



Mission Statement: Meeting the challenge of protecting the environment and providing quality sewer service to the community.

**DRAFT AGENDA
COMMISSIONER MEETING
May 27, 2021 at 9:00 AM**

VIRTUAL MEETING:

Our Meeting is via Go To Meeting: (You will be asked to identify yourself for our sign in sheet)

<https://global.gotomeeting.com/join/646704685>

You can dial in using your phone:

United States (Toll Free): [1 877 309 2073](tel:18773092073)

United States: [+1 \(312\) 757-3129](tel:+13127573129)

Access Code: 646-704-685

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **AGENDA APPROVAL**
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail):

	AMOUNT	CHECK #'s
A. Minutes: May 13		
B. Lien Placements Lien Releases		
C. Investments Withdrawals Transfers		
D. Payroll		
E. 40 – Maintenance		
F. 48 – SRF Principle & Interest Payment		
G. 50 – City of Lake Stevens Bond Payment		
H. 58 – Capital Expenditures		
I. 60 – PWTF Principle & Interest Payment		

5. **PUBLIC FORUM – Non-action Items** (please limit comments to 3 minutes)
6. **OLD BUSINESS**
 - A.
7. **NEW BUSINESS**
 - A. Approval of Thermographic Inspection for Treatment Plant
 - B. Settlement Agreement and Release of Claims
8. **MANAGERS' REPORTS**
 - A. General Manager
 - B. Assistant General Manager
 - C. Treatment Plant Update
9. **CITY REPORT**
10. **COMMISSIONERS' REPORT**
11. **EXECUTIVE SESSION**
12. **CONCLUDE**

NOTICE: All proceedings of this meeting are audio recorded, except Executive Sessions

****PLEASE NOTE:** Due to the Governor's 'Stay at Home' order the LAKE STEVENS SEWER DISTRICT WILL NOT ACCEPT in-person, verbal citizen comments during the regular meetings. Alternatively, those wishing to provide public comment will have the opportunity to deliver public comment via the following: (*You must include your name and address)

1. Email: tara.bighouse@lkssd.org
2. Phone: 425-334-8588

All comments received before the meeting start time will be addressed during the public comment at the regular meeting.

If you would like to listen to the Lake Stevens Sewer District Board Meeting via Go To Meeting, please check out the posted Agenda or the Districts Calendar for call in info for each meeting.



Mission Statement: Meeting the challenge of protecting the environment and providing quality sewer service to the community.

**MINUTES OF
COMMISSIONER SPECIAL MEETING
May 13, 2021 at 9:00 AM**

Attendees: By Remote Participation via GoToMeeting Commissioners Dan Lorentzen, Jennifer Stevenson and Kevin Kosche. District Staff: Mariah Low, Johnathan Dix, Melonie Grieser and Mickie Cooper. District Engineers: Leigh Nelson, G&O. Legal Counsel: Brad Cattle, Kinnon Williams, and John Lee. City: Councilmember Gary Petershagen, Mayor Brett Gailey, and Eric Durpos, City Public Works Director.

1. **CALL TO ORDER** – At 9:02 AM, Commissioner Lorentzen called the meeting to order and read a prepared statement regarding our virtual meeting and public comment.
2. **PLEDGE OF ALLEGIANCE** – Commissioner Lorentzen led those present in the Flag Salute.
3. **AGENDA APPROVAL** – Commissioner Kosche moved to approve the agenda. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.
4. **CONSENT ITEMS** (The Commissioners have previously reviewed these in detail) – Commissioner Kosche moved to approve the Consent Items A through I. Commissioner Stevenson seconded the Motion. The Motion passed unanimously.

	AMOUNT	CHECK #'s
A. Minutes: April 22, May 5 (2) & 11		
B. Lien Placements (19)	NA	
Lien Releases (27)	NA	
C. Investments	\$10,400	
Withdrawals	\$1,135,847.98	
Transfers	\$429,025.00	
D. Payroll	\$213,288.08	
E. 40 – Maintenance	\$285,261.62	8600-8655 & EFT147
F. 48 – SRF Principle & Interest Payment	NA	
G. 58 – Capital Expenditures	NA	
H. 58 – Capital Expenditures	\$36,663.97	8656-8657
I. 60 – PWTF Principle & Interest Payment	\$895,159.01	8658

5. **PUBLIC FORUM – Non-action Items** (please limit comments to 3 minutes) Commissioner Lorentzen asked if there were any public forum comments or questions submitted. Mariah Low noted that there was a letter sent from Scott Bennison which was included in the agenda packet. Mr. Bennison was not present to read the letter. Commissioner Lorentzen read the letter aloud. The main topic of the letter was voicing approval for the City and The District to merge. Dan asked for comments from those present. There were no comments.

6. OLD BUSINESS

- A. Resolution No.1002: Authorizing Transfer of Funds from RSF No. 42 for the Debt Payment Relating to SVF Loan #L0800014 and Closing of RSF No. 42. – Mariah Low stated that this resolution would approve using the remaining funds from Fund 42 to pay towards the District’s remaining highest interest rate loan and then close that RSF account. It has been discussed in many past meetings and is recommended by District staff. Commissioner Kosche made a motion to approve Resolution No 1002 and seconded by Commissioner Stevenson. The Motion passed unanimously.
- B. Resolution No.1003: Updating Flexible Benefits Plan – Mariah Low stated that this Resolution is an update to the flexible benefits program. The IRS rules have updated the allowable limits for the Flexible Benefits Plan and the approval of this resolution would ensure that the District is following the IRS rules. The approval is recommended by District Staff. Commissioner Kosche made a motion to approve this resolution. Commissioner Stevenson seconded. The Motion passed unanimously.
- C. Resolution No.1004: Updating Policy Regarding Contributions to Voluntary Employee Benefits Plan Accounts (VEBA) – Mariah Low stated that this resolution is an update to the existing VEBA language, which will keep the District in compliance. Current IRS rules don’t allow any percentage or amount, it must be consistent. The change in verbiage is the only change for the District. This resolution has been reviewed by legal and is recommended by Staff. Commissioner Kosche made a motion to approve Resolution No 1004. Commissioner Stevenson seconded the motion. The Motion passed unanimously.

1. NEW BUSINESS

- A. Voiding Check No. 8534 for \$17,306.00 to Jacobsen Homes. Mariah Low stated that this check for developer reimbursables was returned to the District for the wrong address. There was no new forwarding address and all phone numbers were disconnected. It will now go back into District funds. Commissioner Kosche made a motion to approve the voided check and it will go back into District funds. Commissioner Stevenson seconded the motion. The Motion passed unanimously.
- B. Gray & Osborne Contract Amendment 31: This contract amendment is for the Vernon Business Center 2nd Floor Building Improvements and Engineering Services Scope and Estimated Cost – Mariah Low stated that this is an amendment with G&O for the VBC second floor improvements. The scope includes project management and oversight, site meeting and investigation, preliminary design, 60% and 90% design, as well as QA/QC, and bid support. If the amendment is approved the project will start in January of 2022. Staff recommends the approval of the amendment in the amount of \$90,170. Staff recommends this approval. Commissioner Kosche made a motion to approve the General Manager or the Assistant General Manager to sign Amendment 31 of the G&O contract. Commissioner Stevenson seconded the motion. The Motion passed with 2 yay votes and one nay vote from Commissioner Lorentzen.

2. MANAGERS’ REPORTS

- A. General Manager – Mariah stated that we are going into a State Auditor’s Office Cybersecurity Audit. The District had signed up with the State Auditor’s Office to have this done about 2 years ago. The waiting period can take up to 4 years in some cases. It will take about 6 months to complete and the final report will be available to the public. Commissioner Lorentzen stated that it will be great to know what we need to improve on and what are strengths are.

- B. Assistant General Manager – Johnathan Dix reported 214.59 connection fees collected and 231 permits issued to date this year. Skyline DEA was approved for temporary buildings. Lift Station 14 has been experiencing high amps and the Field crew has been trying to find the cause and narrow it down. They're hoping to find resolution very soon.
- C. Treatment Plant Update – Mariah Low stated that we're averaging 2.6M gallons per day, normal for this time of year. The primary band screens have been replaced and it took two days instead of the 3 or 4 estimated. 2mm screens are next and it should be done within a week. Magnesium Hydroxide pilot program is going great and the crew is seeing a great residual affect of keeping the pH higher and less magnesium hydroxide is being used than was originally estimated. The Plant team will continue monitoring it before final approval.

3. CITY REPORT – Eric Durpos reported that Costco is targeting the second week in June to break ground, the Farmer's market is scheduled to start June 2nd and will much bigger this year. Sno-Isle is out to bid for the old police department location and interim will be behind Lundeen Park office, will be running temporarily until the tenant improvement is done. 20th project is wrapping up but there is a hold up on 91st but should be done by middle of August. On June 1st the library, museum, etc. will be moved out. Grimm house will be moved to its new location the second week in June. Festival Street is out to bid next week. State funding and STP dollars were approved for moving forward with downtown and the roundabout at 20th and Main St. Eric shared the design for the new Decant facility sign.

4. COMMISSIONERS' REPORT – Commissioner Kosche wanted to acknowledge Mr. Bennison's comments since the District doesn't receive them very often. Kevin did state in response to the comments that back in 2005 the leaders of the City came to the District for help and came to the original agreement that the District is trying to stick to it. Kevin also agreed that the Cybersecurity audit is very beneficial. The District should have tight protocols to back up information with phishing attacks being so common. Phishing emails are a very large problem and he suggested that training our staff to be aware is encouraged. It's worth looking for training on this. He also appreciates the work the City is doing to improve the City, as a commissioner and a citizen. Commissioner Stevenson said she attended the All Staff meeting last week and really enjoyed it and was happy to be included. Commissioner Lorentzen also appreciated Mr. Bennison's comments and letter. He also visited Brightwater which uses the same membrane treatment that our District uses but on a much larger scale. Dan thanked everyone for their hard work.

5. EXECUTIVE SESSION – Brad Cattle stated the Commission will recess into Executive Session at 9:45 AM and excused the general public; it is estimated the executive session will last until 10:10 AM. The purpose of the Executive Session, under RCW 42.30.110.1(i), is to discuss collective bargaining matters and pending litigation. At the conclusion of the Executive Session, there will not be action taken by the Board of Commissioners and there will not be any announcements made. The Commission Meeting will be adjourned at the conclusion of the Executive Session without an announcement. At 10:09 AM Commissioner Lorentzen extended the executive session until 10:30 AM.

6. **CONCLUDE** – Commissioner Kosche moved to adjourn the Board Meeting at 10:31 AM. Commissioner Stevenson seconded the Motion. The Motion passed unanimously at.

Signed at a regular open public meeting this 27^h day of May 2021

Dan Lorentzen, President and Commissioner

Jennifer Stevenson, Commissioner

Kevin Kosche, Secretary and Commissioner

Travelers Risk Control
Suite 1000
1501 4Th Avenue
Seattle, WA 98101

April 16, 2021

Mr. Jim Heitzman
Plant Supervisor
Lake Stevens Sewer District
7110 9Th Street Se
Lake Stevens, WA 98258

Dear Mr. Heitzman:

I would like to thank you for taking the time to meet with me on April 15, 2021. This letter summarizes my visit and our discussions.

RECOMMENDATIONS

The following recommendations are offered to help you in your efforts to improve your current safety program and help reduce your potential losses.

NEW RECOMMENDATIONS

21-01 Establish Annual Thermographic Inspection Program

Implement an infrared thermographic inspection program of the electrical distribution equipment. Thermographic inspections are useful in early detection of incipient electrical faults that could lead to electrical failure or fire. Switchgear, cable and bus, motors and their controllers and other electrical devices should be scanned using an infrared thermographic imager. Proper arc flash protocol should be followed when working around energized electrical equipment. Infrared thermographic inspections should be conducted by an individual who is at least a Level 2 Certified Infrared Thermographer as specified in the American Society of Nondestructive testing (ASNT) SNT-TC-1A guidelines. Inspections should be conducted at least annually, and records of thermographic surveys should be retained and compared with previous results. The inspection program should include requirements to correct deficiencies that are identified. Inspection frequency may be extended or reduced once a clear pattern of test results has been developed.

Please provide a copy of the first thermographic inspection report to complete and close this recommendation.

The resource(s) below will help you with this recommendation:
Infrared inspection
Maintenance guidelines for electrical equipment

I would appreciate a written response within 30 days on your plans or actions taken to address the recommendations submitted in this report. For your convenience, you may mail or email your response to me.

Please note Job #: **0999-9HSPPR** on your correspondence.

We appreciate your business and the opportunity to be of service. If you have questions regarding the discussions, the content of the report, or if I can be of further assistance, please contact me. Thank you for choosing Travelers.

Sincerely,



Fred A. Evensen
Risk Control Consultant
816-615-9138
FEVENSEN@travelers.com

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- **Self-assessments** to help you identify and address safety program gaps
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- **Fire Protection System Impairment Tool** to report, track and manage sprinkler system impairments using our Risk Toolworks[®] App
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If you have questions, please email us at Ask-Risk-Control@travelers.com.



Risk Toolworks[®]

In the office or on-the-go, access our website 24/7 with our Risk Toolworks[®] Mobile app. [Video](#)

Available for iOS at the App Store and for Android at Google Play.

This report is based upon the information supplied by customer personnel and/or on the conditions and practices observed at the time of the visit. The report may not list all unsafe conditions and practices; others may exist. This report is not an endorsement of and it may not be used to endorse or promote any practices, procedures, or products. The survey activities or any recommendations in this report are designed to assist the customers named in the report in the management of their own safety activities and should not be construed as legal advice. The responsibility for making changes in the operations, procedures, or for implementing any recommendations is the customer's. All warranties are hereby disclaimed and no liabilities are assumed to any party for any damages that may arise from the use of or reliance upon information contained in this report. This report does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued, nor is it a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law.

Note: The visit and this letter concern the following lines of coverage: Boiler & Machinery

Location: 7110 9Th Street Se
Lake Stevens, WA 98258

This correspondence is being sent on behalf of: The Travelers Indemnity Company, The Charter Oak Fire Insurance Company, The Travelers Indemnity Company of Connecticut, The Travelers Indemnity Company of America, The Phoenix Insurance Company, Travelers Property Casualty Company of America, The Travelers Indemnity Company of Missouri, Travelers Casualty and Surety Company, Travelers Casualty Insurance Company of America, NIPPONKOA Insurance Company, Limited (U.S. Branch), Northland Casualty Company, Northland Insurance Company, St Paul Fire and Marine Insurance Company, Travelers Excess and Surplus Lines Company.

0999-9HSPPR
Business Unit: PSEC
SAI: 7079J9171 Insured's Name: Lake Stevens Sewer District
LocID: RW_4034972

Distribution:

Orig: via email: james.heizman@lkssd.org

1 email : Rick Lewellen, Deputy Manager Of Wastewater Treatment Plant
Lake Stevens Sewer District
rlewellen@lkstevenssewer.org

1 email : Anna De La Cruz,
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1 email : January N Corbett, Underwriter
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SDAHLHAU@travelers.com

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MMCCUBBI@travelers.com

1 email : Lawrence Shupe li, Account Executive
LSHUPE@travelers.com

PURCHASED SERVICES CONTRACT

BETWEEN

LAKE STEVENS SEWER DISTRICT

AND

~~SIGMASIX~~ SOLUTIONS, INC.

SIGMA SIX SOLUTIONS, INC

This Purchased Services Contract (this “Contract”) is made and entered into this 24th day of May, 2021 by and between Lake Stevens Sewer District, a sewer district under the laws of the State of Washington (herein referred to as the “District”), and Sigmasix Solutions, a Corp. under the laws of the State of Washington (herein referred to as the “Contractor”)

Whereas, the District desires to engage the Contractor to provide the services specified below, and

Whereas, the District deems it advisable and desirable to engage the Contractor to provide the necessary services and materials to allow the District to accomplish its projects; and

Whereas, Contractor represents it is fully qualified and capable to perform the services and provide the materials required by this Contract, in a satisfactory manner, as defined by the District, and further represents compliance with Washington State statutes related to conducting agreed upon services with the District.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, or attached and incorporated and made a part hereof, the parties hereto agree as follows:

1. ENGAGEMENT of CONTRACTOR.

The District hereby agrees to engage the Contractor and the Contractor hereby agrees to provide; in a competent and professional manner, the services and deliverables specified in Section 2 below. The District is contracting with Contractor as an independent contractor and the parties expressly

acknowledge that no employer/employee relationship is established by this Contract. Contractor shall be responsible for all obligations relating to its employment relationship with its employees and/or its reporting obligations to any agencies including, without limitation, federal income tax, self-employment FICA taxes and contributions and all other employer taxes and contributions further including, without limitation, industrial insurance (Workers' Compensation) and that the Contractor agrees to indemnify, defend and hold the District harmless from any claims, valid or otherwise, made to the District, because of these obligations.

2. SCOPE OF SERVICES.

The work under this Contract shall consist of the described work and services as herein defined and necessary to accomplish the completed delivery and service for this contract. Contractor agreed to the following: **Perform all services and deliver any goods or materials in accordance with Proposal 9964 which is attached here to as Exhibit A and incorporated herein**

3. CONTRACT MANANGEMENT

The point of contact for each of the parties shall handle communications and billings regarding the services of this Contract and all subsequent materials assigned to this Contract.

Contractor Contact: John Parker

Title: Senior Sales Engineer

Address: 2200 West Valley Hwy N Suite 100
Auburn, WA 98001

Phone: 253.333.9730

District Contact: Mariah Low

Title: General Manager

Address: 1106 Vernon Rd, Suite A
Everett, WA 98258

Phone: 425.334.8588

4. DURATION OF CONTRACT.

The Contractor shall begin work as of the date the Contract is signed by both parties and will terminate the completion of the project will be acceptance of the Inspection that meets the needs of the District; provided, however, the District may terminate this Contract at any time by providing the Contractor with thirty (30) days written notice of Contract termination.

5. COMPENSATION AND PAYMENT.

The Contractor shall be paid by the District for properly completed services rendered under this Contract. Such payment shall be full compensation for a completed inspection report accepted by the District.

Payment for these services shall not exceed the agreed upon rates *unless authorized in writing* by the District according to the terms of this Contract.

Payment for these services stated in this Contract shall not exceed FORTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$47,500.00) according to terms of this Contract. The amount listed above does not include Washington State Sales Tax of 9%.

6. INDEMNIFICATION.

Contractor shall defend, indemnify and hold the District, its Commissioners, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorney fees, arising out of or in connection with the performance of this Contract, except for injuries and damages caused by the sole negligence of the District. The District's inspection or acceptance of any of the Contractor's work when completed shall not be grounds to avoid any of these covenants of indemnification. Should a court of competent jurisdiction determine that this Contract is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the District, its Commissioners, officials, employees, agents and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that this indemnification constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. The parties acknowledge that they have mutually negotiated this waiver.

7. INSURANCE REQUIREMENTS.

Contractor shall obtain and keep in force during entire term of this Contract, liability insurance against any and all claims for damages to person or property which may arise out of the performance of this Contract whether such work shall be by the Contractor, sub-contractor,

and/or their agents and/or employees. The Contractor agrees to the following requirements relating to insurance coverage and shall provide evidence of all insurance required by submitting an insurance certificate to the District on a standard “ACCORD” or comparable form:

- a. Commercial General Liability – coverage on occurrence from CG001 or equivalent with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate.
- b. Automobile Liability -covering owned, non-owned and hired vehicles with minimum of \$1,000,000 combined single limit per accident; and
- c. Professional Liability – a minimum of \$2,000,000 in the aggregate and \$1,000,000 per claim in professional liability insurance unless otherwise negotiated and confirmed in writing by both parties. Insurance coverage shall have a retroactive date before the date of notice to proceed and coverage shall remain in effect for the entire term of the Contract (plus 3 years).

The insurance required by this Contract shall be issued by an insurance company authorized to do business within the State of Washington, and the policies shall name the District, its agents and employees as additional insured’s. Except, however, that Contractor is not required to add the District or its agents and employees as an additional insured on its professional liability policy or workers comp policy. All policies shall be primary to any other valid and collectable insurance and not contributory to any similar insurance carried by the District and shall contain a severability of interest or cross liability clause. Such insurance shall not be canceled or materially altered without first giving thirty (30) days’ written notice thereof to the District. The Contractor shall submit renewal certificates as appropriate during the term of the Contract.

- d. Excess Coverage – By requiring insurance herein, the District does not represent that coverage and limits will be adequate to protect the Contractor and such coverage and limits shall not limit Contractor’s liability under the indemnities and reimbursements granted to the District in this Contract.

Additional requirements:

- e. Worker's Compensation - The Contractor shall comply with the Washington State Department of Labor & Industries Industrial Insurance program, for all of its employees who are required to be so covered by the laws of the State of Washington and in case any work is subcontracted, the Contractor shall require the subcontractor to provide worker's compensation insurance for all of its employees.
- f. Employment Security - The Contractor shall comply with all employment security laws of the State of Washington and shall timely make all required payments in connection therewith.

8. PRICE ADJUSTMENTS

Adjustments to the original approved Contract rates will be considered at the request of the either party during the annual anniversary of the Contract award date and shall be approved by both parties. The Contractor shall give a minimum of 30 days advance notice of any rate adjustment request to the District's Point of Contact. Any approved rate changes will be effective at the beginning of the calendar month following the end of the full thirty (30) day notification period. The Contractor shall provide a written request for the adjustment which will include the amount of the adjustment, reason for the requested price adjustment, justification for the adjustment and the amount or percentage of adjustment that would be passed on by the Contractor for materials, suppliers, if applicable. Increased rates must be supported by appropriate changes in the local market conditions that can be quantified.

9. ASSURANCES

The District and the Contractor agree that all work undertaken pursuant to this Contract will be in accordance with all the applicable current federal, state, and local laws, rules, and regulations.

10. ENTIRE CONTRACT

The Contract incorporates all contracts, covenants and understanding between the parties hereto are merged into this written Unit Priced Contract. No Prior agreement or prior understanding,

verbal or otherwise, of the parties or their agents shall be valid or enforceable unless set forth in this agreement.

11. NOTICES

All formal notices which are given or required to be given pursuant to the Contract shall be hand delivered or mailed as follows:

Sigmasix Solutions

Attn: John Parker

Address: 2200 West Valley Hwy N, Ste 100

Auburn, WA 98001

Lake Stevens Sewer District

Attn Melonie Grieser

Address: 1106 Vernon Rd Suite A

Lake Stevens, WA 98258

12. VENUE.

It is agreed that venue for any lawsuit arising out of this Contract shall be in Snohomish County.

13. SEVERABILITY.

If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void, insofar as it is in conflict with said laws. The remainder of the Agreement shall remain in full force and effect.

14. APPROVAL.

This Contract shall be subject to the written approval of the District's authorized representative and shall not be binding or effective until so approved. Each person signing this Contract on behalf of either party individually warrants that he or she has full legal power to execute this Contract on behalf of the party for whom he or she is signing, and bind and obligate such party with respect to all provisions contained in this Contract. The Contract may be altered, amended, or waived only by a written amendment executed by both parties.

Sigmasix Solutions, Inc.

By: _____

Name: _____ JOHN PARKER _____

Title: _____ SENIOR SALES ENGINEER _____

Date: _____ MAY 24, 2021 _____

Lake Stevens Sewer District

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A: Proposal 9964

May 15, 2020

Proposal 9964

Ms. Melonie Grieser
Lake Stevens Sewer District

Subject: Thermographic Inspection– Sunnyside Water Facilities

Dear Ms. Grieser,

Sigma Six is pleased to provide the following proposal for performing thermographic inspection of the electrical equipment listed below, installed as part of Sunnyside Water Facilities. Sigma Six will furnish all test equipment, labor, and technical supervision to perform these services in accordance with the manufacturer's instructions and the applicable procedures in the International **Electrical Testing Association (NETA)** – Acceptance Testing Specifications and Maintenance Testing Specifications.

Equipment

DRAWING E-2

Two (2) Generators
Two (2) Switchgear Assemblies
Four (4) Switchboards
Eleven (11) Motor Control Centers
Seven (7) Motor Control Centers with Transfer Switches
Four (4) Transfer Switches
Eight (8) Distribution Transformers
Fourteen (14) Panelboards
Three (3) Enclosed Circuit Breakers
One (1) Maintenance Bypass Module
Two (2) Battery Cabinets
One (1) Power Supply

Scope of Work

1. Visual and Thermographic Inspection
 - a. Inspect physical and mechanical conditions
 - b. Perform thermographic inspection when load is applied to the system. Equipment should have a *minimum of 40% load* in order to yield valid results.
 - c. Sigma Six will provide two electricians to remove any necessary covers prior to the inspection to gain access to the equipment being scanned. Use of appropriate caution, safety devices, and personal protective equipment (PPE) is included.
 - d. Inspect electrical equipment using a thermographic camera to detect overheating and poor connection points.

2. Test Parameters
 - a. Inspect distribution systems with imaging equipment capable of detecting a minimum temperature difference of 1° C at 30° C.
 - b. Equipment shall detect emitted radiation and convert detected radiation to visual signal

Sunnyside Water Facilities

Thermographic Inspection

Proposal Number 9964

May 12, 2021

Thermographic Inspection includes the following (continued)

3. Provide a report which includes the following:
 - a. List of discrepancies and actions taken.
 - b. Temperature differences between the area of concern and the reference area.
 - c. Probable cause of temperature difference.
 - d. Areas inspected. Identify inaccessible and unobservable areas and equipment.
 - e. Provide standard photographs and thermograms of the deficient areas only.

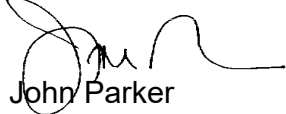
Pricing

The price for these thermographic inspections will be **\$47,500.00** plus any applicable taxes. Pricing is based on completing the inspections in two weeks, during five continuous workdays each week. If required and approved by the customer any additional time needed to complete the inspections will be billed on a time and material basis.

Other Considerations

1. Sigma Six is a corporately and financially independent testing organization that functions as an unbiased testing authority, professionally independent of the manufacturer, suppliers, and installers of the equipment.
2. All Sigma Six technicians are currently certified by the InterNational **Electrical Testing Association (NETA)** in electrical power distribution system testing.
3. Sigma Six is providing professional testing services only and is therefore not subject to the withholding of payment for retention purposes.
4. Any deficiencies noted during the inspection requiring repairs will be the responsibility of others.
5. The customer will provide free and clear access to equipment, and any necessary drawings/documentation to perform required testing and inspections.
6. Services performed under this quotation are based on the equipment being tested once and available for testing during straight time hours. If overtime or premium time work is required and authorized by the customer a differential charge will be applied to the hourly rate.
7. All work shall be performed in accordance with attached terms and conditions unless other terms and conditions are agreed to in writing by Sigma Six.
8. Sigma Six will not be responsible for postponed, cancelled, or delays in scheduling due to changes in project or end user requirements. The customer will be notified that time incurred for this reason will be charged per the published rate schedule.
9. This proposal shall remain valid for 45 days from the date of issue.

Please contact me if you have any questions or require more information.



John Parker
Senior Sales Engineer

SIGMA SIX SOLUTIONS, INC. TERMS AND CONDITIONS

Sigma Six Solutions, Inc. is herein referred to as "SIGMA SIX SOLUTIONS, INC.". The person or entity purchasing services or equipment is herein referred to as "Buyer".

1. **Order Acceptance**
Performance of any services or sale of equipment by SIGMA SIX SOLUTIONS, INC. is expressly conditioned upon the terms and conditions herein. Issuance of an order by Buyer for services or equipment shall constitute Buyer assent to these terms and conditions and any contrary terms in Buyer's order or otherwise shall not be binding upon SIGMA SIX SOLUTIONS, INC.
2. **Prices**
Prices quoted by SIGMA SIX SOLUTIONS, INC. shall remain in effect for the period stated in SIGMA SIX SOLUTIONS, INC.'s written quotation or proposal, or, if none is stated, for ninety (90) days after the quotation is given. If SIGMA SIX SOLUTIONS, INC. does not receive an order from Buyer within the effective period, SIGMA SIX SOLUTIONS, INC. may change prices for services to those in effect at the time an order is received. Prices do not include any sales, use, excise, value-added or similar taxes. Taxes shall be the responsibility of Buyer and SIGMA SIX SOLUTIONS, INC. shall include them on all invoices, absent receipt of an appropriate exemption from Buyer.
3. **Payment**
Buyer shall be billed monthly for services performed in the month, except that SIGMA SIX SOLUTIONS, INC., at its discretion, may require monthly progress payments for services requiring more than thirty (30) days to complete. Payment terms are net thirty (30) days from date of invoice. Payments not received within thirty (30) days of date of invoice shall be subject to a late payment charge of one percent (1%) per month or the maximum rate allowed by law, whichever is lower, and/or SIGMA SIX SOLUTIONS, INC. may suspend performance of services without liability to Buyer until payment of any overdue amount is made in full, including any interest charges. SIGMA SIX SOLUTIONS, INC. reserves the right to demand different payment terms if SIGMA SIX SOLUTIONS, INC. determines that circumstances warrant such measures. Buyer shall be liable to SIGMA SIX SOLUTIONS, INC. for all expenses relating to the collection of past due amounts.
4. **Warranty**
For a period of one (1) year from providing of services, SIGMA SIX SOLUTIONS, INC. warrants to Buyer that services provided will be performed by trained personnel using proper equipment and instrumentation for the particular service provided. Any analysis of data, subsequent recommendations and other services will be in accordance with established industry standards and practices, as applicable. Warranties applicable to equipment, parts or materials furnished by SIGMA SIX SOLUTIONS, INC. are those provided by the manufacturers of such equipment, parts or materials only, to the extent assignable to Buyer. SIGMA SIX SOLUTIONS, INC. shall provide all reasonably available information to Buyer regarding such manufacturer warranties. EXCEPT AS SPECIFICALLY PROVIDED FOR ABOVE, SIGMA SIX SOLUTIONS, INC. EXTENDS NO WARRANTIES OF ANY KIND TO THIRD PARTY SERVICES, EQUIPMENT OR MATERIALS AND HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
5. **Remedy and Limitation of Damages**
BUYER'S EXCLUSIVE REMEDY FOR FAILURE OF SIGMA SIX SOLUTIONS, INC. PERFORMANCE SHALL BE SIGMA SIX SOLUTIONS, INC.'S PROPER PERFORMANCE OF CONTRACTED SERVICES. IN NO EVENT SHALL SIGMA SIX SOLUTIONS, INC.'S LIABILITY EXCEED THE TOTAL CHARGES PAID BY BUYER FOR SERVICES PROVIDED.
6. **Disclaimer**
IN NO EVENT SHALL SIGMA SIX SOLUTIONS, INC. ASSUME ANY LIABILITY FOR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES OF ANY KIND WHATSOEVER, INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTION, OR LOSS OF USE, REVENUE, OR DATA, WHETHER ANY CLAIM IS BASED UPON THEORIES OF CONTRACT, NEGLIGENCE, STRICT LIABILITY, TORT OR OTHERWISE, EVEN IF INFORMED OF THE POSSIBILITY OF SAME.
7. **Insurance**
SIGMA SIX SOLUTIONS, INC. hereby represents to Buyer that it has and shall maintain for the duration of any order or contract for services between SIGMA SIX SOLUTIONS, INC. and Buyer, and for the period of any obligations remaining thereafter, the following insurance policies: i) Workers' Compensation insurance as required by the State in which services are to be performed; ii) Comprehensive General Liability insurance written on an "occurrence" policy form covering bodily injury, property damage, personal injury and contractual liability. Buyer hereby represents to SIGMA SIX SOLUTIONS, INC. that it has Comprehensive General Liability insurance as provided for in ii) above, and that it will maintain such insurance for the term described above. Each party hereby waives all rights of subrogation each may have under such policies.
8. **Hiring of Employees**
Buyer agrees that during the execution of the Services by Sigma Six Solutions and for a period of twelve (12) months after the performance of the services, it will not hire any employee(s) or former employee (s) of Sigma Six Solutions and will not entice or counsel any such employee(s) to leave Service Provider's employ. Buyer agrees that this covenant shall extend to its agents and affiliates.
9. **Indemnification**
Each party shall indemnify and hold the other party harmless from loss, damage, liability or expense resulting from damage to property of a third party, or injuries, including death, to third parties to the extent caused by a negligent act or omission of the party providing indemnification or a party's subcontractors, agents or employees during performance of services hereunder. Such indemnification shall be reduced to the extent attributable to others. The indemnifying party shall defend the other party in accordance with and to the extent of the above indemnification, provided that the indemnifying party is: i) promptly notified by the other party, in writing, of any claims, demands or suits for such damages or injuries; ii) given all reasonable information and assistance by the other party; iii) given full control over any resulting negotiation, arbitration or litigation, or the indemnifying party's obligations herein shall be deemed waived. The indemnification obligations under this section shall survive the termination or expiration of an order or contract between the parties for a period of five (5) years.
10. **Cancellation/Termination**
SIGMA SIX SOLUTIONS, INC. may cancel any order or terminate any agreement without liability to Buyer if Buyer fails to meet the conditions specified herein, or if Buyer becomes insolvent or bankrupt. Buyer may cancel orders only upon reasonable advance written notice to SIGMA SIX SOLUTIONS, INC. and upon payment to SIGMA SIX SOLUTIONS, INC. of SIGMA SIX SOLUTIONS, INC.'s cancellation charges, which include all costs and expenses incurred by SIGMA SIX SOLUTIONS, INC. in the course of performance under an order or agreement and amounts adequate to cover any commitments made by SIGMA SIX SOLUTIONS, INC.
11. **Buyer Responsibilities**
Buyer shall provide SIGMA SIX SOLUTIONS, INC. ready access to the site where services are to be performed and adequate work space and facilities to perform same as provided in these SIGMA SIX SOLUTIONS, INC. terms and conditions. Buyer shall not require SIGMA SIX SOLUTIONS, INC. or its employees, as a condition to site access or otherwise, to further agree or enter into any agreement which waives, releases, indemnifies or otherwise limits or expands any rights or obligations whatsoever. Any such agreements shall be null and void. Buyer shall inform SIGMA SIX SOLUTIONS, INC., in writing, at the time of order placement, of any known hazardous substance or condition at the site, including, but not limited to, the presence of asbestos or asbestos containing materials, and shall provide SIGMA SIX SOLUTIONS, INC. with any applicable Material Safety Data Sheets regarding same. Buyer shall appoint a representative familiar with the site and the nature of the services to be performed by SIGMA SIX SOLUTIONS, INC. to be present at all times that SIGMA SIX SOLUTIONS, INC. personnel are at the site. SIGMA SIX SOLUTIONS, INC. shall not be liable for any expenses incurred by Buyer in removing, replacing or refurbishing any Buyer equipment or any part of Buyer's building structure that restricts SIGMA SIX SOLUTIONS, INC. access. Buyer personnel shall cooperate with and provide all necessary assistance to SIGMA SIX SOLUTIONS, INC.. Unless otherwise agreed to by SIGMA SIX SOLUTIONS, INC., Buyer shall arrange for utility outages, site lighting and power as may be needed in the course of SIGMA SIX SOLUTIONS, INC. performance of services. SIGMA SIX SOLUTIONS, INC. shall not be liable or responsible for any work performed by Buyer. SIGMA SIX SOLUTIONS, INC. shall not perform any power switching unless specifically requested by Buyer. Notwithstanding Buyer's request, SIGMA SIX SOLUTIONS, INC. may refuse to perform power switching, if in the opinion of SIGMA SIX SOLUTIONS, INC., such action would be unsafe. In the event that SIGMA SIX SOLUTIONS, INC. performs power switching, Buyer shall indemnify, defend and hold SIGMA SIX SOLUTIONS, INC. harmless from any and all liability, actions, suits, claims, demands, damages, costs and expenses resulting from SIGMA SIX SOLUTIONS, INC.'s performance of power switching. If OSHA or any other federal, state or local government, trade association, or contractual regulations or standards require a "safety person" to be on site during the performance of services, or in the event of a trade union jurisdictional dispute where trade union personnel are required to assist or stand by during the performance of services by SIGMA SIX SOLUTIONS, INC., Buyer shall be responsible for providing for and paying for any charges or wages for such person(s), as applicable.
12. **Delay in Performance of Services**
SIGMA SIX SOLUTIONS, INC. shall not be liable or responsible for cost, expense, or damage due to a delay in performance of services or other obligations when such delay is due to causes beyond SIGMA SIX SOLUTIONS, INC.'s reasonable control, including, but not limited to, natural disasters, acts of government, power failure, acts of God, labor disputes, acts of war, or material or transportation shortages.
13. **Miscellaneous**
These terms and conditions shall be governed by and performance construed in accordance with the laws of the State of Washington. If any section or part of these terms and conditions is or becomes illegal, unenforceable or invalid, then such part or section shall be struck and shall not affect the remaining parts or sections. These terms and conditions represent the entire, final and complete agreement between the parties with respect to the subject matter herein and supersede all prior or contemporaneous oral or written communications, representations or agreements relating to this subject. These terms and conditions may be modified only by a writing signed by both parties.

THERMOGRAPHIC INSPECTION BID SUMMARY SHEET
Lake Stevens Sewer District
Wastewater Treatment Plant Inspection

3 Companies replied to the District bid request:

IEM (Time and Materials only quote)	\$4182.93
McKinstry	\$52,000
Sigmasix Solutions	\$47,500

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

This Settlement Agreement And Release Of Claims (this "AGREEMENT") is made this 23 day of May, 2021 by and between the Lake Stevens Sewer District, a sewer district organized under the laws of the State of Washington (the "DISTRICT") and Sarah Opdahl AND Marc Opdahl, individually and as a marital community ("OPDAHL").

RECITALS

A. OPDAHL damaged two (2) tires on their vehicle by driving over a DISTRICT manhole cover that was not secured in place. The damage to the two (2) vehicle tires required replacement of all four (4) tires in a total amount of One Thousand Fifty-Eight and 75/100 Dollars (\$1,058.75).

B. The DISTRICT has agreed to reimburse OPDAHL for the cost of their tire replacement.

C. The DISTRICT and OPDAHL enter this Agreement to document the payment as full settlement of the OPDAHL claim against the DISTRICT.

AGREEMENT

1. The DISTRICT shall pay the total amount of One Thousand Fifty-Eight and 75/100 Dollars (\$1,058.75) to OPDAHL. This payment is to settle any and all claims that OPDAHL may have against the DISTRICT, its officials, employees, contractors and/or agents including, without limitation, damage to the OPDAHL vehicle and/or injuries to any passengers in the OPDAHL vehicle at the time the vehicle ran over the manhole cover and is consideration for the Release in this Agreement.

3. OPDAHL knowingly and voluntarily releases and forever discharges, to the full extent permitted by law, the DISTRICT and all its officials, employees, contractors and/or agents, from any and all claims which OPDAHL individually and their marital community have as of the date of this Agreement or may have in the future.


4. This Agreement shall be governed in accordance with the laws of the State of Washington.

The parties knowingly and voluntarily execute this Settlement Agreement And Release Of Claims as of the date(s) set forth below.


LAKE STEVENS SEWER DISTRICT

SARAH OPDAHL AND MARC OPDAHL

MARIAH LOW
Interim General Manager
May __, 2021



SARAH OPDAHL
May 23, 2021



MARC OPDAHL
May 23, 2021