

CONTRACT FOR PROFESSIONAL SERVICES PROVIDED BY

Hiland Water Corp.
PO Box 699
Newberg, OR 97132

February 6, 2023

HILAND WATER CORP. (Hiland) will provide services to BURLINGTON WATER DISTRICT (BWD) according to the terms outlined below:

SERVICES & RESPONSIBILITIES

Hiland will provide full service operation of BWD, including all routine maintenance, testing services, repairs, management, billing, customer service, meter reading, communication, and projects as requested by the BWD Board of Directors.

Hiland will maintain regular office hours on business days Monday through Friday from 9:00 AM to 4:00 PM and Hiland on call personnel will be made available to respond to emergencies pertaining to Burlington Water District. In the event Hiland staff are called upon to address an emergency, time and materials will be charged in accordance with the emergency rate schedule provided in this agreement. For the purposes of this agreement an emergency is defined as an event that requires an immediate dispatch of Hiland staff or a dispatch of Hiland staff before 8:00 AM on the following business day.

Hiland will provide a qualified certified water operator to act as DRC for the Oregon Health Authority. Hiland will ensure compliance with regulatory agencies in all areas, including water testing and submitting reports.

Hiland will be available to provide consultation as requested. However, oversight, budgeting, and capital improvement planning will remain the responsibility of the BWD Board of Directors.

BILLING

Hiland Water will read customer water meters monthly and send water bills around the 25th of the same month on pre-printed Hiland billing cardstock. The due date will be on or near the 10th of the following month. Water rates and late fees will continue to be determined by the BWD Board of Directors.

Water users will be given the option to elect paperless billing and will have multiple payment options, including automatic payment, mailed payments, e-checks, and credit/debit cards. Customers can setup payments online through a customer portal or make one-time payments online without a login. They can also pay their bills over the phone. A third-party processor handles all credit/debit cards and charges additional fees. All other payment options are free of charge.

Customer collections due to non-payment will be handled in the same manner as all other Hiland customers. Disconnection notices are sent at least 15 calendar days in advance of disconnection if there are any charges that were overdue at the time of billing. For any payments not received 5 business days in advance of disconnection, another disconnection notice is sent. 48 hours prior to scheduled disconnection, the Hiland office attempts to contact any customers scheduled for disconnection to collect payment. If payment is not received before the disconnection visit, a Hiland staff person will go to the residence and attempt to collect payment in person. If successful, the customer will be assessed a \$35 fee, which will be retained by Hiland. If unsuccessful, the staff person will disconnect water service until payment is received. Upon reconnection, a \$60 fee will be assessed to the customer and retained by Hiland.

Checks remitted to Hiland with non-sufficient funds will generate customer fees ranging from \$4-\$25 depending on number of occurrences by that customer and the discretion of Hiland’s Accounting Manager. Hiland will retain these fees.

Whenever the account holder changes on a water account (new tenant or property sale), an activation fee of \$30 will be assessed to the account and will be retained by Hiland. If a landlord is the account holder between tenants, they will be exempt from the activation fee while holding the account during interim periods.

COMPENSATION

Compensation will be broken into three categories: a monthly base fee of \$3,025.00, pass-through customer charges, and charges for other services. When all customer meters are replaced with radio meters that no longer need to be manually read, the base fee will be reduced to \$2,825.00.

The base fee will include the following:

- Meter reading, billing, & payment receiving, accounting, customer service
- All required water testing (routine & less frequent tests), including labor, transport, and laboratory costs
- Marking for locates (accuracy cannot be guaranteed) and ground maintenance at BWD reservoir
- Office administration, overhead costs, and reporting to the BWD Board of Directors
- Office time required to reserve meeting room for Board Meetings and to place newspaper ads
- Completion, distribution, and submission of required regulatory reports, such as the annual ASR & CCR reports
- Accounting, handling accounts payable
- Provision of operator of record for OHA (DRC)
- 24/7 Emergency response availability (does not cover actual cost of emergencies)

Pass-through customer charges are as described above and include:

- Credit/debit card transaction fees (collected directly by third-party vendor)
- Collection & disconnection charges
- NSF Check fees
- Backflow prevention device testing
- Activation fees

Labor and non-labor for repairs, maintenance, or any other services not specified as base fee or pass-through tasks will be billed at the following rates and will be applicable to work time on site, drive time to and from site, and any preparation and clean up time at Hiland’s warehouse before and after work is completed. All rates are hourly unless otherwise indicated:

Individual/Equipment	Position	2023 Rates	2023 Emergency Rates
Monthly Base Fee		\$3,025.00/month*	N/A
Olson, Micah	Executive Director	\$120.00	\$144.00
Olson, Silas	General Manager	\$120.00	\$144.00
Olson, JJ	Compliance Manager	\$90.00	\$108.00
Olson, Aaron	Operations Manager	\$90.00	\$108.00
Olson, Melvin	Senior Field Operator	\$90.00	\$108.00
Geiger, Devin	Accounting Manager	\$90.00	\$108.00
Thompson, Matt	Distribution Manager	\$85.00	\$102.00
Olson, Curtis	Treatment Manager	\$85.00	\$102.00
Trotter, Robert	Project Manager	\$85.00	\$102.00
Howard, Paul	Utility Worker III	\$72.00	\$86.00
Oberacker, Tracey	Utility Worker III	\$72.00	\$86.00
Pomeroy, Chris	Utility Worker II	\$61.00	\$73.00
Jackson, Matt	Utility Worker II	\$61.00	\$73.00

Name	Area	2023 Rates	2023 Emergency Rates
Victor, Alex	Utility Worker I	\$52.00	\$62.00
Robitaille, Tiger	Utility Worker I	\$52.00	\$62.00
Adrian, Haidyn	Utility Worker I	\$52.00	\$62.00
Kylah Cook	Utility Worker I	\$52.00	\$62.00
Denney, Emily	Office	\$52.00	\$62.00
Hughes, Teresa	Office	\$52.00	\$62.00
Estrada, Jonathan	Office	\$52.00	\$62.00
Rider, Isaac	Office	\$52.00	\$62.00
Backflow test		\$40.00/test	N/A
Service Truck		\$20.00	\$20.00
Vac trailer		\$60.00	\$60.00
5-yard dump truck		\$70.00	\$70.00
9,200 lb excavator		\$450.00/day	\$450.00/day
Direct Expenses		Cost + 10%	Cost + 10%
Subcontractor		Cost + 10%	Cost + 10%

*Monthly base fee will be reduced to \$2,825.00 when all customers meters are replaced with radio meters that no longer need to be manually read.

For services outside of base services and pass-through services, Hiland will minimize cost by limiting staff use to only the extent necessary for the situation (most leaks can be fixed by one or two people). Hiland will also use the lowest paid available staff qualified to resolve whatever problems arise. Through this approach and the additional services provided through the base fee, we believe that the overall annual O&M cost to BWD (base & other charges combined) can be minimized.

Backflow Prevention Assembly Testing. Hiland has certified backflow testers on staff and can administer the testing program. Some districts provide this as a service to the water users while others leave the responsibility of testing with the individual property owners. If requested, Hiland will test backflow prevention devices for all the backflow prevention devices in BWD at a rate of \$40.00 per device.

Other BWD-specific items. The base fee does not include attendance of BWD Board Meetings, which would be billed on a T&M basis. The base fee does not include time required to manage the Portland Water Bureau contract, operate & monitor the telemetry system, or maintain and repair the booster pumps. Lastly, any requested analysis of water rates, preparation of budget recommendations, or other items not specifically shown in the base fee will be charged according to the T&M schedule shown above.

Hiland Water carries liability insurance and uses insured contractors, but BWD may elect to carry its own insurance as well.

After the close of each calendar month or as mutually agreed, Hiland will provide revenue reports mutually agreed upon by both parties and payment for all revenues collected during the month less the base fee, pass-through customer charges, and other T&M charges. Hiland will not provide any information related to the cost of providing base services, but charges for other services will be itemized in a monthly invoice, providing names of staff or category of reimbursement, dates of service, quantity of hours worked, and charges for each. Invoices will be provided to BWD for review and should be paid in a timely manner when a balance is due.

Hiland Water will not directly manage funds held by BWD or access BWD bank accounts for the purpose of deposit, withdrawal, or transfer unless authorized in writing by a member of the BWD Board of Directors. All bills paid on behalf of BWD by Hiland Water will be reimbursed to Hiland Water along with the applicable markup. Hiland Water will not pay BWD expenses using BWD funds or bank accounts.

TERM & SCHEDULE

This agreement will be in effect from May 1, 2023 until December 31, 2023 and will renew automatically each year on January 1 unless either party provides written notification of termination at least 45 days prior to the renewal date. If changes to the agreement will be required by either party, those changes must be communicated to the other party at least 90 days prior to renewal.

Agreed upon by the undersigned, representing HILAND WATER CORP. and BURLINGTON WATER DISTRICT:

HILAND WATER CORP.

BURLINGTON WATER DISTRICT

Name _____

Name _____

Signature _____

Signature _____

Title _____

Title _____

Date _____

Date _____