

Resolution No. 41-07

A Resolution by

THE MASON COUNTY BOARD OF COUNTY COMMISSIONERS

Concerning

**Administration of Grant Funds on Behalf of the County,
Mason County PUD #1, and the Skokomish Indian Tribe to
Complete Wastewater Planning Activities to improve the water quality in Hood Canal**

WHEREAS, through the August 31, 2006, Memorandum of Understanding among Mason County, Mason County PUD #1, and the Skokomish Indian Tribe (the parties), the County is engaged in a joint effort to improve wastewater management in the region from the Hoodsport Rural Activity Center through the Skokomish Indian Tribe Reservation, and

WHEREAS, the County is serving as fiscal agent on behalf of the parties to receive and disburse funds intended to be used to advance planning, design and construction of wastewater management facilities in three Planning Areas: the Hoodsport Rural Activity Center, the area known as Potlatch, and the most developed portion of the Skokomish Indian Tribe Reservation known as the Core Reservation, and to a limited extent sewer planning work in the Belfair Urban Growth Area funded by various other sources of money, and

WHEREAS, the parties in October, 2006, received a grant of \$177-thousand from the Hood Canal Coordinating Council and the Washington State Puget Sound Action Team, administered by the Interagency Committee for Outdoor Recreation (IAC), to consolidate existing information and develop additional information to define wastewater management projects for the three Planning Areas, and

WHEREAS, in April, 2007, the parties received a \$396-thousand amendment to the previous October, 2006 allocation, to do several additional projects including preparation of Facilities Plans for the three Planning Areas as described in Washington Administrative Code Section 173.240, and

WHEREAS, an additional \$66-thousand for the development of an expanded monitoring wells program for the Webb Hill Study and to develop a Biodegradable Digester by the Mason county Conservation District as outlined in Attachment E was also granted, and

WHEREAS, a listing of these projects together with descriptions and estimated budgets provided as Attachment A and E hereto, and

WHEREAS, the grant funds must be spent by June 30, 2007, and

WHEREAS, expeditious action to organize and engage consultant contractors for the grant-funded projects is in the interest of the parties, and

WHEREAS, through development of a roster of qualified consultants and a joint selection process in fall of 2006, the parties selected a group of qualified consultants to define wastewater management projects for the three Planning Areas and the Belfair Urban Growth Area , and

WHEREAS, those consultants include Gray and Osborne, Inc., Cascade Design Professionals, Inc., ESA Adolfson, HWA GeoSciences, Murray Smith and Associates and Art O' Neal and Associates, and

WHEREAS, those consultants, together with Financial Consulting Solutions Group, a utility finance consultant to the County familiar with the County's utility financing and acceptable to the other parties, are mobilized and prepared to promptly engage as a team to timely complete the projects described in Attachment A and E, and

WHEREAS, a diagram and narrative describing the responsibilities of each consultant is presented as Attachment B hereto, and an example of the existing contracts is presented as Attachment C hereto, and an example of a scope of services amendment to perform an Attachment A project is presented as Attachment D hereto attached, and

WHEREAS, the existing contracts and original scopes of services, with the exception of the contract and scope and scope amendments for Financial Consulting Solutions Group, were, at the direction of the Board of County Commissioners, executed and administered by the Director of Utilities, and

WHEREAS, execution of scope amendments for Gray and Osborne, Inc. (with HWA GeoSciences as its sub-contractor), Cascade Design Professionals, Inc., ESA Adolfson, Art O'Neal and Associates, Murray Smith and Associates, and Financial Consulting Solutions Group would expedite initiation of work on the project described in Attachment A, and

WHEREAS, there is a need to modify contracts associated with the development of additional monitoring wells for the Webb Hill Investigation Study to include drilling, site preparation, consultant oversight, monitoring and reporting. In addition work to develop the biodegradable waste digester for the Mason County conservation District, and

WHEREAS, there is a need to reimburse costs associated with the Belfair North Shore LAMIRD and continue sewer planning activities by Art O' Neal and Associates to assist in developing a management tool for on-site systems and developing a selection process for the design of the Belfair collection, transmission and treatment facility, now

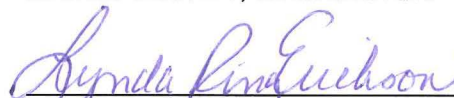
THEREFORE, BE IT RESOLVED that Board of County Commissioners directs the Director of Utilities to:

- Promptly execute scope of services amendments to the existing contracts with consultants identified in Attachment B to perform services consistent with the project descriptions in Attachment A and E
- Assure that the scope amendment budgets are generally consistent with the project cost estimates in Attachment A and E
- Assure that the term of the scope amendments requires final a final invoice on or before June 30, 2007
- Work collaboratively with the parties to assure the project work covered by the scope amendments is promptly initiated, efficiently managed, and products are timely delivered, and


BE IT FURTHER RESOLVED that all scope of services amendments executed by the Director of Utilities and costs intended for grant reimbursement that are incurred pursuant to this Resolution are consistent with the terms and conditions of grant reimbursement set forth by IAC, and the total of all reimbursable expenditures does not exceed the grant total authorized by the Hood Canal Coordinating Council and the Puget Sound Action Team as administered by the IAC unless otherwise recommended by the parties and specifically authorized by the Board of County Commissioners.

SO APPROVED this 10th day of April 2007, by the Board of Mason County Commissioners.

BOARD OF COUNTY COMMISSIONERS
MASON COUNTY, WASHINGTON


Lynda Ring Erickson, Chair


Tim Sheldon, Commissioner


Ross Gallagher, Commissioner

ATTEST:


Rebecca S. Rogers, Clerk of the Board

APPROVED AS TO FORM:


Deputy Prosecuting Attorney

Hood Canal Region Water Quality State Grant Projects

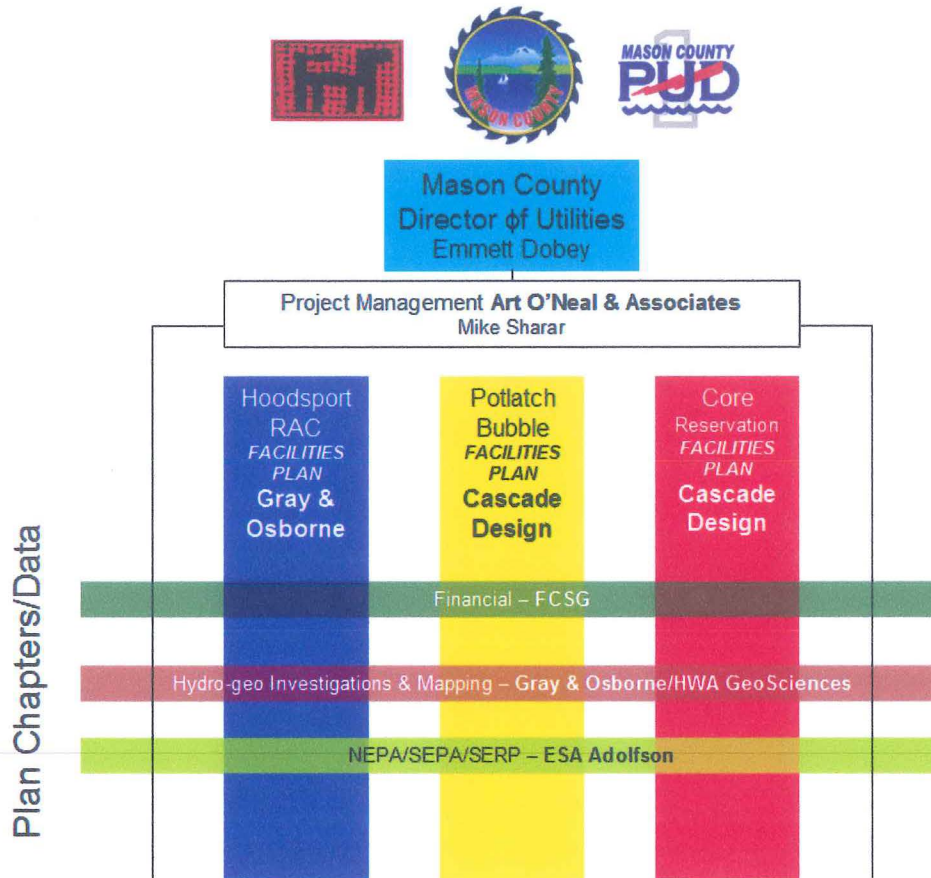
	Grant Amendment*	1st Grant Balance**	Project Total
Hoodsport-Skokomish Facilities Plan			
Hoodsport Facilities Plan	\$30,000		\$30,000
Prepare State WAC 173.240 approvable Facilities Plan for the Hoodsport RAC. Environmental, financing and geohydrology/mapping/survey to be done separately.			
Potlatch and Core Reservation Facilities Plans	\$45,000		\$45,000
Prepare State WAC 173.240 approvable Facilities Plan for Potlatch and the Core Reservation. Environmental, financing and geohydrology/mapping/survey to be done separately.			
Geohydrology, Survey and Mapping		\$63,000	\$63,000
For all three Planning Areas, conduct sufficient geohydrologic investigations to assure adequate effluent disposal options for each MBR treatment plant. Also, using a common datum, prepare survey and mapping for all three Planning Areas.			
Environmental Documentation (NEPA-SEPA-SERP)	\$90,000		\$90,000
For all three Planning Areas, prepare necessary environmental documentation to assure ability to access grant funding and provide adequate information to enable decision making. Documentation for NEPA, SEPA and SERP required.			
Finance Sections Each Facilities Plan	\$68,000		\$68,000
For all three Planning Areas, mindful of the distinction between Tribal and Public utility financing, prepare Facilities Plan financing sections consistent with WAC 173.240.			
Design Engineer Selection Process Management	\$12,000		\$12,000
Facilitate decision making, advertising, information sharing and selection of an engineering firm or firms to prepare Engineering Reports and Final Designs for wastewater management projects in all three Planning Areas.			
TriParty Coordination	\$11,000		\$11,000
Assist the TriParty Staff and TriParty Elected Officials with decision making and relationship maintenance during preparation of Facilities Plans and selection of design engineering firm(s).			
Project Management	\$23,500		\$23,500
Manage consultant preparation of all three Facilities Plans, geohydrologic investigations, survey, mapping, financial documentation and environmental documentation on behalf of the TriParty group.			
Fiscal Agent Cost Recovery	\$5,500		\$5,500
Partially reimburse Mason County for its role as fiscal agent on behalf of the TriParty Group (soliciting and disbursing grant payments, maintaining fiscal records, etc).			
Category Sub-Total	\$285,000	\$63,000	\$348,000
Hood Canal Benefit Projects			
On-site Utility Formation Tool	\$35,000		\$35,000
Prepare generic steps for forming a Washington State on-site system utility			
Belfair Design Engineer Selection Process Management	\$13,000		\$13,000
Provide capacity for Mason County to select a design engineer for Belfair			
Category Sub-Total	\$48,000	\$0	\$48,000
Grand Total	\$333,000	\$63,000	\$396,000

* **Grant Amendment:** Money authorized by Puget Sound Action Team and Hood Canal Coordinating Council in April, 2007, using under-expended current biennium grant resources that expire June 30, 2007

** **1st Grant Balance:** October, 2006, grant totalled \$240K with authorization to use \$177K for Project Definitions leaving \$63K balance that expires June 30, 2007

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Hoodsport-Skokomish Facilities Plans Responsibility Diagram



The Skokomish Indian Tribe, Mason County and Mason County PUD #1 joined to pursue wastewater management for the Hoodsport-Skokomish region in August, 2006. Informally known as the TriParty Group, the entities are working to complete Wastewater Facilities Plans, the next step leading to final design.

Mason County is serving as financial administrator for the entities. The TriParty Group is managing the overall effort. A project manager from Art O'Neal and Associates coordinates the work of four other consultants to complete Facilities Plans for the Hoodsport RAC, the Potlatch "Bubble," and the Core Reservation.

Cascade Design Professionals is responsible for preparing the Potlatch and Core Reservation Plans which amend an existing Skokomish Master Wastewater Plan. Gray & Osborne is responsible for the Hoodsport Plan. Gray & Osborne and its sub-consultant HWA GeoSciences will also do hydrogeologic investigations and survey for all plans, ESA Adolfson will do environmental documentation for all plans, and Financial Consulting Solutions Group will do the financial section of each plan.

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Example of Existing Consultant Contracts

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**PROFESSIONAL SERVICES AGREEMENT FOR
WATER QUALITY PROJECT PLANNING SERVICES**

This Professional Services Agreement ("Agreement") is effective the date of signing below unless otherwise specified within this agreement or its referenced Attachment(s). The parties ("Parties") to this Agreement are 'Mason County' (Hereinafter the 'County'), a Washington Municipal Corporation ("County"), and Gray & Osborne, Inc. (Hereinafter the "Contractor"), a Washington Corporation.

A. The County seeks the temporary professional services of a skilled independent contractor capable of working without direct supervision, in the capacity of an Independent Consulting Services Provider; and

B. The Contractor has the requisite skill and experience necessary to provide such services.

NOW, THEREFORE, the Parties agree as follows:

1. Services.

Contractor shall provide the services more specifically described in 'Attachment A,' attached hereto and incorporated by this reference ("Scope of Services"), in a manner consistent with the accepted practices for other similar services, and when and as specified by the County's representative.

2. Term.

The term of this Agreement shall commence upon the effective date of this Agreement or as otherwise specified elsewhere in this agreement or its referenced Attachment(s) and shall continue until the completion of the Services, but in any event no later than the date specified ("Term") in the Scope of Services attached hereto as Attachment A. This Agreement may be extended for additional periods of time upon the mutual written agreement of the County and the Contractor.

3. Termination.

Prior to the expiration of the Term, this Agreement may be terminated immediately, with or without cause by the County.

4. Compensation.

4.1 Total Compensation. In consideration of the Contractor performing the Services, the County agrees to pay the Contractor a total amount inclusive of all charges not to exceed the amount(s) specified in the Scope of Services attached hereto as Attachment A.

4.2 Method of Payment. Payment by the County for the Services will only be made after the Services have been performed, by invoice submitted in the form specified by the County. Each invoice to be valid shall specifically describe the services performed, the name of Contractor's personnel performing such services, the hourly labor charge rate for such personnel, and the same is approved by the appropriate County representative. Payment shall be made on a monthly basis, thirty (30) days after receipt of such invoice submission.

4.3 Contractor Responsible for Taxes. The Contractor shall be solely responsible for the payment of any taxes imposed by any lawful jurisdiction as a result of the performance and payment of this Agreement.

5. Compliance with Laws.

Contractor shall comply with and perform the Services in accordance with all applicable federal, state, and County laws including, without limitation, All County codes, ordinances, resolutions, standards and policies, as now existing or hereafter adopted or amended.

6. Warranty.

The Contractor warrants it has the requisite training, skill and experience necessary to provide the Services and is appropriately accredited and licensed by all applicable agencies and governmental entities, including but not limited to being registered to do business in Mason County as well as in the State of Washington by obtaining necessary business registration required by law.

7. Independent Contractor/Conflict of Interest.

It is the intention and understanding of the Parties the Contractor shall be an independent contractor and the County shall be neither liable nor obligated to pay Contractor sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax which may arise as an incident of employment. The Contractor shall pay all income and other taxes due. Industrial or any other insurance that is purchased for the benefit of the County, regardless of whether such may provide a secondary or incidental benefit to the Contractor, shall not be deemed to convert this Agreement to an employment contract. It is recognized the Contractor may or will be performing professional services during the Term for other parties; provided, however, that such performance of other services shall not conflict with or interfere with Contractor's ability to perform the Services. Contractor agrees to resolve any such conflicts of interest in favor of the County.

8. Indemnification.

8.1 Contractor Indemnification. The Contractor agrees to indemnify, defend and hold the County, its elected officials, officers, employees, agents, and volunteers harmless from any and all claims, demands, losses, actions and liabilities (including costs and all attorney fees) to or by any and all persons or entities, including, without limitation, their respective agents, licensees, or representatives, arising from, resulting from, or connected with this Agreement to the extent caused by the negligent acts, errors or omissions of the Contractor, its partners, shareholders, agents, employees, or by the Contractor's breach of this Agreement. Contractor waives any immunity that may be granted to it under the Washington State Industrial Insurance Act, Title 51 RCW. Further, Contractor's indemnification shall not be limited in any way by any limitation on the amount of damages, compensation or benefits payable to or by any third party under workers' compensation acts, disability benefit acts or any other benefits acts or programs, and the indemnification and agreement to defend and hold harmless contained herein expressly includes any and all claims by employees, subcontractors, and assignees of Contractor or for which Contractor would otherwise have immunity under the Worker's Compensation Act or any similar law in the absence of Contractor's waiver of such immunity herein. By executing the Contract, the Contractor acknowledges that the foregoing waiver has been mutually negotiated by the parties.

8.2 Survival. The provisions of this Section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

9. Discrimination Indemnification.

The Contractor agrees to indemnify the County for any actions brought by persons against the Contractor and County during the course of professional services rendered to the County as evidenced by the present contract alleging discrimination by Contractor or by Contractor's employees, agents, subcontractors or representatives against any person because of sex, age (except minimum age and retirement provisions), race, color, creed, national origin, marital status, veteran status, sexual orientation or the presence of any disability, including sensory, mental or physical handicaps;

10. Confidentiality.

All information regarding the County obtained by Contractor in performance of this Agreement shall be considered confidential. Breach of confidentiality by Contractor will be grounds for immediate termination.

11. Insurance.

The Contractor shall carry, as a minimum, the following insurance in such forms and with a carrier rated A.M. Best "A,":

11.1 Workers' Compensation. Workers' compensation and employer's liability insurance in amounts sufficient pursuant to the laws of the State of Washington;

11.2 Commercial General Liability Insurance. Commercial general liability insurance with limits of liability not less than \$1,000,000 per occurrence, and \$2,000,000 in the general aggregate, for bodily injury, including personal injury or death, products liability and property damage. The commercial general liability insurance shall also include the following coverages:

- A. Products and Completed Operations Liability;
- B. Automobile Liability, including coverage for owned, non-owned, leased, or hired vehicles;
- C. Stop Gap or Employers Contingent Liability.

11.3 Automobile Liability Insurance. Automobile liability insurance with a combined single limit of liability not less than \$1,000,000 for bodily injury (including personal injury or death) and property damage.

11.4 Professional Liability Insurance. Professional liability insurance with limits of liability not less than \$1,000,000 per claim and \$1,000,000 policy aggregate limits, for damages sustained by reason of or in the course of operation under this Agreement, whether occurring by reason of acts, errors or omissions of the Contractor.

11.5 Certificates of Insurance. The County shall be named as additional insured on all such insurance policies, with the exception of professional liability and workers' compensation coverage(s). The insurance provided to the additional insured shall be primary. Contractor shall provide certificates of insurance and an Additional Insured endorsement, concurrent with the execution of this Agreement, evidencing such coverage and, at County's request, furnish the County with copies of all insurance policies and with evidence of payment of premiums or fees of such policies. All insurance policies shall contain a clause of endorsement providing that they may not be terminated or materially amended during the Term of this Agreement, except after forty-five (45) days prior written notice to the County. If Contractor's insurance policies are

"claims made" or "claims paid", Contractor shall be required to maintain tail coverage for a minimum period of three (3) years from the date this Agreement is actually terminated. Contractor's failure to maintain such insurance policies shall be grounds for the County's immediate termination of this Agreement.

11.6. Insurance Limits. The insurance limits stated above are not intended to be an indication of exposure nor are they limitations on indemnification.

11.7 Expiration/Termination of Insurance. The provisions of this Section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

12. Work Product.

All originals and copies of work product, including plans, sketches, layouts, designs, design specifications, records, files, computer disks, magnetic media or material which may be produced or modified by Contractor while performing the Services shall belong to the County. At the termination or cancellation of this Agreement, all originals and copies of any such work product remaining in the possession of Contractor shall be delivered to the County.

13. Treatment of Assets.

A. Title to all property furnished by the County shall remain in the name of the County.

B. The Contractor agrees no personal property, expendable or otherwise, shall be purchased or acquired by the Contractor for this project during the course of services provided to the County. If such property is required for the sole purposes of fulfilling such terms of this service agreement, prior written consent shall be required by the County prior to acquisition of such property by the Contractor for use on this project.

14. Books and Records.

The Contractor agrees to maintain books, records, and documents which sufficiently and properly reflect all direct and indirect costs related to the performance of the Services and maintain such accounting procedures and practices as may be deemed necessary by the County to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject, at all reasonable times, to inspection, review or audit by the County, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

15. Non-Appropriation of Funds.

If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the County will not be obligated to make payments for Services or amounts incurred after the end of the current fiscal period, and this Agreement will terminate upon the completion of all remaining Services for which funds are allocated. No penalty or expense shall accrue to the County in the event this provision applies.

16. General Provisions.

16.1 Entire Agreement. This Agreement contains all of the terms and conditions of the Parties with respect to all matters covered or mentioned in this Agreement and no prior agreements shall be effective for any purpose.

16.2 Modification. No provision of this Agreement, including this provision, may be amended or modified except by written agreement signed by the Parties.

16.3 Full Force and Effect; Severability. Any provision of this Agreement is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect. Further, if it should appear that any provision hereof is in conflict with any statutory provision of the State of Washington, the provision appears to conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provision.

16.4 Assignment. Neither the Contractor nor the County shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the other Party.

A. If the Contractor desires to assign this Contract or subcontract any of its work hereunder, the Contractor shall submit a written request to the City for approval not less than fifteen (15) days prior to the commencement date of any proposed assignment or subcontract.

B. Any work or services assigned or subcontracted for hereunder shall be subject to each provision of this Contract.

C. Any technical/professional service subcontract not listed in this Contract, which is to be charged to the Contract, must have prior written approval by the County.

D. The County reserves the right to inspect any assignment or subcontract document.

16.5 Successors in Interest. Subject to the foregoing Subsection, the rights and obligations of the Parties shall inure to the benefit of and be binding upon their respective successors in interest, heirs and assigns.

16.6 Attorney Fees. In the event either of the Parties defaults on the performance of any terms of this Agreement or either Party places the enforcement of this Agreement in the hands of an attorney, or files a lawsuit, each Party shall pay all its own attorneys' fees, costs and expenses.

16.7 No Waiver. Failure or delay of the County to declare any breach or default immediately upon occurrence shall not waive such breach or default. Failure of the County to declare one breach or default does not act as a waiver of the County's right to declare another breach or default.

16.8 Governing Law. This Agreement shall be made in and shall be governed by and interpreted in accordance with the laws of the State of Washington and the United States Federal Government, if applicable.

16.9 Authority. Each individual executing this Agreement on behalf of the County and Contractor represents and warrants such individuals are duly authorized to execute and deliver this Agreement on behalf of the Contractor or the County.

16.10 Notices. Any notices required to be given by the Parties shall be delivered at the addresses set forth below. Any notices may be delivered personally to the addressee of the notice or may be deposited in the United States mail, postage prepaid, to the address set forth

Attachment C

below. Any notice so posted in the United States mail shall be deemed received three (3) days after the date of mailing.

16.11 Captions. The respective captions of the Sections of this Agreement are inserted for convenience of reference only and shall not be deemed to modify or otherwise affect any of the provisions of this Agreement.

16.12 Performance. Time is of the essence in performance of this Agreement and each and all of its provisions in which performance is a factor. Adherence to completion dates set forth in the description of the Services is essential to the Contractor's performance of this Agreement.

16.13 Remedies Cumulative. Any remedies provided for under the terms of this Agreement are not intended to be exclusive, but shall be cumulative with all other remedies available to the County at law, in equity or by statute.

16.14 Counterparts. This Agreement may be executed in any number of counterparts, which counterparts shall collectively constitute the entire Agreement.

16.15 Equal Opportunity to Draft. The parties have participated and had an equal opportunity to participate in the drafting of this Agreement, and the Attachment(s) attached.

16.16 Venue. All lawsuits or other legal actions whatsoever with regard to this agreement shall be brought in Mason County, Washington, Superior Court or venue where both parties jointly agree. In the alternate, if no venue can be agreed upon, Thurston County shall be the appropriate venue for all disputes of this contract to be litigated or mediated within.

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Attachment C

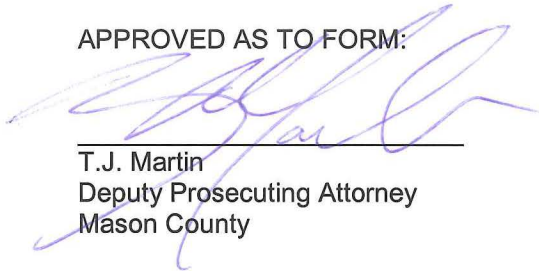
DATED the ____ day of December, 2006, and signed in Mason County.

On Behalf of Gray & Osborne, Inc.:

On Behalf of Mason County:

Emmett Dobey
Director of Community Development and Utilities

APPROVED AS TO FORM:



T.J. Martin
Deputy Prosecuting Attorney
Mason County

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Example of a Scope of Services Amendment to an Existing Consultant Contract

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**MASON COUNTY
NB/CI SEWER UTILITY FINANCIAL ANALYSIS CONTRACT WITH
FINANCIAL CONSULTING SOLUTIONS GROUP**

**AMENDMENT NO. 5
ADDITIONAL CONSULTING SERVICES**

Amendment No. 5 includes additional services requested by Mason County, acting on behalf of Mason County Public Utility District Number One, the Skokomish Indian Tribe and Mason County, to develop sewerage financial plans suitable for inclusion in Washington Administrative Code Section 173.240 Wastewater Facilities Plans for the County's prospective Hoodspport wastewater service area and for the Skokomish Indian Tribe's prospective Potlatch and Skokomish service areas.

A. Scope of Work

FCS Group will develop a financial program for each of the three potential wastewater service areas: Hoodspport, Potlatch and the core Skokomish Reservation. The objective of each financial program is to:

- Identify the total cost of providing wastewater service, both operational and capital.
- Develop a funding strategy that will assure financial strength and viability for the servicing utility in both a short-term (6 years) and long-term (20 years) planning period thus assuring the utility's ability to implement the schedule of capital improvements.
- Evaluate basic funding options as related to capital cost recovery, including rates, sewer connection charges, subsidies, or assessments. Also evaluate the impact of grant funding on resulting rates and charges.
- Identify appropriate levels of utility connection charges and sewer service rates to reflect the costs of the defined capital needs and related operational and administrative costs. At this stage, these calculations will be general in nature, rather than definitive, due to the uncertainty of cost and customer information.

The financial program for each service area will be documented for inclusion in engineering planning documents as follows:

- 1) **Defining Project Costs** – We will identify capital costs and schedule, and annual operating and administrative costs once operational.
- 2) **Available Revenue Sources** - We will document available sources of revenue and funding for capital and operational costs. Available State and Federal grant and loan programs will be identified and documented. For the Skokomish and Potlatch service areas, specific programs available for tribal projects will be considered and incorporated.
- 3) **Capital Financing Alternatives and Approaches** – We will develop capital financing approaches. A financing strategy will be developed potentially incorporating grants, assessments, rates, connection charges, subsidies (if applicable), and debt financing.

- 4) Capital Facilities Charges – Capital Facilities Charges potentially applicable to new development will be developed consistent with industry and statutory guidelines. The financial impacts of imposing these charges will be evaluated.
- 5) Rate Forecast and Rate Impacts – A rate forecast will be developed which incorporates the capital and operating requirements identified in the plan. A twenty year forecast will estimate annual rate increases required.
- 6) Evaluation of Utility Formation Issues – We will identify and document key utility formation and development issues and outline potential approaches to address those.
- 7) Recommended Financial Strategy – A recommended financial strategy addressing funding sources, basic financial policies, rates and charges will be documented. Included in this will be recommended subsequent activities to refine or more thoroughly analyze rate, financial and administrative elements of the plan.

A draft version of each financial plan will be developed and submitted to the County acting on behalf of the Skokomish Indian Tribe, Mason County Public Utility District Number One and Mason County. With the assistance of a Hoodsport-Skokomish Facilities Plans project manager, we will review the drafts with the County and the Skokomish Indian Tribe and finalize each financial plan based on input and direction. We will then submit final financial plans for each system, and review or present the results at up to three public meetings (one for each service area.)

We will rely on Mason County, Mason County Public Utilities District Number One, and the Skokomish Indian Tribe, through and with the assistance of their project manger, to provide available studies or data related to system service areas, costs and customer base. When information is unavailable, we will communicate with the appropriate entity to determine reasonable assumptions to use for preliminary analysis and planning.

B. Budget

Lump Sum payment of \$68,000

75% payable upon submission of draft plans

25% payable upon submission and acceptance of final plans

C. Schedule

Notice to Proceed	On or before April 20, 2007
Data Provided to FCS Group:	On or before April 30, 2007
Draft Financial Plans Submitted:	On or before June 4, 2007
Review & Finalize Plans:	On or before June 15, 2007
Presentations:	Subject to schedule constraints and requirements

All products must be received on or before June 15, 2007, and all invoices must be received by Mason County on or before June 30, 2007, which is the end date of this Scope of Services.

Approved this ____ day of April, 2007.

By Mason County:

By Financial Consulting Solutions Group


Emmett Dobey
Mason County Director of Utilities

Attachment E

Hood Canal Region Water Quality State Grant Projects	
Additional Hood Canal Benefit Projects	
Webb Hill Monitoring Wells	\$ 54,000.00
Establish two additional Webb Hill monitoring wells	
Biodegradable Waste Digestor	\$ 12,000.00
Assist Conservation District in completing the biodegradable waste digester	
Total	\$ 66,000.00