

**RESOLUTION NO. 09-582**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO THE AGREEMENT WITH PACWEST ENGINEERING FOR A WATER RATE STUDY RELATED TO A POTENTIAL NESTLE WATERS NORTH AMERICA WATER SALE**

**WHEREAS**, the Black Diamond City Council is exploring the possibility of entering into an agreement with the Nestle Corporation for construction of a water bottling facility within the City and sale of water to Nestle for bottling purposes; and

**WHEREAS**, the City Council wants to carefully examine the potential financial impacts of this proposal before entering into such an agreement; and

**WHEREAS**, PacWest Engineering, LLC, is familiar with the City of Black Diamond's water system from the firm's comprehensive planning and rate studies for Black Diamond;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:**

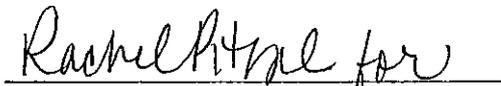
**Section 1.** The Mayor is authorized to execute Amendment #7 to the existing Professional Services Agreement with PacWest Engineering, with such amendment to include the terms and conditions as substantially set forth in Exhibit A, incorporated herein by reference. This amendment shall provide for PacWest to perform a financial analysis of the sale of water to Nestle for a water bottling plant and other analysis as provided in the amendment, with the cost of such analysis not to exceed \$14,690.

**PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 5TH DAY OF MARCH, 2009.**

CITY OF BLACK DIAMOND:

  
Howard Botts, Mayor

Attest:

  
Brenda L. Streepy, City Clerk

February 26, 2009



City of Black Diamond  
Seth Boettcher, PE, Public Works Director  
PO Box 599  
Black Diamond, WA 98010

RE: Revised Proposal for Engineering Services in support of the Nestle Reimbursement Agreement

Dear Seth:

PacWest Engineering is pleased to submit this proposal to provide Civil Engineering services to the City of Black Diamond in support of the Reimbursement Agreement with Nestle. It is our understanding that the agreement is being extended through June 2009 and the City would like to include a scope for our services into the agreement extension. This proposal has been developed based on our conversations with City staff, as well as our familiarity with your community.

**SCOPE OF SERVICES**

The following are included in the scope of services to be provided for completion of this project:

**Task 101 - Project Management and Coordination**

PacWest Engineering will provide general project management services. This phase includes overall project coordination services.

**Task 102 – Rate Impact Analysis**

PacWest Engineering will evaluate the proposed water usage of the Nestle Bottling plant in association with the water rates that were recently adopted. We will evaluate the proposed revenues to be collected from the Nestle Bottling plant, for the first six years of plant operation (assuming the plant goes online in 2010). We will also evaluate increased O&M costs for the City water utility as a result of the proposed Nestle Bottling Plant (i.e. increased testing requirements associated with the use of Tacoma Intertie water). We will consider the increased costs associated with the resulting use of Tacoma Water and calculate the net benefit for the City.

**Task 103 –Water System Impact Analysis**

PacWest Engineering will support the City in determining the impacts that the Nestle Bottling Plant may have on the City's water system. Specific items of work to be completed for this task are as follows:

**Tacoma Water Impact Analysis**

PacWest Engineering understands that Nestle desires to construct a waterline directly from the springs to their proposed bottling plant location. The addition of this high water usage customer to the City system will most likely require that the City of Black Diamond begin using Tacoma Water via the recently constructed intertie. We further understand that there are operational issues associated with the Tacoma Water that need to be identified and resolved prior to commencement of its use.

PacWest Engineering will evaluate usage of the Tacoma Water and provide recommendations for how best to address any concerns. Specific issues to be investigated include such topics as fluoridation, contact time requirements, etc.

5009 Pacific Highway E, Unit 9-0  
Fife, WA 98424  
(253) 926-3400  
(253) 926-3402 fax

**PACWEST ENGINEERING LLC**

### **Meetings**

Leonard L. Smith, PE/PLS will attend one coordination meeting a month for the time period of March 2009 through June 2009. He will also attend two meetings with City Council during this timeframe.

### **Water Modeling**

We understand that the City will handle most water line routing issues related to the City's comprehensive plan. PacWest Engineering will support the City by completing any necessary water system modeling.

### **Task 104 -AC & Small Line Waterline Replacement Estimates**

PacWest Engineering will prepare cost estimates for the replacement of all Asbestos Cement waterlines that are approaching their useful life. We will also prepare cost estimates for small diameter (less than 6") waterlines. These will be planning level cost estimates that include the replacement of individual services and reconstruction of the roadway as appropriate.

### **PROFESSIONAL STAFF**

**Leonard L. Smith, PE/PLS** will serve as the Principal in Charge and Project Manager for all work associated with the Nestle Reimbursement Agreement for the City of Black Diamond. He will oversee the preparation of all planning and technical work and will serve as the lead in the development of the recommendations. Mr. Smith will participate in all meetings and presentations to the City of Black Diamond and the Council and serve as the primary point of contact for the City.

**Christine J. Smith, PE** will assist Mr. Smith in the evaluation of the impacts that the Nestle Water Bottling plant may have on the City of Black Diamond's water system. Ms. Smith will also complete any necessary water system modeling.

### **BUDGET**

PacWest Engineering proposes to complete the work as outlined in this proposal on an hourly basis, not to exceed \$14,690 as detailed on the attached spreadsheet.

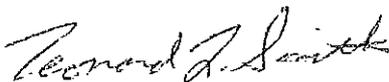
### **SCHEDULE**

PacWest Engineering will begin work immediately upon receiving signed authorization from the City. PacWest Engineering will dedicate the required staff to ensure the project proceeds in a timely manner and achieves the client's goals. PacWest Engineering is committed to respond to the needs of the project throughout the project's life.

PacWest Engineering understands that the City is extending the reimbursement agreement with Nestle through the end of June 2009 and that it is the City's intention that all work covered under this scope of services will be completed prior to that date.

Thank you for the opportunity to submit this proposal. If you have any questions, please contact me at (253) 926-3400x433.

Sincerely,



Leonard L. Smith, PE/PLS  
President, PacWest Engineering

**City of Black Diamond  
Engineering Services in Support of the Nestle Reimbursement Agreement**

PacWest Engineering									
	Leonard L. Smith, PE/PLS	Christine Smith, PE	Hrs	Cost	Admin (5%)	Expenses	Total		
Hourly Rate	\$145	\$125							
101 - Project Management & Coordination	10	0	10	\$1,450	\$73	\$50	\$1,573		
102 - Rate Impact Analysis	3	12	15	\$1,935	\$97	\$50	\$2,082		
103 - Water System Impact Analysis	24	40	64	\$8,480	\$424	\$50	\$8,954		
104 - AC/Small Line Replacement Estimates	3	12	15	\$1,935	\$97	\$50	\$2,082		
<b>TOTAL PROJECT HOURS</b>	<b>40</b>	<b>64</b>	<b>104</b>						
<b>TOTAL PROJECT COST</b>	<b>\$5,800</b>	<b>\$8,000</b>		<b>\$13,800</b>	<b>\$690</b>	<b>\$200</b>	<b>\$14,690</b>		
<b>PERCENTAGE OF TOTAL HOURS</b>	<b>38%</b>	<b>62%</b>							
		<b>100%</b>							