Miscellaneous</b>			
5.7.1	Do more 3 PH/CT Meter Audits – how many? What’s the budget? Prioritize. Shiane & Kristin to meet with Summer	Q1- Completed. Had meeting with Summer and discussed plan/work/budget for 2022.	Kristin/Shiane	All Qs
5.7.2	Low Wires – notify attachers. Need to send this information out w/pole attachment results.	Q1- Katie sent required notice to Lumen & Wave to bring lines into compliance from Seamount on 101 to Brinnon and also in Oly Canal Tracts.	Katie / JJ	All Qs
5.7.4	PUD 3 Intertie Plan	Q1- Nothing to report this quarter.	Kristin	When ready
<b>5.7.5</b>	<b>Monthly/quarterly/annual substation &amp; system inspection program</b>	<b>Q1- Completed. Jeremiah got this done and we have implemented it.</b>	<b>Kristin &amp; Engineer</b>	<b>All Qs</b>
<b>5.7.6</b>	<b>Prequal process and list for electrical contractors – send this out in January</b>	<b>Q1- Completed. This went out in February.</b>	<b>James</b>	<b>Q1</b>

April 20, 2022



Mason County PUD No. 1  
Katie Arnold  
21971 North Highway 101  
Shelton, WA 98584  
karnold@mason-pud1.org

RE: Loan Contract Number: DWL27176

Dear Katie Arnold;

Enclosed is the Drinking Water State Revolving Fund Loan Contract Number identified above for your signature. The Loan Contract details the terms and conditions that will govern the agreement between us, which includes the project's Scope of Work as a formal attachment. Failure to return the contracts within 60 calendar days of the date of this letter may result in your loan offer being withdrawn.

Review, print and sign the document. Once signatures are obtained, scan and return by email to [dohcon.mgmt@doh.wa.gov](mailto:dohcon.mgmt@doh.wa.gov) or print and sign a hard copy, and return the originals to us for full execution.

Please note that the U.S. Environmental Protection Agency is the funding source for this program and the Catalog of Federal Domestic Assistance (CFDA) number is 66.468. Consequently, the loan funds are federal and subject to both state and federal requirements.

A non-refundable one-percent loan administration fee will be collected at contract execution (If applicable), including any subsequent amendments where funds are added. The loan amount may be modified to include an amount sufficient to cover the one-percent loan administration fee. In most cases, the fee will be collected in full at contract execution. Please review the terms and conditions of the Loan Contract and all attachments carefully for details.

A requirement of the DWSRF program is that you must maintain updated project records and yearly renewal of your registration in the System for Award Management at [www.sam.gov](http://www.sam.gov).

Another requirement of the DWSRF program is that all entities are required to verify that the federal government has not suspended or debarred them from receiving federal funds. This includes, but is not limited to, project contractors, subcontractors, engineers, architects, consultants, and equipment vendors. The Exclusion Report can be accessed at [www.sam.gov](http://www.sam.gov). Failure to provide this required certification may result in termination of your loan contract.

After the Loan Contracts have been signed by the Department or its designee, one fully executed original will be returned to you for your files. Instructions for drawing the loan funds will be returned to you with the executed Loan Contract, as well as the necessary forms. The Loan Contract specifies that draws may be made for costs that have been incurred within the contract period of performance, and which have supporting documentation such as receipts or bills.

We are looking forward to working with you over the course of this project. If you have any questions about this Loan Contract, please contact me.

Sincerely,

Eloise Rudolph  
DOH Contract Manager  
360-236-3124  
[Eloise.rudolph@DOH.WA.GOV](mailto:Eloise.rudolph@DOH.WA.GOV)

Enclosures:

ATTACHMENT I: SCOPE OF WORK (PROJECT)  
ATTACHMENT II: ATTORNEY'S CERTIFICATION  
ATTACHMENT III: FEDERAL AND STATE REQUIREMENTS  
ATTACHMENT IV: DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS  
ATTACHMENT V: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS  
ATTACHMENT VI: DWSRF ELIGIBLE PROJECT COSTS  
ATTACHMENT VII: LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE GOVERNMENTAL ENTITIES

Washington State Department of Health

# DWSRF Municipal Loan Boilerplate

May 2018

Version History		
Date	Revision(s)	Version
05-15-2018	Original - developed via a team of the DWSRF Grant and Loan Unit Supervisor, the DOH Office of Drinking Water Finance Director, the DOH Office of Contracts and Procurement Technical and Policy Advisor, and DOH's Financial Services Assistant Attorney General.	1



# 1. CONTRACT FACE SHEET

**2021-4001 Loan Number: DWL27176**  
**Washington State Department of Health (DOH)**  
**Drinking Water State Revolving Fund (DWSRF)**  
**Municipal**

<b>1. Borrower</b> Mason County PUD No. 1 21971 North Highway 101 Shelton, WA 98584		<b>2. Borrower Doing Business As (optional)</b>	
<b>3. Borrower Type</b> Construction Loan		<b>4. Borrower's Statutory Authority</b>	
<b>5. Borrower Contract Manager Information</b>  <div style="display: flex; justify-content: space-between;"> <div>Katie Arnold District Accountant</div> <div>360-877-5249 karnold@mason-pud1.org</div> </div>		<b>6. DOH Contract Manager</b>  <div style="display: flex; justify-content: space-between;"> <div>Eloise Rudolph P.O. Box 47822 Olympia, WA 98504-7822</div> <div>360-236-3124 Eloise.rudolph@doh.wa.gov</div> </div>	
<b>7. Project Name</b> Lake Arrowhead Mainline Replacement			
<b>8. Loan</b> <b>Amount: \$2,508,258.00</b> <b>Loan Fee: Waived</b> <b>Interest Rate: 1.25</b>	<b>9. Funding Source</b> <b>Federal: <input checked="" type="checkbox"/> State: <input checked="" type="checkbox"/></b> <b>Other: <input type="checkbox"/></b>	<b>10. Start Date</b>  DOE	<b>11. End Date</b>  10/01/2046
<b>12. Federal Funding Agency</b> Environmental Protection Agency <b>Catalogue of Federal Assistance (CFDA) Number</b> 66.468			
<b>13. Borrower Tax ID #</b> 91-6001048	<b>14. SWV #</b> 002871-00	<b>15. Borrower UBI #</b> 232-000-374	<b>16. Borrower DUNS #</b> 175291152
<b>17. Contract Purpose</b> DOH and the party identified above as Borrower, hereafter referred to as BORROWER, have entered into this contract to fund the project identified above that furthers the goals and objectives of the DOH DWSRF Program. The project will be done by the BORROWER as described in the scope of work and this contract. The rights and obligations of the parties are governed by this contract and the following documents incorporated by reference: General Terms and Conditions including Declarations; Attachment I: Scope of Work (Project); Attachment II Attorney's Certification; Attachment III: Federal and State Requirements; Attachment IV: Disadvantaged Business Enterprise Requirements; Attachment V: Certification Regarding Debarment, Suspension, and Other Responsibility Matters; Attachment VI: DWSRF Eligible Project Costs; and Attachment VII: Labor Standard Provisions for Subrecipients that are Governmental Entities. By the signature below, the parties acknowledge and accept the terms of this contract.			
<b>FOR CONTRACTOR</b> SIGNATURE AND DATE		<b>FOR DOH</b> SIGNATURE and DATE	
NAME and TITLE		NAME and TITLE          <b>APPROVED AS TO FORM ONLY</b> Mark Calkins, AAG Signature on File	

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## 3. DECLARATIONS

### 3.1. BORROWER INFORMATION

Legal Name:	Mason County PUD No. 1
Loan Number:	DWL27176
Award Year:	2022
State Wide Vendor Number:	002871-00

### 3.2. PROJECT INFORMATION (PROJECT)

Project Title:	Lake Arrowhead Mainline Replacement
Project Location (City or County):	Mason
Project State:	Washington
Project Zip Code:	98584

Project Scope of Work (PROJECT): Attachment I, attached hereto and incorporated by reference.

### 3.3. CONTRACT COMMUNICATION

Communications regarding Contract performance is delegated by each party to its Contract Manager. Either party may change its Contract Manager by express notice to the other party. Either party may identify on an as needed basis an alternate Contract Manager to serve during the stated temporary absence of its primary Contract Manager. Notices between the parties regarding Contract performance must be provided by written communication to the other party's Contract Manager. Written communication includes email but not voice mail. Notices are presumed received by the other party's Contract Manager upon evidence of delivery between the hours of 8:00 am to 5:00 pm except for state holidays and weekends.

### 3.4. LOAN INFORMATION

Loan Amount:	<b>\$2,508,258.00</b>
Loan Fee (Waived):	<b>0%</b>
Principal Loan Forgiveness %:	<b>50%</b>
Loan Term:	<b>24 Years</b>
Interest Rate:	<b>1.25%</b>
Payment Month(s):	<b>October 1<sup>st</sup> Annually</b>
Earliest Date for Construction Reimbursement:	<b>12 months prior to contract signing</b>
Time of Performance:	<b>48 months from Contract start date (date of last signature) to Project Completion date.</b>

### ~~3.5. LOAN SECURITY CONDITION GOVERNING THIS LOAN AGREEMENT~~

~~Pursuant to RCW 35.51.050, the CONTRACTOR pledges to repay this loan from assessments collected from a Local Improvement District, Local Utility District or other similar special assessment district in which the improvements financed by this loan are located. The name of the special assessment district is Mason PUD.~~

## 4. GENERAL TERMS AND CONDITIONS

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### DRINKING WATER STATE REVOLVING FUND (MUNICIPAL)

#### 4.1. AUTHORITY

Acting under the authority of Section 1452 of the Safe Drinking Water Act (SDWA) Section 130, RCW 39.34, RCW 43.70.040, and RCW 70.119A.170 the Washington State Department of Health (DOH) has awarded BORROWER a Drinking Water State Revolving Fund Loan (LOAN) for the project identified in the Declarations (PROJECT). Under this CONTRACT, BORROWER is a sub-recipient of funds provided by the United States Environmental Protection Agency (EPA), CFDA Number 66.468, Safe Drinking Water State Revolving Fund.

In some CONTRACT attachments, DOH is referred to as "Lender" and BORROWER is referred to as "Contractor."

#### 4.2. FULL AGREEMENT

This CONTRACT contains the full agreement of the parties. No other understandings, oral or otherwise, regarding the subject matter of this CONTRACT exists.

#### 4.3. ORDER OF PRECEDENCE

In the event of an inconsistency in this CONTRACT, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: The order of precedence for terms and conditions under categories B and C is subject to the proviso that when a contract term or condition appears in more than one contract document, the more specific contract term or condition shall control if the different contract provisions cannot be harmonized.

- A. Applicable local, state, and federal statutes and regulations
- B. Contract amendments
- C. The Contract (in this order)
  - Declarations and Special Terms and Conditions
  - General Terms and Conditions
  - Attachments I – VII

#### 4.4. LOAN AMOUNT

DOH, using funds from the Drinking Water Assistance Account, will loan BORROWER a sum not to exceed the amount shown as LOAN AMOUNT in the Declarations. The LOAN AMOUNT shall not exceed one hundred percent (100%) of the actual eligible PROJECT costs.

#### 4.5. LOAN FEE

If DOH assessed a LOAN FEE, it is shown in the Declarations as LOAN FEE and included in the total LOAN AMOUNT. The fee (if applicable) is one percent (1%) of the loan request and will not be reduced, regardless of the final LOAN AMOUNT at PROJECT completion. If the LOAN FEE applies and the total LOAN AMOUNT is increased by amendment, DOH will assess an additional LOAN FEE equal to one percent (1%) of the additional LOAN AMOUNT. LOAN FEES are non-refundable.

#### 4.6. LOAN TERM

Unless changed by an amendment, the LOAN TERM will not exceed the period of time shown in the Declarations. The repayment period for DOH subsidized loans is twenty-four (24) years from this CONTRACT's start date. The repayment period for non-DOH subsidized loans is twenty (20) years from this CONTRACT's start date.

#### 4.7. INTEREST RATE

The interest rate is stated in the Declarations. Interest is per annum on the outstanding principal balance and starts to accrue from the date DOH releases LOAN FUNDS to BORROWER.

#### **4.8. LOAN FORGIVENESS**

If the LOAN qualifies for LOAN Forgiveness, the percent of the LOAN balance that DOH will forgive at PROJECT completion is stated in the Declarations. DOH calculates the amount forgiven when DOH approves the BORROWER's Project Completion Report. The amount forgiven will be based on either the LOAN AMOUNT or BORROWER's ELIGIBLE PROJECT COSTS, whichever is less, and accrued interest.

#### **4.9. RELEASE OF LOAN FUNDS AND REQUIRED DOCUMENTATION**

DOH will release LOAN funds to BORROWER to reimburse BORROWER for eligible PROJECT costs. To request reimbursement, BORROWER must submit a signed and completed invoice using a form provided by DOH. The invoice must reference the PROJECT activity performed, and include supporting documentation such as bills, invoices, receipts, and documentation of compliance with CONTRACT requirements as requested by DOH. The invoice must be signed by an official of BORROWER with authority to bind BORROWER.

Invoices must also include a report of the progress made since the last invoice, and the PROJECT status to date. DOH will not release funds until the PROJECT status report and documentation are approved by DOH. Approval will not be unreasonably withheld or delayed. After approving the invoice, documentation, and PROJECT status report, DOH will release funds to BORROWER within thirty (30) days, if BORROWER is not in alleged or actual breach of CONTRACT.

DOH will withhold ten percent (10%) of LOAN funds until DOH confirms that BORROWER has successfully completed all steps for PROJECT COMPLETION. The 10% holdback will be available to BORROWER as part of the last LOAN disbursement.

#### **4.10. TIME OF PERFORMANCE**

BORROWER will begin the activities in the PROJECT within thirty (30) calendar days of the CONTRACT start date. BORROWER will issue a 'Notice to Proceed', after the formal award of a construction contract, within eighteen (18) months of the CONTRACT start date.

BORROWER must reach PROJECT COMPLETION within the TIME OF PERFORMANCE. If there are extenuating circumstances, BORROWER may request, in writing, at least ninety (90) calendar days prior to the PROJECT COMPLETION that DOH extend the deadline for PROJECT COMPLETION. At its discretion, DOH may issue an extension. DOH's decision is final and not subject to the dispute clause.

If BORROWER does not meet the requirements of this section, it is a breach of CONTRACT, and DOH may terminate or suspend this CONTRACT.

#### **4.11. PROJECT COMPLETION AMENDMENT AND THE PROJECT COMPLETION REPORT**

The PROJECT Completion Amendment determines the final LOAN AMOUNT and LOAN TERM. When activities in the PROJECT are complete, BORROWER will start the process for the PROJECT Completion Amendment by sending DOH the PROJECT Completion Report. In the PROJECT Completion Report, BORROWER will provide the following information to DOH:

- A. A statement of the actual dollar amount spent, from all fund sources, to complete the PROJECT.
- B. A statement that all ELIGIBLE PROJECT COSTS have been incurred. Costs are incurred when goods and services are received and/or contracted work is performed.
- C. Evidence showing BORROWER'S compliance with financial the audit requirements of this CONTRACT.
- D. An invoice for the remaining ELIGIBLE PROJECT COSTS.
- E. Documentation of BORROWER's compliance with National Historic Preservation Act, 54 USC Subtitle III.

#### **4.12. LOAN PAYMENTS**

BORROWER must begin repaying the LOAN no later than one (1) year after the CONTRACT start date. Payments are due on the first day of the month(s) shown as the PAYMENT MONTH(S) in the Declarations. The first payment is only the interest accrued at that time. All other payments are principal and interest accrued up to the PAYMENT

MONTH(S).

BORROWER can repay in full the LOAN balance, including fees and repayment of LOAN FUNDS for ineligible project costs (if any), at any time or make accelerated payments without penalty. The final payment must be on or before the end of the LOAN TERM.

#### **4.13. LOAN DEFAULT**

DOH must receive BORROWER'S payment within thirty (30) calendar days of the due date. Late payments are delinquent and assessed a monthly penalty on the first (1<sup>st</sup>) day past the due date. The penalty is one percent (1%) of the late payment amount per month. Penalty and fees accrue interest at the rate stated as LOAN INTEREST in the Declarations.

DOH may notify any other entity, creditors, or potential creditors of BORROWER's delinquency. BORROWER is responsible for all attorney fees and costs incurred by DOH in any action taken to enforce its rights under this section, including in any alternative dispute resolution proceeding.

#### **4.14. LOAN SECURITY**

LOAN Security is only required if identified in the Declarations. In its sole discretion and if allowed under the EPA regulations relevant to this Contract, DOH may subordinate its LOAN security to Borrower's obligations under existing or future bonds and notes. Nothing in this section releases BORROWER from the obligation to make LOAN PAYMENTS when due, and to adjust rates, fees, or surcharges as necessary to meet its obligations under this CONTRACT.

#### **4.15. AMENDMENTS, MODIFICATIONS, ASSIGNMENTS, AND WAIVERS**

Amendments, modifications, assignments, and waivers to any of the terms of this CONTRACT supersede, if applicable, those terms as found in the original CONTRACT, and are not binding unless they are in writing and signed by representatives authorized to bind each of the parties. Only the authorized representative or their designee has the express, implied, or apparent authority to alter, amend, assign, modify, or waive any terms of this CONTRACT.

Neither this CONTRACT nor any claim arising under it may be transferred or assigned by BORROWER without DOH's prior written consent. During the LOAN TERM, DOH must approve in advance, any change in ownership of the water system(s) improved with LOAN FUNDS. DOH may require the LOAN, including fees and ineligible project costs (if any), be paid in full as a condition of approval.

Nothing in this CONTRACT may be waived unless approved by DOH in writing. No waiver of any default or breach is implied from any failure to take action upon such default or breach if the default of breach persists or repeats. Waiver of any default or breach is not a waiver of any subsequent default or breach.

#### **4.16. AMERICAN IRON AND STEEL**

None of the LOAN funds can be used for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used are produced in the United States. "Iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

DOH may waive this requirement if:

- A. Compliance would be inconsistent with the public interest; or
- B. The particular iron and steel products are not produced in the United States in sufficient and reasonably available quantities and are not of a satisfactory quality; or
- C. Inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than twenty-five (25) percent; and
- D. The waiver is approved by the Environmental Protection Agency (EPA).

BORROWER must submit the waiver request to DOH, which will submit it to EPA. The full text of the American Iron and Steel requirements can be found in H.R. 3547, Consolidated Appropriations Act, 2014, P.L. 113-76, SEC. 436.

#### **4.17. ATTORNEYS' FEES**

Unless expressly stated under another section of the CONTRACT, each party agrees to bear its own attorneys' fees and costs for litigation or other action brought to enforce the contract terms.

#### **4.18. BONUS AND COMMISSION PAYMENTS NOT ALLOWED**

Funds provided under this CONTRACT cannot be used to pay any bonus or commission to gain approval of the loan application or any other approval under this CONTRACT. This section does not prohibit paying for bona fide technical consultants, managerial, or other such services, if payment is for ELIGIBLE PROJECT COSTS.

#### **4.19. COMPLIANCE**

BORROWER will comply with all applicable federal, state and local laws, requirements, and ordinances for the design, implementation, and administration of the PROJECT and this CONTRACT, including but not limited to those stated in the CONTRACT attachments. BORROWER will provide DOH with documentation of compliance, if requested.

In the event of BORROWER's alleged or actual noncompliance with any part of this CONTRACT, DOH may suspend all or part of the CONTRACT, withhold payments, or prohibit BORROWER from incurring additional obligations of LOAN FUNDS during the investigation and pending corrective action by BORROWER, or a decision by DOH to terminate the CONTRACT.

#### **4.20. DISPUTES**

Except as otherwise provided in this CONTRACT, when a dispute arises between the parties that cannot be solved by direct negotiation, either party may request a dispute hearing with the Director of the Office of Drinking Water (the Director), who may designate a neutral person to decide the dispute. The parties will be equally responsible for any reasonable costs and fees incurred by the neutral.

The party requesting a dispute hearing must:

- A. Be in writing;
- B. State the disputed issues;
- C. State the relative positions of the parties;
- D. State BORROWER's name, address, and the CONTRACT number;
- E. Provide contact information for the requester's representative, and,
- F. Be mailed to the other party's (respondent's) Contract Manager within three (3) working days after the parties agree that they cannot resolve the dispute.

The respondent must send a written answer within five (5) working days.

In the alternative, the parties can agree to submit a mutual request to the Director, which should include each party's response to the other party's characterization of the dispute.

The Director or designee will review the written statements and reply in writing to both parties within ten (10) working days. The Director or designee may extend this period if necessary by notifying the parties. The decision on the dispute is non-binding and is not admissible in any succeeding judicial or quasi-judicial proceeding.

This non-binding dispute process must precede any action in a judicial or quasi-judicial tribunal. Nothing in this CONTRACT limits the parties from using any mutually acceptable alternate dispute resolution (ADR) method in addition to or instead of the dispute hearing procedure outlined above.

#### **4.21. ELIGIBLE PROJECT COSTS**

BORROWER will comply with Attachment VI: DWSRF Eligible Project Costs and is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.



The purchase of any land necessary for the PROJECT must be included in the PROJECT and be documented with an appraisal or equivalent market evaluation, if approved by DOH, and a valid purchase and sale agreement.

Construction expenses incurred after the date shown as earliest date for construction reimbursement in the Declarations are eligible for reimbursement. Requests for reimbursements for costs related to construction activities will not be accepted until BORROWER has met the following conditions:

- A. Completed the State Environmental Review Process (SEPA Review under RCW 43.21C);
- B. Complied with all provisions of the National Historic Preservation Act, 54 USC Subtitle III;
- C. Complied with Prevailing Wage requirements;
- D. Received approval from DOH of the project report and related construction documents for all applicable activities described in the PROJECT; and
- E. Complied with any other LOAN conditions required by DOH.

BORROWER cannot use LOAN FUNDS for any expenses charged by BORROWER against any other contract, subcontract, or source of funds.

If DOH reimburses BORROWER for costs that are later determined by DOH to be ineligible, BORROWER must repay these funds to DOH no later than when the BORROWER returns the PROJECT Completion Amendment to DOH. Prior to final completion, DOH may withhold payment for such costs as allowed under Section 4.36 RECAPTURE. Repayment is subject to interest retroactive to the date of the applicable disbursement by DOH.

#### **4.22. FALSE, INCORRECT, OR INCOMPLETE INFORMATION OR CLAIM**

BORROWER warrants that they have not and will not submit to DOH any information that is materially false, incorrect, or incomplete. Providing false, fictitious, or misleading information with respect to the receipt and disbursements of LOAN funds is a basis for criminal, civil, or administrative fines and/or penalties. DOH may also pursue applicable remedies for violations by BORROWER of this section.

#### **4.23. FINANCIAL AUDIT**

DOH may require BORROWER to obtain an audit of this PROJECT conforming to Generally Accepted Accounting Principles (GAAP). BORROWER will maintain its records and accounts to facilitate the audit. BORROWER is responsible for correcting any audit findings. BORROWER is responsible for any audit findings incurred by its own organization and/or its subcontractors. DOH reserves the right to recover from BORROWER all disallowed costs and INELEGIBLE PROJECT COSTS resulting from the audit.

The audit must include a report on compliance, including an opinion (or disclaimer of opinion) about whether the BORROWER is in compliance with laws, regulations and requirements of this CONTRACT that could have a direct and material effect on DOH.

BORROWER must send a copy of any required audit per 2 CFR §200.512 to the DOH Contract Manager, no later than nine (9) months after the end of BORROWER's fiscal year(s). BORROWER must send any audit corrective action plan for audit findings and a copy of the management letter, within three (3) months of the audit report.

#### **4.24. GOVERNING LAW AND VENUE**

This CONTRACT shall be construed and interpreted according to the laws of the state of Washington, and the venue of any action brought under the CONTRACT will be in the Superior Court for Thurston County.

#### **4.25. HISTORICAL AND CULTURAL REQUIREMENTS**

BORROWER will not conduct or authorize destructive PROJECT planning activities before completing the requirements of the National Historic Preservation Act, 54 USC Subtitle III. BORROWER will not begin construction activities, ground disturbance, or excavation of any sort, until BORROWER has complied with all requirements of the National Historic Preservation Act of 1966, as amended.

If historical or cultural artifacts are discovered during the PROJECT, BORROWER will immediately stop construction and implement reasonable measures to protect the discovery site from further disturbance, take

reasonable steps to ensure confidentiality of the discovery site, restrict access to the site, and notify the concerned tribe's cultural staff or committee, Tribal Historical Preservation Officer (THPO), DOH Contract Manager, and the State's Historical Preservation Officer (SHPO) at the Washington State Department of Archaeology and Historic Preservation (DAHP). If human remains are uncovered, BORROWER will report the presence and location of the remains to the local coroner and law enforcement immediately, then contact the concerned tribe's cultural staff or committee, DOH Contract Manager, and DAHP.

BORROWER is legally and financially responsible for compliance with all laws, regulations, and agreements related to the preservation of historical or cultural sites and artifacts and will hold harmless the state of Washington and DOH in relation to any claim related to historical or cultural sites discovered, disturbed, or damaged as a result of BORROWER'S and BORROWER's subcontractors activities.

BORROWER will include the requirements of this section in all contracts for work or services related to the PROJECT. BORROWER will require that bid documents include an inadvertent discovery plan that meets the requirements of this section.

#### **4.26. INDEMNIFICATION**

BORROWER agrees to defend, indemnify, and hold harmless DOH and the state of Washington for claims arising out of or incident to BORROWER'S or any BORROWER'S subcontractor's performance or failure to perform the CONTRACT. BORROWER'S obligation to indemnify, defend, and hold harmless DOH and the state of Washington shall not be eliminated or reduced by any actual or alleged concurrent negligence of DOH or its agents, agencies, employees and officials. BORROWER'S obligation to indemnify, defend and hold harmless DOH and the state of Washington includes any claim by BORROWER'S agents, employees, officers, subcontractors or subcontractor employees.

BORROWER waives immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless the state and its agencies, officers, agents or employees.

#### **4.27. INDUSTRIAL INSURANCE COVERAGE**

BORROWER will comply with the applicable parts of Title 51 RCW, Industrial Insurance. If BORROWER fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as required by law, DOH may collect from BORROWER the full amount payable to the Industrial Insurance Accident Fund. DOH may deduct the amount owed by BORROWER to the accident fund from the amount payable to BORROWER by DOH under this CONTRACT, and transmit the deducted amount to the Washington State Department of Labor and Industries (L&I).

#### **4.28. LITIGATION**

BORROWER warrants that there is no threatened or pending litigation, investigation, or legal action before any court, arbitrator, or administrative agency that, if adversely determined against BORROWER, would have a materially adverse effect on BORROWER's ability to repay the LOAN. BORROWER agrees to promptly notify DOH if any above-referenced actions become known to BORROWER during the pendency of the Contract.

#### **4.29. NONDISCRIMINATION**

BORROWER will not discriminate on the basis of race, creed, color, national origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability in the performance of this CONTRACT. BORROWER will comply with all federal and state nondiscrimination laws, including, but not limited to Chapter 49.60 RCW, Washington's Law Against Discrimination and 42 USC 12101 et seq., the Americans with Disabilities Act (ADA), and 40 CFR Part 33 Participation by Disadvantaged Business Enterprises in US EPA Programs . Failure by BORROWER to carry out these requirements is a material breach of this CONTRACT. BORROWER is required to include these non-discriminatory provisions in any contract with a subcontractor.

#### **4.30. PREVAILING WAGE**

BORROWER will assure that all contractors and subcontractors performing work funded through this CONTRACT comply with prevailing wage laws by paying the higher of state or federal prevailing wages. BORROWER is legally and financially responsible for compliance with the prevailing wage requirements. BORROWER should consult the

United States Department of Labor and Washington State Department of Labor and Industries websites to determine the federal and State prevailing wages that must be paid.

#### **4.31. PROCUREMENT**

BORROWER will comply with all procurement requirements for subcontracting for the PROJECT and for obtaining PROJECT-related goods and services. BORROWER must maintain records to verify compliance with procurement requirements.

BORROWER must ensure that all contractors, subcontractors, engineers, vendors, and any other entity for work or services listed in the PROJECT will insert in full, in any contract, the labor standards provisions in Attachment VIII: Labor Standard Provisions for Subrecipients That Are Governmental Entities.

#### **4.32. PROHIBITION STATEMENT**

Per Section 106 of the federal Trafficking Victims Protection Act, BORROWER's contractors, subcontractors, engineers, vendors, and any other entity performing work funded by this CONTRACT must comply with and include the following terms and conditions in all contracts for work or services for the PROJECT.

"All forms of trafficking in persons, illegal sex trade, or forced labor practices are prohibited in the performance of this award or subawards under the award, or in any manner during the period of time that the award is in effect. This prohibition applies to you as the recipient, your employees, subrecipients under this award, and subrecipients' employees."

#### **4.33. PROJECT SIGNS**

If BORROWER displays, during the TIME OF PERFORMANCE, any signs or markers identifying parties that are providing funds for the PROJECT, BORROWER must include the Washington State Department of Health Drinking Water State Revolving Fund and the Washington State Department of Health as participants in the PROJECT.

#### **4.34. PUBLICITY**

BORROWER agrees to get prior written consent from DOH's Contract Manager before publishing or using any advertising or publicity materials that include Washington State or DOH's name, or includes language that may reasonably infer or imply a connection with either one.

#### **4.35. RATES AND RESERVES**

BORROWER will maintain reserves at a minimum as required by the Water System Plan or Small Water System Management Plan. BORROWER will timely adopt rate increases and/or capital assessments for the system's services to provide sufficient funds, along with other revenues of the system, to pay all operating expenses and debt repayments during the LOAN TERM.

#### **4.36. RECAPTURE**

DOH reserves the right to recapture from BORROWER sufficient funds to compensate DOH for BORROWER's noncompliance with any part of this CONTRACT, in addition to any other remedies available under the CONTRACT, at law, or in equity. DOH may withhold LOAN FUNDS from BORROWER to recapture such funds.

#### **4.37. RECORDKEEPING AND ACCESS TO RECORDS**

DOH, its agents, and authorized officials of the state and federal governments will have full access and the right to examine, copy, excerpt, or transcribe, at no additional cost and at all reasonable times, any pertinent documents, papers, records, and books of BORROWER and of persons, firms, or organizations with which BORROWER may contract, involving transactions related to this CONTRACT. BORROWER agrees to keep complete records of its compliance with this CONTRACT for a period of six (6) years from the date that the debt to DOH is paid in full. This includes but is not limited to financial reports. If any litigation, claim or audit is started before the expiration of the six (6) year period, BORROWER must keep the records until all litigation, claims or audit findings involving the records have been resolved. These records retention requirements are in addition to the local government records retention schedules applicable to the BORROWER.

**4.38. REGISTRATION WITH THE SYSTEM FOR AWARD MANAGEMENT (SAM)**

BORROWER must comply with 48 CFR 52.204-7 to register with the System for Awards Management (SAM.gov). BORROWER is responsible for the accuracy and completeness of its data in the SAM database and any liability resulting from the Government or DOH reliance on inaccurate or incomplete data in it. BORROWER must remain registered in the SAM database. BORROWER should annually review its information in SAM to ensure it is accurate and complete.

**4.39. SEVERABILITY**

If any part of this CONTRACT or part of any document incorporated by reference is found to be invalid, it will not affect the other parts of this CONTRACT that can be given effect without the invalid part.

**4.40. SUBCONTRACTING**

Prior to awarding contracts and/or subcontracts, BORROWER must verify that the complete names of both the selected contractor and the owner or president are not in the Federal Excluded Parties List System for Ineligible Professionals and Debarred Contractors (www.SAM.gov). BORROWER must provide the DOH Contract Manager with a screen printout documenting that neither the firm, the owner or the president are excluded.

BORROWER will ensure that every contract and subcontract awarded for the PROJECT after the CONTRACT start date will bind the parties to follow all applicable terms of this CONTRACT. BORROWER is responsible to DOH for noncompliance by its contractors and/or subcontractors. BORROWER's contracts or subcontracts do not release or reduce the BORROWER's liability to DOH for any breach in the performance of BORROWER's duties. BORROWER's contracts and subcontracts must include a term that the state of Washington and DOH are not liable for claims or damages arising from a contractor and/or subcontractor's performance or lack thereof.

**4.41. SURVIVAL**

The CONTRACT's terms, conditions, and warranties that by its sense and context are intended to survive the completion of the performance, cancellation or termination of this CONTRACT, shall so survive.

**4.42. TERMINATION FOR CAUSE**

If DOH concludes that BORROWER has failed to comply with the CONTRACT requirements or has otherwise breached one or more parts of the CONTRACT, DOH may, at its discretion, upon notice to BORROWER, terminate or suspend the CONTRACT and/or its attached agreements in whole or in part.

The notice will be in writing and state the reason(s) for termination or suspension, and the effective date. The effective date will be determined by DOH. The notice will allow BORROWER at least thirty (30) business days to cure the breach, if curable. If the breach is not cured or cannot be cured within thirty (30) business days, the outstanding balance of the LOAN, with any interest accrued and other costs as authorized by the CONTRACT shall be due and payable to DOH.

If DOH terminates this CONTRACT under this section, DOH is liable only for payment required under the terms of this CONTRACT for ELIGIBLE PROJECT COSTS incurred prior to the effective date of termination.

At DOH's discretion, the termination for cause may be deemed a termination for convenience if DOH determines that the default or failure to perform was outside BORROWER's control, fault or negligence. The rights and remedies of DOH provided in this CONTRACT are not exclusive and are in addition to any other rights and remedies provided by law. Nothing in this section affects BORROWER's obligations to immediately repay the unpaid balance of the LOAN as prescribed in the Washington Administrative Code (WAC) 246-296-150.

**4.43. TERMINATION OR SUSPENSION FOR CONVENIENCE**

If funding or appropriation from state, federal, or other sources is withdrawn, reduced, or limited in any way during the TIME OF PERFORMANCE, DOH may:

- A. Delay or suspend releasing LOAN FUNDS until funding or appropriation are available to DOH; or
- B. Amend the CONTRACT to reflect the new funding limitations and conditions; or

- C. Terminate the CONTRACT and/or its attached agreements, in whole or in part; or
- D. Suspend the CONTRACT and/or its attached agreements, in whole or in part.

If DOH terminates the CONTRACT and/or its attached agreements in whole or in part, under this section, DOH will notify BORROWER's representative in writing of the reason(s) for termination, and the effective date. The effective date will be determined by DOH.

DOH may choose to suspend this CONTRACT and/or its attached agreements in whole or in part, if DOH determines that the funding insufficiency will likely be resolved in time for BORROWER to resume activities prior to the end of the TIME OF PERFORMANCE. DOH will notify BORROWER's representative by facsimile or email of the reason(s) for suspension, and the effective date. DOH will determine the effective date. BORROWER must suspend performance on the effective date of the suspension. During the period of suspension each party must notify the other party's representative of any conditions that may reasonably affect its ability to resume performance.

During the suspension, when DOH determines that the funding insufficiency is resolved, DOH may notify BORROWER's representative of the proposed date to resume performance. BORROWER must respond to DOH's representative in writing, within five (5) business days of DOH sending notice, as to whether it can resume performance on that date or offer an alternative date to resume performance. If BORROWER cannot resume performance or the alternative date is not acceptable to DOH, the parties agree the CONTRACT will be deemed terminated for convenience, retroactive to the original date of suspension.

If DOH terminates or suspends this CONTRACT, DOH is liable only for payment required under the terms of this CONTRACT for eligible project costs incurred prior to the effective date of suspension or termination. Nothing in this section shall affect Contractor's obligations to repay the unpaid balance of the LOAN. Nothing in this section affects BORROWER's obligation to repay the LOAN, including fees and other expenses as allowed by the CONTRACT.

#### **4.44. TERMINATION PROCEDURES**

When BORROWER receives Notice of Termination or on the date a suspension is converted to a termination, except as otherwise directed by DOH, BORROWER will:

- A. Stop work under the CONTRACT on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities related to the CONTRACT;
- C. If expressly requested by DOH, assign to DOH any or all of the rights, title, and interest of BORROWER under the orders and subcontracts so terminated, in which case DOH has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts. Any attempt by BORROWER to settle such claims must have the prior written approval of DOH; and
- D. Preserve and transfer any materials, CONTRACT deliverables and/or DOH property in BORROWER's possession as directed by DOH.

Upon termination of this CONTRACT, DOH will pay BORROWER for amounts due under the CONTRACT prior to the date of termination unless such payment is precluded under any other provision of this CONTRACT. DOH may withhold any amount due as DOH reasonably determines is necessary to protect DOH against potential loss or liability resulting from the termination. DOH will pay any withheld amount to BORROWER if DOH later determines that loss or liability will not occur.

#### **4.45. WORK HOURS AND SAFETY STANDARDS**

If this CONTRACT exceeds \$100,000, BORROWER must comply with the applicable Contract Work Hours and Safety Standards Act (40 USC Chapter 37). These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

# ATTACHMENT I: SCOPE OF WORK (PROJECT)

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## DWSRF PROGRAM LOAN CONTRACT INFORMATION

#2021-4001 Mason County PUD #1 Lake Arrowhead Mainline Replacement

### DWSRF Scope of Work Form:

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#### Scope of Work:

This project is a continuation of the awarded DWSRF loan #2019-3748 with the same project name.

Project to include:

1. Construction of approximately 24,000 linear feet of 6-inch, 4-inch, and 2-inch distribution mains to replace the entire distribution system of the Lake Arrowhead water system. Piping costs to include: pipe, valves, backfill, bedding, traffic control, surface restoration, connection of service lines to the system, and other appurtenances.
2. Completion of a Water System Plan. The plan must be approved by the Southwest Regional Office of Drinking Water.

In addition to costs of construction, costs may include (but are not limited to): engineering, design, construction inspection, hydrogeologic assessment, cultural and environmental review, permits, public involvement, preparation of bid documents, fees, taxes, legal, administrative, and audit.

**#2021-4001 Mason County PUD #1 Lake Arrowhead Mainline Replacement****Project Costs by Cost Category:**

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<b>COST CATEGORY</b>	<b>CURRENT ESTIMATES</b>
Engineering Report (Preliminary Engineering)	\$15,265.24
Environmental Review	\$2,000.00
Historical Review/Cultural Review	\$8,500.00
Land/ROW Acquisition	
Permits	\$6,725.00
Public Involvement/Information	\$6,000.00
Bid Documents (Design Engineering)	\$125,514.21
Construction: Estimated Cost. Provide details on following pages.	\$1,724,972.35
DOH Review/Approval Fees:	\$2,700.00
Contingency: (10% min, 20% max)	\$418,042.97
Sales or Use Taxes	\$163,538.03
Construction Engineering/Inspection	
Insurance:	
Audit:	
Legal:	
Service Meters (Purchase and Installation)	
Other: Water System Plan	\$35,000.00
<b>TOTAL ESTIMATED PROJECT COSTS (before Loan Fee)</b>	<b>\$2,508,257.80</b>
<b>DWSRF Loan Origination Fee (1%) (Waived)</b>	
<b>DWSRF Loan Award</b>	<b><u>\$2,508,257.80</u></b>

**#2021-4001 Mason County PUD #1 Lake Arrowhead Mainline Replacement****Project Funding:**

TYPE OF FUNDING	SOURCE	CURRENT STATUS
<b>Grants and Other Non-Matching Funds</b>		
Grant #1		\$
Grant #2		\$
Other Grants		\$
New Grants		\$
<b>Total Grants and Other Non-Matching Funds</b>		a) <b>\$</b>
<b>Loans</b>		
<i>This Loan Request</i>		<b>\$2,508,258.00</b>
Other Loan #1		\$
Other Loan #2		\$
Other Loans		\$
New Loans		\$
<b>Total Loans</b>		b) <b>\$</b>
<b>Local Revenue</b>		
Source #1	<b>Reserves</b>	\$
Source #2		\$
Other Local Revenue		\$
New Local Revenue		\$
<b>Total Local Revenue</b>		c) <b>\$</b>
<b>Other Funds</b>		
Other Funds		\$
Other Funds		\$
<b>Total Other Funds</b>		d) <b>\$</b>
<b>TOTAL PROJECT LOAN</b>		e) <b><u>\$2,508,258.00</u></b>



**#2021-4001 Mason County PUD #1 Lake Arrowhead Mainline Replacement**

**Engineer's Certification:**

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The term of this loan will be based on an engineer's certification of the expected useful life of the improvements, as stated below, or 20 years, whichever is less. If the jurisdiction prefers the term of its loan to be less than either 20 years or the useful life of the improvements, the preferred loan term should be indicated here: \_\_\_\_\_ years.

I, \_\_\_\_\_, licensed engineer, certify that the average expected useful life for the improvements described above is \_\_\_\_ years.

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

Name: \_\_\_\_\_

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

Telephone: \_\_\_\_\_

Professional Engineer License Number: \_\_\_\_\_

## ATTACHMENT II: ATTORNEY'S CERTIFICATION

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### DRINKING WATER STATE REVOLVING FUND (MUNICIPAL)

I, \_\_\_\_\_, hereby certify:

I am an attorney at law admitted to practice in the state of Washington and the duly appointed attorney of BORROWER identified in the Declarations of the Contract identified above; and

I have also examined any and all documents and records, which are pertinent to the Contract, including the application requesting this financial assistance.

Based on the foregoing, it is my opinion that:

1. BORROWER is a public body, properly constituted and operating under the laws of the State of Washington, empowered to receive and expend federal, state and local funds, to contract with the state of Washington, and to receive and expend the funds involved to accomplish the objectives set forth in its application.
2. BORROWER is empowered to accept the Drinking Water State Revolving Fund financial assistance and to provide for repayment of the loan as set forth in the loan agreement.
3. There is currently no litigation in existence seeking to enjoin the commencement or completion of the above-described public facilities project or to enjoin BORROWER from repaying the Drinking Water State Revolving Fund loan extended by DOH with respect to such project. BORROWER is not a party to litigation, which will materially affect its ability to repay such loan on the terms contained in the loan agreement.
4. Assumption of this obligation would not exceed statutory and administrative rule debt limitations applicable to BORROWER.

\_\_\_\_\_  
Signature of Attorney

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and BAR Number (WSBA No.)

\_\_\_\_\_  
Address

# ATTACHMENT III: FEDERAL AND STATE REQUIREMENTS (NOT ALL INCLUSIVE)

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## 1) Environmental and Cultural Authorities

- a) Archeological and Historic Preservation Act of 1974, Public Law 86-523 as amended
- b) Clean Air Act, Public Law 84-159 as amended
- c) Coastal Zone Management Act, Public Law 92-583 as amended
- d) Endangered Species Act, Public Law 93-205 as amended
- e) Environmental Justice, Executive Order 12898
- f) Floodplain Management, Executive Order 11988 as amended by Executive Order 12148
- g) Protection of Wetlands, Executive Order 11990
- h) Farmland Protection Policy Act, Public Law 97-98
- i) Fish and Wildlife Coordination Act, Public Law 85-624 as amended
- j) National Historic Preservation Act, 54 USC Subtitle III
- k) Safe Drinking Water Act, Public Law 93-523 as amended
- l) Wild and Scenic Rivers Act, Public Law 90-542 as amended
- m) Washington State Environmental Policy Act, Chapter 43.21C RCW
- n) Native American Graves Protection and Repatriation Act, Archaeological Resources Protection Act, Revised Code of Washington (RCW) 27.44 regarding Indian Graves and Records; RCW 27.53 regarding Archaeological Sites and Resources; RCW 68.60 regarding Abandoned and Historic Cemeteries and Historic Graves; and Washington Administrative Code (WAC) 25-48 regarding Archaeological Excavation and Removal Permits.

## 2) Economic and Miscellaneous Authorities

- a) Demonstration Cities and Metropolitan Development Act of 1996, Public Law 89-754 as amended, Executive Order 12372
- b) Procurement Prohibitions under Section 306 of the Clean air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans
- c) Uniform Relocation and Real Property Policies Act, Public Law 91-646 as amended
- d) Debarment and Suspension, Executive Order 12549
- e) H.R. 3547, Consolidated Appropriations Act, 2014.

## 3) Social Policy Authorities

- a) Age Discrimination Act of 1975, Public Law 94-135
- b) Title VI of the Civil Rights Act of 1964, Public Law 88-352
- c) Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500 (the Clean Water Act)
- d) Section 504 of the Rehabilitation Act of 1973, Public Law 93-112 (including Executive Orders 11914 and 11250)
- e) Equal Employment Opportunity, Executive Order 11246
- f) Disadvantaged Business Enterprise, Public Law 101-549 (the Clean Air Act), and Public Law 102-389 (the Clean Water Act)
- g) Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Public Law 100-590
- h) Chapter 49.60 RCW, Washington's Law against Discrimination, and 42 USC 12101 et seq. the Americans with Disabilities Act (ADA).
- i) The Contract Work Hours and Safety Standards Act (40 USC 327-333)-Where applicable.
- j) The Genetic Information Nondiscrimination Act of 2008 (GINA), 42 USC s. 2000ff et seq.

## 4) State Laws

- a) Chapter 36.70A RCW, Growth Management Act
- b) Chapter 39.80 RCW, Contracts for Architectural and Engineering Services
- c) Chapter 39.12 RCW, Washington State Public Works Act
- d) Chapter 43.20 RCW, State Department of Health of Health
- e) Chapter 43.70 RCW, Department of Health
- f) Chapter 43.155 RCW, Public Works Project
- g) Chapter 70.116 RCW, Public Water Systems Coordination Act of 1977
- h) Chapter 70.119 RCW, Public Water Supply Systems Certification and Regulation of Operations
- i) Chapter 70.119A RCW, Public Water Systems, Penalties & Compliances
- j) Chapter 246-290 WAC, Group A Public Water Systems

- k) Chapter 246-291 WAC, Group B Public Water Systems
- l) Chapter 246-292 WAC, Waterworks Operator Certification Regulations
- m) Chapter 246-293 WAC, Water Systems Coordination Act
- n) Chapter 246-294 WAC, Drinking Water Operating Permits
- o) Chapter 246-295 WAC, Satellite System Management Agencies
- p) Chapter 246-296 WAC Drinking Water State Revolving Fund Loan Program
- q) Chapter 173-160 WAC, Minimum Standards for Construction & Maintenance of Wells
- r) Title 173 WAC, Department of Ecology Rules
- s) Title 40 Part 141 Code of Federal Regulations, Federal National Primary Drinking Water Regulations (Section Adopted by Reference)

# ATTACHMENT IV: DISADVANTAGED BUSINESS ENTERPRISE REQUIREMENTS

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## GENERAL COMPLIANCE, 40 CFR, Part 33

BORROWER must comply with the requirements of Environmental Protection Agency's Program for Utilization of Small, Minority and Women's Business Enterprises (MBE/WBE) in procurement under this Contract, contained in 40 CFR, Part 33. BORROWER will use the directory of certified firms available through the Washington State Office of Minority and Women's Business Enterprises to meet the requirements.

## FAIR SHARE OBJECTIVES, 40 CFR, Part 33, Subpart D

The following are exemptions from the fair share objective Requirements:

- Grant and loan recipients receiving a total of \$250K or less in EPA financial assistance in a given fiscal year.
- Tribal recipients of Performance Partnership Eligible grants under 40 CFR Part 35, Subpart B.
  - There is a 3-year phase in period for the requirement to negotiate fair share goals for Tribal and Insular Area recipients.
- Recipients of Technical Assistance Grants.

The Fair Share Objectives or goals for the utilization of disadvantaged businesses negotiated with EPA by the WA Office of Minority Women Business are stated below.

Construction	10% MBE	6% WBE
Supplies	8% MBE	4% WBE
Equipment	8% MBE	4% WBE
Purchased Services	10% MBE	4% WBE

BORROWER must accept the fair share objectives/goals stated above and purchase the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as WA Office of Minority Women Business goals.

## SIX GOOD FAITH EFFORTS, 40 CFR, Part 33, Subpart C

Pursuant to 40 CFR, Section 33.301, BORROWER will make the following good faith efforts whenever procuring construction, equipment, services and supplies under an EPA financial assistance agreement, and to ensure that sub-recipients, loan recipients, and prime contractors also comply.

Records documenting compliance with the six good faith efforts shall be retained. The six good faith efforts shall include:

- A. Ensure Disadvantaged Business Enterprises are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local Government recipients, this will include placing the Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources.
- B. Make information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
- C. Consider in the contracting process whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. For Indian Tribal, State and Local Government recipients, this will include dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by Disadvantaged Business Enterprises in the competitive process.
- D. Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
- E. Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Health.
- F. If the prime contractor awards subcontracts, also require the prime contractor to take the five good faith efforts in paragraphs A through E above.

**MBE/WBE REPORTING, 40 CFR, Part 33, Sections 33.502 and 33.503**

BORROWER is required to submit MBE/WBE participation reports to DOH, on a quarterly basis, beginning with the Federal fiscal year reporting period BORROWER receives the award and continuing until the project is completed.

**CONTRACT ADMINISTRATION PROVISIONS, 40 CFR, Section 33.302**

BORROWER agrees to comply with the contract administration provisions of 40 CFR, Section 33.302.

BORROWER agrees to require all general contractors to provide forms: EPA Form 6100-2 DBE Subcontractor Participation Form and EPA Form 6100-3 DBE Subcontractor Performance Form to all its Disadvantaged Business Enterprise subcontractors, engineers, vendors, and any other entity for work or services listed in the PROJECT. These two (2) forms may be obtained from the EPA Office of Small Business Program's website on the internet at <http://www.epa.gov/osbp/grants.htm>.

BORROWER agrees to require all general contractors to complete and submit to BORROWER and Environmental Protection Agency EPA Form 6100-4 DBE Subcontractor Utilization Form beginning with the Federal fiscal year reporting period BORROWER receives the award and continuing until the project is completed. Only procurements with certified MBE/WBEs are counted toward a Contractor's MBE/WBE accomplishments.

**BIDDERS LIST, 40 CFR, Section 33.501(b) and (c)**

BORROWER is also required to create and maintain a bidders list if BORROWER of the loan is subject to, or chooses to follow, competitive bidding requirements. Please see 40 CFR, Section 33.501 (b) and (c) for specific requirements and exemptions.

Section 33.501(b) of the rule is as follows:

A recipient of a Continuing Environmental Program Grant or other annual grant must create and maintain a bidders list. In addition, a recipient of an EPA financial assistance agreement to capitalize a revolving loan fund also must require entities receiving identified loans to create and maintain a bidders list if the recipient of the loan is subject to, or chooses to follow, competitive bidding requirements. The purpose of a bidders list is to provide the recipient and entities receiving identified loans who conduct competitive bidding with as accurate a database as possible about the universe of MBE/WBE and non-MBE/WBE prime and subcontractors. The list must include all firms that bid or quote on prime contracts or bid or quote on subcontracts under EPA assisted projects, including both MBE/WBEs.

The bidders list must be kept until the grant project period has expired and the recipient is no longer receiving EPA funding under the grant. For entities receiving identified loans, the bidders list must be kept until the project period for the identified loan has ended. The following information must be obtained from all prime and subcontractors:

- (1) Entity's name with point of contact;
- (2) Entity's mailing address, telephone number, and e-mail address;
- (3) The procurement on which the entity bid or quoted, and when; and
- (4) Entity's status as a MBE/WBE<sup>1</sup> or non-MBE/WBE.

The exemption found at § 33.501(c) is as follows:

A recipient of an EPA financial assistance agreement in the amount of \$250,000 or less for any single assistance agreement, or of more than one financial assistance agreement with a combined total of \$250,000 or less in any one fiscal year, is exempt from the paragraph (b) of this section requirement to create and maintain a bidders list. Also, a recipient under the CWSRF, DWSRF, or BCRLF Program is not required to apply the paragraph (b) of this section bidders list requirement of this subpart to an entity receiving an identified loan in an amount of \$250,000 or less, or to an entity receiving more than one identified loan with a combined total of \$250,000 or less in any one fiscal year. This exemption is limited to the paragraph (b) of this section bidders list requirements of this subpart.

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<sup>1</sup> Qualified Women and Minority business enterprises may be found on the Internet at [www.omwbe.wa.gov](http://www.omwbe.wa.gov) or by contacting the Washington State Office of Minority and Women's Enterprises at 360-704-1181.

# ATTACHMENT V: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

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United States Environmental Protection Agency  
Washington, DC 20460

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EPA Project Control Number

The terms, "covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded", as used in this attachment, are defined in the rules implementing Executive Order 12549, including 13 CFR § 400.109. You may contact DOH for help getting a copy of these regulations.

BORROWER, defined as the primary participant and its principals, certifies by signing below that to the best of its knowledge and belief they:

- A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- B. Have not within a three-year (3) period preceding this CONTRACT, been convicted of or had a civil judgment against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;
- C. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses described in this attachment; and,
- D. Have not within a three-year period (3) preceding the signing of this CONTRACT had one or more public transactions (federal, state, or local) terminated for cause or default.

Prior to awarding contracts for the PROJECT, BORROWER must verify that neither the contractor's business name(s) nor the names of its principals are in the Federal Excluded Parties List System for Ineligible Professionals and Debarred Contractors ([www.SAM.gov](http://www.SAM.gov)). BORROWER must keep documentation in the PROJECT files and provide a copy to the DOH Contract Manager.

BORROWER will include the language below without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

The lower tier contractor certifies, by signing this CONTRACT that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

I understand that a false statement on this certification may be ground for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine or imprisonment for up to 5 years, or both.

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Typed or Printed Name & Title of Authorized Representative

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Signature of Authorized Representative

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Date

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I am unable to certify to the above statements. My explanation is attached.

## ATTACHMENT VI: DWSRF ELIGIBLE PROJECT COSTS

Must be directly attributable to the project.

1. The costs for complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
2. DWSRF loan fees.
3. The purchase of a portion of another system's capacity, if it is the most cost effective solution (limited to publicly owned (municipal) systems).
4. Construction of reservoirs (clear wells) that are part of the treatment process and are collocated with the treatment facility.
5. Construction of distribution reservoirs (finished water).
6. Cost associated with restructuring or consolidation of existing water systems by publicly owned water systems.
7. Main extensions to connect to safe and reliable sources of drinking water.
8. Cost associated with collecting and preparing environmental assessment documents to obtain local permits.
9. Direct labor including related employee benefits:
  - a. Salaries and wages (at actual or average rates) covering productive labor hours of employees of the borrower (excluding the administrative organization of the operating unit involved) for periods of time actively or incidentally engaged in pre-design engineering, design engineering, construction engineering, acquisition of rights of way, and the cleaning, sterilization or bacteriological testing of water system components prior to public use. The costs of services rendered by employees generally classified as administration/project management of the loan are considered a direct cost only when such employees are assigned the types of services described above and shall be limited to 3% or less of the project loan amount.
  - b. Employee benefits relating to labor are considered a direct cost of construction projects. The following items may be included as employee benefits:
    - F.I.C.A. (Social Security) –employer's share.
    - Retirement benefits.
    - Hospital, health, dental, and other welfare insurance.
    - Life insurance.
    - Industrial and medical insurance.
    - Vacation.
    - Holiday.
    - Sick leave.
    - Military leave and jury duty.Employee benefits must be calculated as a percentage of direct labor dollars. The

computation of predetermined percentage rates to be applied to current labor costs must be based on the average of total employee benefits and total labor costs for the prior fiscal year and adjusted by known current year variations.

- c. Other than work identified in Number 9.a, no costs associated with labor performed by the borrower's employees, including force account work, are eligible for financing assistance.
10. Contract engineering, planning, design, legal, and financial planning services. The Department of Health reserves the right to declare ineligible legal costs that are unreasonable and disproportionate to the project.
11. Contract construction work.
12. Direct vehicle and equipment charges at the actual rental cost paid for the equipment or, in the case of city or county-owned equipment, at the rental rates established by the local government's "equipment rental and revolving fund" following the methods prescribed by the division of municipal corporations. However, such costs must be charged on a uniform basis to equipment used for all projects regardless of the source of funding. Cities with a population of eight thousand or less not using this type of fund are allowed the same rates as used by the State Department of Transportation.
13. Direct materials and supplies.
14. Other direct costs incurred for materials or services acquired for a specific project are eligible costs and may include, but are not limited to such items as:
  - a. Telephone charges.
  - b. Reproduction and photogrammetry costs.
  - c. Video and photography for project documentation.
  - d. Computer usage.
  - e. Printing and advertising.
15. Other project related costs include:
  - Competitive Bidding.
  - Audit.
  - Insurance.
  - Prevailing wages.
  - Attorney fees.
  - Environmental Review.
  - Archaeological Survey.

Water system plan costs are not eligible for reimbursement. Small water system management program and plan amendments costs are eligible for reimbursement.

Projects may be designed to accommodate reasonable growth. This is generally the 20-year projection included in the system's water system plan or small water system management program.



# **ATTACHMENT VII: LABOR STANDARD PROVISIONS FOR SUBRECIPIENTS THAT ARE GOVERNMENTAL ENTITIES**

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## **Wage Rate Requirements Under The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6)**

### **Preamble**

With respect to the Clean Water and Safe Drinking Water State Revolving Funds, EPA provides capitalization grants to each state which in turn provides subgrants or loans to eligible entities within the state. Typically, the subrecipients are municipal or other local governmental entities that manage the funds. For these types of recipients, the provisions set forth under Roman Numeral I, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section 3(ii)(A), below and for compliance as described in Section I-5.

Occasionally, the subrecipient may be a private for profit or not for profit entity. For these types of recipients, the provisions set forth in Roman Numeral II, below, shall apply. Although EPA and the State remain responsible for ensuring subrecipients' compliance with the wage rate requirements set forth herein, those subrecipients shall have the primary responsibility to maintain payroll records as described in Section II-3(ii)(A), below and for compliance as described in Section II-5.

## **I. Requirements Under The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6)**

### **For Subrecipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist EPA in meeting its Davis-Bacon (DB) responsibilities when DB applies to EPA awards of financial assistance under the FY 2013 Continuing Resolution with respect to State recipients and subrecipients that are governmental entities. If a subrecipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact Department of Health. If a State recipient needs guidance, they may obtain additional guidance from DOL's web site at <http://www.dol.gov/whd/>.

#### **1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.**

Under the FY 2013 Continuing Resolution, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund and to any construction project carried out in whole or in part by assistance made available by a drinking water treatment revolving loan fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site.

#### **2. Obtaining Wage Determinations.**

(a) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.

- (i) While the solicitation remains open, the subrecipient shall monitor [www.wdol.gov](http://www.wdol.gov) weekly to ensure that the wage determination contained in the solicitation remains current. The subrecipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.
- (ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c) (3) (iv). The subrecipient shall monitor [www.wdol.gov](http://www.wdol.gov) on a weekly

basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.

(b) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from [www.wdol.gov](http://www.wdol.gov) into the ordering instrument.

(c) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.

(d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

### **3. Contract and Subcontract provisions.**

(a) The Recipient shall insure that the subrecipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project under the DWSRF financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the FY 2013 Continuing Resolution, the following clauses:

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Borrower and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, [www.dol.gov](http://www.dol.gov).

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided, that the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The subrecipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing

apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually

registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The Borrower must comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The Borrower and/or subcontractor must insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes will be resolved according to the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, Borrower certifies that neither it (nor he or she) nor any person or firm who has an interest in the Borrower's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 USC 1001.

#### **4. Contract Provision for Contracts in Excess of \$100,000.**

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the

contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

## **5. Compliance Verification**

(a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB.

Subrecipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence."

(c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The subrecipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the Department of Health and to the appropriate DOL Wage and Hour District Office listed at

[https://www.dol.gov/whd/WHD\\_district\\_offices.pdf](https://www.dol.gov/whd/WHD_district_offices.pdf).