

**Utility Advisory Committee
City Council Chambers
Port Angeles, WA 98362
December 10, 2019
3:00 p.m.**

AGENDA

- I. Call To Order**
- II. Roll Call**
- III. Approval Of Minutes for September, 2019**
- IV. Late Items**
- V. Public Comment** – *The Utility Advisory Committee desires to allow the opportunity for Public Comment. However, the business of the City must proceed in an orderly, timely manner. At its most restrictive, Public Comment shall be limited to a total of 15 minutes. Individuals may speak for three (3) minutes or less, depending on the number of people wishing to speak. If more than 20 people are signed up to speak, each speaker may be allocated two (2) minutes. (Taken from Council Rules of Procedure Section 12).*
- VI. Discussion Items:**
 - A. FY 2019-2021 Water Quality Stormwater Capacity Grant Agreement Contract No. WQSWCAP-1921-PoAnPW-00101.
 - B. Proposed Adjustments to 2019 Industrial Transmission Rates
- VII. Information Only Items:**
- VIII. Next Meeting Date:** February 11, 2020
- IX. Adjournment**

UTILITY ADVISORY COMMITTEE MEETING

City Council Chambers
Port Angeles, WA 98362

September 24, 2019

3:00p.m

I. Call To Order

Vice Chair William Atkinson called the meeting to order at 3:02 pm.

II. Roll Call

UAC Assigned

Councilmembers Present: Deputy Mayor Kate Dexter, Councilmember Lindsey Schromen-Wawrin, Councilmember and Chair Cherie Kidd (3:04 pm),

UAC Members Present: Vice Chair William Atkinson, Mattias Järvegren, Paul Collins

UAC Members Absent: Raj Jethwa, Laura Dodd

Staff Present: Gregg King, Thomas Hunter, Nathan West, Jonathan Boehme, Sarina Carrizosa, MarySue French, Shailesh Shere, Rob Feller, Lucio Baack, William Bloor (4:00 pm), Marian Bodart, Yvette Nichols, and Michelle Hale

Others Present: 1 Citizens

III. Approval Of Minutes

Lindsey Schromen-Wawrin moved to approve the June 11, 2019, July 9, 2019, and August 13, 2019 minutes. Kate Dexter seconded the motion.
Motion carried 6-0.

IV. Late Items: None

V. Public Comment: None

VI. Discussion Items:

A. Stormwater Education and Outreach Services – Interlocal Agreement with Kitsap Co.

Lucio Baack, Civil/Utility Engineer II, requested the renewal of the Interlocal Agreement (ILA) with Kitsap County for stormwater outreach services. Since 2012, the City has successfully partnered with Kitsap County to economically meet the Phase II Municipal Stormwater NPDES Permit requirements. Partnership in the ILA brings together a consortium of stormwater permit jurisdictions on the Olympic Peninsula, and leverages Kitsap County staff

to develop effective and consistent outreach programs to be used by the West Sound Stormwater Outreach Group (WSSOG). Discussion was held.

Lindsey Schromen-Wawrin moved to forward a favorable recommendation to City Council to authorize the City Manager to sign the 3-year Interlocal Agreement with Kitsap County with an annual amount not to exceed \$12,209 and a total amount not to exceed \$36,627, and to make minor modifications to the agreement, as necessary. Seconded by Kate Dexter. Motion carried 6-0

B. 2019 Neighborhood Sewer Rehabilitation, WW0618

Rob Feller, Civil/Utility Engineer I, presented the 2019 Neighborhood Sewer Rehabilitation project, a multi-year Capital Improvement Project to repair or replace sanitary sewer lines. Annually the City crews perform Closed Circuit Television (CCTV) inspections to identify impaired assets, groundwater infiltration and troubleshoot specific operational issues. Compromised or problematic areas are identified, reviewed and prioritized for repair or replacement. Requesting UAC endorsement of the repair strategy and forward a favorable recommendation for City Council to award construction contracts. Discussion was held.

Kate Dexter moved to have the UAC endorse the repair strategy for the 2019 Neighborhood Sewer Rehabilitation, Project WW-06-18, and forward a favorable recommendation for City Council to award construction contracts. Seconded by Mattias Järvegren. Motion carried 6-0

C. Proposed Adjustments to the 2020 Utility Rates

MarySue French, Cost & Capital Accountant, presented in detail the proposed 2020 rates for all utilities. The rates were calculated using the approved Cost of Service (COSA) methodology. The rates presented utilize the principles and methodologies to determine true and fair costs associated with each utility and the associated customer classes. Nathan West, City Manager, expressed appreciation to Finance, Public Works and especially the UAC for their hard work in developing the rate structure and to City Council for adopting the rates. The 2020 (one, two and three year) rates, including any UAC recommendations, will be presented to City Council on October 1st, 2019. Discussion was held and more detail on low, medium, high consumption rates, and two ERU rate options (15 and 30), were requested to be included in the next presentation.

Lindsey Schromen-Wawrin moved to forward a favorable recommendation to City Council to adopt the recommended 2020 rates with the methodology explained with the exception of the ERU Stormwater cap being 30 instead of 15. Seconded by Kate Dexter. Motion carried 5 approvals and 1 abstention.

Lindsey Schromen-Wawrin moved to recommend City Council re-evaluate the Electric COSA to allocate power purchase costs to consumption rates rather than base rates prior to adopting 2022 electric utility rates. Seconded by William Atkinson. Motion carried 4-2

VII. Informational Only Items: None

VIII. Next Meeting Date: October 8, 2019

IX. Adjourment: 4:15 pm

Chair Cherie Kidd

Michelle Hale, Administrative Specialist II



Date: December 10, 2019
To: Utility Advisory Committee
From: Jonathan Boehme, *City Engineer, Deputy Director of Engineering*
Subject: FY 2019-2021 Water Quality Stormwater Capacity Grant Agreement
Contract No. WQSWCAP-1921-PoAnPW-00101

Summary: The Washington State Department of Ecology (Ecology) has offered a FY2019-2021 Biennial Stormwater Capacity Grant in the amount of \$95,000 to the City. This pass-through grant provides funding to implement and manage the City's National Pollutant Discharge Elimination System (NPDES) Phase II Municipal Stormwater Permit requirements.

Funding: Grant funding will be provided entirely by Ecology and will be capped at \$95,000 with no City fund matching requirements.

Recommendation: Staff requests the UAC recommend City Council authorize the City Manager to sign the FY 2019-2021 Stormwater Capacity Grant agreement with the Washington State Department of Ecology in the amount of \$95,000, and to make any subsequent amendments or minor modifications to the agreement, as necessary.

Background / Analysis: The Washington State Department of Ecology (Ecology) provides assistance to National Pollutant Discharge Elimination System (NPDES) Municipal Stormwater General Permittees through the biennial Capacity Grant program. This program provides financial assistance for activities, technical resources, and equipment to assist local governments in implementing the requirements of the Eastern and Western Washington Municipal Stormwater permits.

City staff submitted a grant application in July 2019 and Ecology awarded the grant to the City in October. The City received an additional \$45,000 above the grant program's base rate of \$50,000, as it is included on Ecology's hardship-eligible communities (defined as a community with a median household income less than 80% of the Washington State mean household income).

Staff will use the grant funds to supplement the budget required to meet the new requirements of the re-issued 2019-2024 NPDES Phase II Municipal Stormwater Permit. The new requirements include:

- Stormwater Management Plan and program updates,
- Revised City Ordinances/Code, Stormwater Management Action Plan development and implementation, and
- Illicit Discharge Detection and Elimination Program and Plan updates.

A consultant will be used to assist in the programmatic updates described above. Capital construction projects are not eligible for funding through this grant program.

Funding Overview: Ecology will reimburse the City for qualified expenditures up to \$95,000 incurred between July 1, 2019 and March 31, 2021. There are no City fund matching requirements, with grant awards covering 100 percent of eligible costs of the grant offer amount. The City is required to provide quarterly progress reports with each reimbursement request and prepare agreement close-out reports and final outcome summary reports to Ecology.



Agreement No. WQSWCAP-1921-PoAnPW-00101

WATER QUALITY STORMWATER CAPACITY AGREEMENT

BETWEEN

THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

AND

CITY OF PORT ANGELES

This is a binding Agreement entered into by and between the state of Washington, Department of Ecology, hereinafter referred to as “ECOLOGY,” and City of Port Angeles, hereinafter referred to as the “RECIPIENT,” to carry out with the provided funds activities described herein.

GENERAL INFORMATION

Project Title:	2019-2021 Biennial Stormwater Capacity Grants
Total Cost:	\$95,000.00
Total Eligible Cost:	\$95,000.00
Ecology Share:	\$95,000.00
Recipient Share:	\$0.00
The Effective Date of this Agreement is:	07/01/2019
The Expiration Date of this Agreement is no later than:	03/31/2021
Project Type:	Capacity Grant

Project Short Description:

This project will assist Phase I and II Permittees in implementation or management of municipal stormwater programs.

Project Long Description:

N/A

Overall Goal:

This project will improve water quality in the State of Washington by reducing stormwater pollutants discharged to state water bodies.

Agreement No: WQSWCAP-1921-PoAnPW-00101
Project Title: 2019-2021 Biennial Stormwater Capacity Grants
Recipient Name: City of Port Angeles

RECIPIENT INFORMATION

Organization Name: City of Port Angeles

Federal Tax ID: 91-6001266

DUNS Number: 148344047

Mailing Address: 321 East 5th Street
Port Angeles, WA 98362-0217

Physical Address: 321 East 5th Street
Port Angeles, Washington 98362-0217

Organization Email: jboehme@cityofpa.us

Organization Fax: (360) 417-4709

Contacts

Agreement No: WQSWCAP-1921-PoAnPW-00101
 Project Title: 2019-2021 Biennial Stormwater Capacity Grants
 Recipient Name: City of Port Angeles

<p>Project Manager</p>	<p>Vincent McIntyre Civil/Utility Engineer I</p> <p>321 East 5th Street Port Angeles, Washington 98362-0217 Email: vmcintyr@cityofpa.us Phone: (360) 417-4701</p>
<p>Billing Contact</p>	<p>Vincent McIntyre Civil/Utility Engineer I</p> <p>321 East 5th Street Port Angeles, Washington 98362-0217 Email: vmcintyr@cityofpa.us Phone: (360) 417-4701</p>
<p>Authorized Signatory</p>	<p>Nathan A. West City Manager</p> <p>321 E. Fifth Street Port Angeles, Washington 98362 Email: nwest@cityofpa.us Phone: (360) 417-4751</p>

Agreement No: WQSWCAP-1921-PoAnPW-00101
 Project Title: 2019-2021 Biennial Stormwater Capacity Grants
 Recipient Name: City of Port Angeles

ECOLOGY INFORMATION

Mailing Address: Department of Ecology
 Water Quality
 PO BOX 47600
 Olympia, WA 98504-7600

Physical Address: Water Quality
 300 Desmond Drive SE
 Lacey, WA 98503

Contacts

<p>Project Manager</p>	<p>Kyle Graunke</p> <p>PO Box 47600 Olympia, Washington 98504-7600 Email: kygr461@ecy.wa.gov Phone: (360) 407-6452</p>
<p>Financial Manager</p>	<p>Kyle Graunke</p> <p>PO Box 47600 Olympia, Washington 98504-7600 Email: kygr461@ecy.wa.gov Phone: (360) 407-6452</p>

Agreement No: WQSWCAP-1921-PoAnPW-00101
Project Title: 2019-2021 Biennial Stormwater Capacity Grants
Recipient Name: City of Port Angeles

AUTHORIZING SIGNATURES

RECIPIENT agrees to furnish the necessary personnel, equipment, materials, services, and otherwise do all things necessary for or incidental to the performance of work as set forth in this Agreement.

RECIPIENT acknowledges that they had the opportunity to review the entire Agreement, including all the terms and conditions of this Agreement, Scope of Work, attachments, and incorporated or referenced documents, as well as all applicable laws, statutes, rules, regulations, and guidelines mentioned in this Agreement. Furthermore, the RECIPIENT has read, understood, and accepts all requirements contained within this Agreement.

This Agreement contains the entire understanding between the parties, and there are no other understandings or representations other than as set forth, or incorporated by reference, herein.

No subsequent modifications or amendments to this agreement will be of any force or effect unless in writing, signed by authorized representatives of the RECIPIENT and ECOLOGY and made a part of this agreement. ECOLOGY and RECIPIENT may change their respective staff contacts without the concurrence of either party.

This Agreement shall be subject to the written approval of Ecology’s authorized representative and shall not be binding until so approved.

The signatories to this Agreement represent that they have the authority to execute this Agreement and bind their respective organizations to this Agreement.

Washington State
Department of Ecology

City of Port Angeles

By: _____

By: _____

Heather R. Bartlett
Water Quality
Program Manager
Date

Nathan A. West
City Manager
Date

Template Approved to Form by
Attorney General's Office

Agreement No: WQSWCAP-1921-PoAnPW-00101
 Project Title: 2019-2021 Biennial Stormwater Capacity Grants
 Recipient Name: City of Port Angeles

SCOPE OF WORK

Task Number: 1 **Task Cost: \$5,000.00**

Task Title: Project Administration/Management

Task Description:

A. The RECIPIENT shall carry out all work necessary to meet ECOLOGY grant or loan administration requirements. Responsibilities include, but are not limited to: maintenance of project records; submittal of requests for reimbursement and corresponding backup documentation; progress reports; and a recipient closeout report (including photos).

B. The RECIPIENT shall maintain documentation demonstrating compliance with applicable procurement, contracting, and interlocal agreement requirements; application for, receipt of, and compliance with all required permits, licenses, easements, or property rights necessary for the project; and submittal of required performance items.

C. The RECIPIENT shall manage the project. Efforts include, but are not limited to: conducting, coordinating, and scheduling project activities and assuring quality control. Every effort will be made to maintain effective communication with the RECIPIENT's designees; ECOLOGY; all affected local, state, or federal jurisdictions; and any interested individuals or groups. The RECIPIENT shall carry out this project in accordance with any completion dates outlined in this agreement.

Task Goal Statement:

Properly managed and fully documented project that meets ECOLOGY’s grant and loan administrative requirements.

Task Expected Outcome:

- * Timely and complete submittal of requests for reimbursement, quarterly progress reports, Recipient Closeout Report, and two-page Outcome Summary Report.

- * Properly maintained project documentation.

Project Administration/Management

Deliverables

Number	Description	Due Date
1.1	Progress Reports that include descriptions of work accomplished, project challenges, and changes in the project schedule. Submitted at least quarterly in EAGL.	
1.2	Recipient Closeout Report (EAGL Form).	
1.3	Two-page draft and Final Outcome Summary Reports.	

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SCOPE OF WORK

Task Number: 2 **Task Cost: \$90,000.00**

Task Title: Permit Implementation

Task Description:

Conduct work related to implementation of municipal stormwater National Pollutant Discharge Elimination System (NPDES) permit requirements. If the RECIPIENT is out of compliance with the municipal stormwater National Pollutant Discharge Elimination System (NPDES) permit, the RECIPIENT will ensure funds are used to attain compliance where applicable. The following is a list of elements RECIPIENT's project may include.

- 1) Public education and outreach activities, including stewardship activities.
 - 2) Public involvement and participation activities.
 - 3) Illicit discharge detection and elimination (IDDE) program activities, including:
 - a) Mapping of municipal separate storm sewer systems (MS4s).
 - b) Staff training.
 - c) Activities to identify and remove illicit stormwater discharges.
 - d) Field screening procedures.
 - e) Complaint hotline database or tracking system improvements.
 - 4) Activities to support programs to control runoff from new development, redevelopment, and construction sites, including:
 - a) Development of an ordinance and associated technical manual or update of applicable codes.
 - b) Inspections before, during, and upon completion of construction, or for post-construction long-term maintenance.
 - c) Training for plan review or inspection staff.
 - d) Participation in applicable watershed planning effort.
 - 5) Pollution prevention, good housekeeping, and operation and maintenance program activities, such as:
 - a) Inspecting and/or maintaining the MS4 infrastructure.
 - b) Developing and/or implementing policies, procedures, or stormwater pollution prevention plans at municipal properties or facilities.
 - 6) Annual reporting activities.
 - 7) Establishing and refining stormwater utilities, including stable rate structures.
 - 8) Water quality monitoring to implement permit requirements for a Water Cleanup Plan (TMDL). Note that any monitoring funded by this program requires submittal of a Quality Assurance Project Plan (QAPP) that the DEPARTMENT approves prior to awarding funding for monitoring.
- Monitoring, including:
- a) Development of applicable QAPPs.
 - b) Monitoring activities, in accordance with a DEPARTMENT- approved QAPP, to meet Phase I/II permit requirements.
- 9) Structural stormwater controls program activities (Phase I permit requirement)
 - 10) Source control for existing development (Phase I permit requirement), including:
 - a) Inventory and inspection program.
 - b) Technical assistance and enforcement.
 - c) Staff training.
 - 11) Equipment purchases that result directly in improved permit compliance. Equipment purchases must be specific to implementing a permit requirement (such as a vactor truck) rather than general use (such as a pick-up truck). Equipment

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purchases over \$5,000 must be pre-approved by Ecology.

Documentation of all tasks completed is required. Documentation may include: field reports, dates and number of inspections conducted, dates of trainings held and participant lists, number of illicit discharges investigated and removed, summaries of planning, stormwater utility or procedural updates, annual reports, copies of approved QAPPs, summaries of structural or source control activities, summaries of how equipment purchases have increased or improved permit compliance. Capital construction projects, incentives or give-a-ways, grant application preparation, TAPE review for proprietary treatment systems, or tasks that do not support Municipal Stormwater Permit implementation are not eligible expenses.

Task Goal Statement:

This task will improve water quality in the State of Washington by reducing the pollutants delivered by stormwater to lakes, streams, and the Puget Sound by implementing measures required by Phase I and II NPDES permits.

Task Expected Outcome:

RECIPIENTS will implement measures required by Phase I and II NPDES permits.

Permit Implementation

Deliverables

Number	Description	Due Date
2.1	Documentation of tasks completed	

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 Recipient Name: City of Port Angeles

Funding Distribution Summary

Recipient / Ecology Share

Funding Distribution Name	Recipient Match %	Recipient Share	Ecology Share	Total
1921 stormwater capacity	0.00 %	\$ 0.00	\$ 95,000.00	\$ 95,000.00
Total		\$ 0.00	\$ 95,000.00	\$ 95,000.00

AGREEMENT SPECIFIC TERMS AND CONDITIONS

N/A

SPECIAL TERMS AND CONDITIONS

GENERAL FEDERAL CONDITIONS

If a portion or all of the funds for this agreement are provided through federal funding sources or this agreement is used to match a federal grant award, the following terms and conditions apply to you.

A. CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY

EXCLUSION:

1. The RECIPIENT/CONTRACTOR, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT/CONTRACTOR is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT/CONTRACTOR shall provide immediate written notice to ECOLOGY if at any time the RECIPIENT/CONTRACTOR learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact ECOLOGY for assistance in obtaining a copy of those regulations.
4. The RECIPIENT/CONTRACTOR agrees it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
5. The RECIPIENT/CONTRACTOR further agrees by signing this agreement, that it will include this clause titled "CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION" without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. Pursuant to 2CFR180.330, the RECIPIENT/CONTRACTOR is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. RECIPIENT/CONTRACTOR acknowledges that failing to disclose the information required in the Code of Federal

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Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.

8. RECIPIENT/CONTRACTOR agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to ECOLOGY before requests for reimbursements will be approved for payment. RECIPIENT/CONTRACTOR must run a search in <http://www.sam.gov> and print a copy of completed searches to document proof of compliance.

B. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING REQUIREMENTS:

CONTRACTOR/RECIPIENT must complete the FFATA Data Collection Form (ECY 070-395) and return it with the signed agreement to ECOLOGY.

Any CONTRACTOR/RECIPIENT that meets each of the criteria below must report compensation for its five top executives using the FFATA Data Collection Form.

- Receives more than \$25,000 in federal funds under this award.
- Receives more than 80 percent of its annual gross revenues from federal funds.
- Receives more than \$25,000,000 in annual federal funds.

Ecology will not pay any invoices until it has received a completed and signed FFATA Data Collection Form. Ecology is required to report the FFATA information for federally funded agreements, including the required DUNS number, at www.frs.gov <http://www.frs.gov> within 30 days of agreement signature. The FFATA information will be available to the public at www.usaspending.gov <http://www.usaspending.gov>.

For more details on FFATA requirements, see www.frs.gov <http://www.frs.gov>.

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GENERAL TERMS AND CONDITIONS

Pertaining to Grant and Loan Agreements With the state of Washington, Department of Ecology

GENERAL TERMS AND CONDITIONS AS OF LAST UPDATED 7-1-2019 VERSION

1. ADMINISTRATIVE REQUIREMENTS

- a) RECIPIENT shall follow the "Administrative Requirements for Recipients of Ecology Grants and Loans – EAGL Edition." (<https://fortress.wa.gov/ecy/publications/SummaryPages/1701004.html>)
- b) RECIPIENT shall complete all activities funded by this Agreement and be fully responsible for the proper management of all funds and resources made available under this Agreement.
- c) RECIPIENT agrees to take complete responsibility for all actions taken under this Agreement, including ensuring all subgrantees and contractors comply with the terms and conditions of this Agreement. ECOLOGY reserves the right to request proof of compliance by subgrantees and contractors.
- d) RECIPIENT's activities under this Agreement shall be subject to the review and approval by ECOLOGY for the extent and character of all work and services.

2. AMENDMENTS AND MODIFICATIONS

This Agreement may be altered, amended, or waived only by a written amendment executed by both parties. No subsequent modification(s) or amendment(s) of this Agreement will be of any force or effect unless in writing and signed by authorized representatives of both parties. ECOLOGY and the RECIPIENT may change their respective staff contacts and administrative information without the concurrence of either party.

3. ACCESSIBILITY REQUIREMENTS FOR COVERED TECHNOLOGY

The RECIPIENT must comply with the Washington State Office of the Chief Information Officer, OCIO Policy no. 188, Accessibility (<https://ocio.wa.gov/policy/accessibility>) as it relates to "covered technology." This requirement applies to all products supplied under the agreement, providing equal access to information technology by individuals with disabilities, including and not limited to web sites/pages, web-based applications, software systems, video and audio content, and electronic documents intended for publishing on Ecology's public web site.

4. ARCHAEOLOGICAL AND CULTURAL RESOURCES

RECIPIENT shall take reasonable action to avoid, minimize, or mitigate adverse effects to archeological and historic resources. The RECIPIENT must agree to hold harmless the State of Washington in relation to any claim related to historical or cultural artifacts discovered, disturbed, or damaged due to the RECIPIENT's project funded under this Agreement.

RECIPIENT shall:

- a) Contact the ECOLOGY Program issuing the grant or loan to discuss any Cultural Resources requirements for their project:
 - For capital construction projects or land acquisitions for capital construction projects, if required, comply with Governor Executive Order 05-05, Archaeology and Cultural Resources.
 - For projects with any federal involvement, if required, comply with the National Historic Preservation Act.
 - Any cultural resources federal or state requirements must be completed prior to the start of any work on the project site.
- b) If required by the ECOLOGY Program, submit an Inadvertent Discovery Plan (IDP) to ECOLOGY prior to implementing any project that involves ground disturbing activities. ECOLOGY will provide the IDP form.

RECIPIENT shall:

- Keep the IDP at the project site.

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- Make the IDP readily available to anyone working at the project site.
 - Discuss the IDP with staff and contractors working at the project site.
 - Implement the IDP when cultural resources or human remains are found at the project site.
- c) If any archeological or historic resources are found while conducting work under this Agreement:
- Immediately stop work and notify the ECOLOGY Program, the Department of Archaeology and Historic Preservation at (360) 586-3064, any affected Tribe, and the local government.
- d) If any human remains are found while conducting work under this Agreement:
- Immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, and then the ECOLOGY Program.
- e) Comply with RCW 27.53, RCW 27.44.055, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting cultural resources and human remains.

5. ASSIGNMENT

No right or claim of the RECIPIENT arising under this Agreement shall be transferred or assigned by the RECIPIENT.

6. COMMUNICATION

RECIPIENT shall make every effort to maintain effective communications with the RECIPIENT's designees, ECOLOGY, all affected local, state, or federal jurisdictions, and any interested individuals or groups.

7. COMPENSATION

- a) Any work performed prior to effective date of this Agreement will be at the sole expense and risk of the RECIPIENT. ECOLOGY must sign the Agreement before any payment requests can be submitted.
- b) Payments will be made on a reimbursable basis for approved and completed work as specified in this Agreement.
- c) RECIPIENT is responsible to determine if costs are eligible. Any questions regarding eligibility should be clarified with ECOLOGY prior to incurring costs. Costs that are conditionally eligible require approval by ECOLOGY prior to expenditure.
- d) RECIPIENT shall not invoice more than once per month unless agreed on by ECOLOGY.
- e) ECOLOGY will not process payment requests without the proper reimbursement forms, Progress Report and supporting documentation. ECOLOGY will provide instructions for submitting payment requests.
- f) ECOLOGY will pay the RECIPIENT thirty (30) days after receipt of a properly completed request for payment.
- g) RECIPIENT will receive payment through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. If you have questions about the vendor registration process, you can contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.
- h) ECOLOGY may, at its sole discretion, withhold payments claimed by the RECIPIENT if the RECIPIENT fails to satisfactorily comply with any term or condition of this Agreement.
- i) Monies withheld by ECOLOGY may be paid to the RECIPIENT when the work described herein, or a portion thereof, has been completed if, at ECOLOGY's sole discretion, such payment is reasonable and approved according to this Agreement, as appropriate, or upon completion of an audit as specified herein.
- j) RECIPIENT must submit within thirty (30) days after the expiration date of this Agreement, all financial, performance, and other reports required by this agreement. Failure to comply may result in delayed reimbursement.

8. COMPLIANCE WITH ALL LAWS

RECIPIENT agrees to comply fully with all applicable federal, state and local laws, orders, regulations, and permits related to this Agreement, including but not limited to:

- a) RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of

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Washington which affect wages and job safety.

b) RECIPIENT agrees to be bound by all applicable federal and state laws, regulations, and policies against discrimination.

c) RECIPIENT certifies full compliance with all applicable state industrial insurance requirements.

d) RECIPIENT agrees to secure and provide assurance to ECOLOGY that all the necessary approvals and permits required by authorities having jurisdiction over the project are obtained. RECIPIENT must include time in their project timeline for the permit and approval processes.

ECOLOGY shall have the right to immediately terminate for cause this Agreement as provided herein if the RECIPIENT fails to comply with above requirements.

If any provision of this Agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

9. CONFLICT OF INTEREST

RECIPIENT and ECOLOGY agree that any officer, member, agent, or employee, who exercises any function or responsibility in the review, approval, or carrying out of this Agreement, shall not have any personal or financial interest, direct or indirect, nor affect the interest of any corporation, partnership, or association in which he/she is a part, in this Agreement or the proceeds thereof.

10. CONTRACTING FOR GOODS AND SERVICES

RECIPIENT may contract to buy goods or services related to its performance under this Agreement. RECIPIENT shall award all contracts for construction, purchase of goods, equipment, services, and professional architectural and engineering services through a competitive process, if required by State law. RECIPIENT is required to follow procurement procedures that ensure legal, fair, and open competition.

RECIPIENT must have a standard procurement process or follow current state procurement procedures. RECIPIENT may be required to provide written certification that they have followed their standard procurement procedures and applicable state law in awarding contracts under this Agreement.

ECOLOGY reserves the right to inspect and request copies of all procurement documentation, and review procurement practices related to this Agreement. Any costs incurred as a result of procurement practices not in compliance with state procurement law or the RECIPIENT's normal procedures may be disallowed at ECOLOGY's sole discretion.

11. DISPUTES

When there is a dispute with regard to the extent and character of the work, or any other matter related to this Agreement the determination of ECOLOGY will govern, although the RECIPIENT shall have the right to appeal decisions as provided for below:

- a) RECIPIENT notifies the funding program of an appeal request.
- b) Appeal request must be in writing and state the disputed issue(s).
- c) RECIPIENT has the opportunity to be heard and offer evidence in support of its appeal.
- d) ECOLOGY reviews the RECIPIENT's appeal.
- e) ECOLOGY sends a written answer within ten (10) business days, unless more time is needed, after concluding the review. The decision of ECOLOGY from an appeal will be final and conclusive, unless within thirty (30) days from the date of such decision, the RECIPIENT furnishes to the Director of ECOLOGY a written appeal. The decision of the Director or duly authorized representative will be final and conclusive.

The parties agree that this dispute process will precede any action in a judicial or quasi-judicial tribunal.

Appeals of the Director's decision will be brought in the Superior Court of Thurston County. Review of the Director's decision will not be taken to Environmental and Land Use Hearings Office.

Pending final decision of a dispute, the RECIPIENT agrees to proceed diligently with the performance of this Agreement and in

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accordance with the decision rendered.

Nothing in this Agreement will be construed to limit the parties' choice of another mutually acceptable method, in addition to the dispute resolution procedure outlined above.

12. ENVIRONMENTAL DATA STANDARDS

a) RECIPIENT shall prepare a Quality Assurance Project Plan (QAPP) for a project that collects or uses environmental measurement data. RECIPIENTS unsure about whether a QAPP is required for their project shall contact the ECOLOGY Program issuing the grant or loan. If a QAPP is required, the RECIPIENT shall:

- Use ECOLOGY's QAPP Template/Checklist provided by the ECOLOGY, unless ECOLOGY Quality Assurance (QA) officer or the Program QA coordinator instructs otherwise.
- Follow ECOLOGY's Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies, July 2004 (Ecology Publication No. 04-03-030).
- Submit the QAPP to ECOLOGY for review and approval before the start of the work.

b) RECIPIENT shall submit environmental data that was collected on a project to ECOLOGY using the Environmental Information Management system (EIM), unless the ECOLOGY Program instructs otherwise. The RECIPIENT must confirm with ECOLOGY that complete and correct data was successfully loaded into EIM, find instructions at:

<http://www.ecy.wa.gov/eim>.

c) RECIPIENT shall follow ECOLOGY's data standards when Geographic Information System (GIS) data is collected and processed. Guidelines for Creating and Accessing GIS Data are available at:

<https://ecology.wa.gov/Research-Data/Data-resources/Geographic-Information-Systems-GIS/Standards>. RECIPIENT, when requested by ECOLOGY, shall provide copies to ECOLOGY of all final GIS data layers, imagery, related tables, raw data collection files, map products, and all metadata and project documentation.

13. GOVERNING LAW

This Agreement will be governed by the laws of the State of Washington, and the venue of any action brought hereunder will be in the Superior Court of Thurston County.

14. INDEMNIFICATION

ECOLOGY will in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.

To the extent that the Constitution and laws of the State of Washington permit, each party will indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this Agreement.

15. INDEPENDENT STATUS

The employees, volunteers, or agents of each party who are engaged in the performance of this Agreement will continue to be employees, volunteers, or agents of that party and will not for any purpose be employees, volunteers, or agents of the other party.

16. KICKBACKS

RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this Agreement to give up any part of the compensation to which he/she is otherwise entitled to or receive any fee, commission, or gift in return for award of a subcontract hereunder.

17. MINORITY AND WOMEN'S BUSINESS ENTERPRISES (MWBE)

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RECIPIENT is encouraged to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned (WBE) businesses in purchases and contracts initiated under this Agreement.

Contract awards or rejections cannot be made based on MWBE participation; however, the RECIPIENT is encouraged to take the following actions, when possible, in any procurement under this Agreement:

- a) Include qualified minority and women's businesses on solicitation lists whenever they are potential sources of goods or services.
- b) Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.
- c) Establish delivery schedules, where work requirements permit, which will encourage participation of qualified minority and women's businesses.
- d) Use the services and assistance of the Washington State Office of Minority and Women's Business Enterprises (OMWBE) (866-208-1064) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

18. ORDER OF PRECEDENCE

In the event of inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable federal and state statutes and regulations; (b) The Agreement; (c) Scope of Work; (d) Special Terms and Conditions; (e) Any provisions or terms incorporated herein by reference, including the "Administrative Requirements for Recipients of Ecology Grants and Loans"; (f) Ecology Funding Program Guidelines; and (g) General Terms and Conditions.

19. PRESENTATION AND PROMOTIONAL MATERIALS

ECOLOGY reserves the right to approve RECIPIENT's communication documents and materials related to the fulfillment of this Agreement:

- a) If requested, RECIPIENT shall provide a draft copy to ECOLOGY for review and approval ten (10) business days prior to production and distribution.
- b) RECIPIENT shall include time for ECOLOGY's review and approval process in their project timeline.
- c) If requested, RECIPIENT shall provide ECOLOGY two (2) final copies and an electronic copy of any tangible products developed.

Copies include any printed materials, and all tangible products developed such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements, or gadgets with a message, such as a refrigerator magnet, and any online communications, such as web pages, blogs, and twitter campaigns. If it is not practical to provide a copy, then the RECIPIENT shall provide a description (photographs, drawings, printouts, etc.) that best represents the item.

Any communications intended for public distribution that uses ECOLOGY's logo shall comply with ECOLOGY's graphic requirements and any additional requirements specified in this Agreement. Before the use of ECOLOGY's logo contact ECOLOGY for guidelines.

RECIPIENT shall acknowledge in the communications that funding was provided by ECOLOGY.

20. PROGRESS REPORTING

- a) RECIPIENT must satisfactorily demonstrate the timely use of funds by submitting payment requests and progress reports to ECOLOGY. ECOLOGY reserves the right to amend or terminate this Agreement if the RECIPIENT does not document timely use of funds.
- b) RECIPIENT must submit a progress report with each payment request. Payment requests will not be processed without a progress report. ECOLOGY will define the elements and frequency of progress reports.
- c) RECIPIENT shall use ECOLOGY's provided progress report format.
- d) Quarterly progress reports will cover the periods from January 1 through March 31, April 1 through June 30, July 1 through

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September 30, and October 1 through December 31. Reports shall be submitted within thirty (30) days after the end of the quarter being reported.

e) RECIPIENT must submit within thirty (30) days of the expiration date of the project, unless an extension has been approved by ECOLOGY, all financial, performance, and other reports required by the agreement and funding program guidelines. RECIPIENT shall use the ECOLOGY provided closeout report format.

21. PROPERTY RIGHTS

a) Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property under this Agreement, the RECIPIENT may copyright or patent the same but ECOLOGY retains a royalty free, nonexclusive, and irrevocable license to reproduce, publish, recover, or otherwise use the material(s) or property, and to authorize others to use the same for federal, state, or local government purposes.

b) Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish ECOLOGY information; present papers, lectures, or seminars involving information supplied by ECOLOGY; or use logos, reports, maps, or other data in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to ECOLOGY.

c) Presentation and Promotional Materials. ECOLOGY shall have the right to use or reproduce any printed or graphic materials produced in fulfillment of this Agreement, in any manner ECOLOGY deems appropriate. ECOLOGY shall acknowledge the RECIPIENT as the sole copyright owner in every use or reproduction of the materials.

d) Tangible Property Rights. ECOLOGY's current edition of "Administrative Requirements for Recipients of Ecology Grants and Loans," shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by ECOLOGY in the absence of state and federal statutes, regulations, or policies to the contrary, or upon specific instructions with respect thereto in this Agreement.

e) Personal Property Furnished by ECOLOGY. When ECOLOGY provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to ECOLOGY prior to final payment by ECOLOGY. If said property is lost, stolen, or damaged while in the RECIPIENT's possession, then ECOLOGY shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.

f) Acquisition Projects. The following provisions shall apply if the project covered by this Agreement includes funds for the acquisition of land or facilities:

1. RECIPIENT shall establish that the cost is fair value and reasonable prior to disbursement of funds provided for in this Agreement.

2. RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this Agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses intended by this Agreement.

g) Conversions. Regardless of the Agreement expiration date, the RECIPIENT shall not at any time convert any equipment, property, or facility acquired or developed under this Agreement to uses other than those for which assistance was originally approved without prior written approval of ECOLOGY. Such approval may be conditioned upon payment to ECOLOGY of that portion of the proceeds of the sale, lease, or other conversion or encumbrance which monies granted pursuant to this Agreement bear to the total acquisition, purchase, or construction costs of such property.

22. RECORDS, AUDITS, AND INSPECTIONS

RECIPIENT shall maintain complete program and financial records relating to this Agreement, including any engineering documentation and field inspection reports of all construction work accomplished.

All records shall:

a) Be kept in a manner which provides an audit trail for all expenditures.

b) Be kept in a common file to facilitate audits and inspections.

c) Clearly indicate total receipts and expenditures related to this Agreement.

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d) Be open for audit or inspection by ECOLOGY, or by any duly authorized audit representative of the State of Washington, for a period of at least three (3) years after the final grant payment or loan repayment, or any dispute resolution hereunder. RECIPIENT shall provide clarification and make necessary adjustments if any audits or inspections identify discrepancies in the records.

ECOLOGY reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced. Any remedies and penalties allowed by law to recover monies determined owed will be enforced. Repetitive instances of incorrect invoicing or inadequate records may be considered cause for termination.

All work performed under this Agreement and any property and equipment purchased shall be made available to ECOLOGY and to any authorized state, federal or local representative for inspection at any time during the course of this Agreement and for at least three (3) years following grant or loan termination or dispute resolution hereunder.

RECIPIENT shall provide right of access to ECOLOGY, or any other authorized representative, at all reasonable times, in order to monitor and evaluate performance, compliance, and any other conditions under this Agreement.

23. RECOVERY OF FUNDS

The right of the RECIPIENT to retain monies received as reimbursement payments is contingent upon satisfactory performance of this Agreement and completion of the work described in the Scope of Work.

All payments to the RECIPIENT are subject to approval and audit by ECOLOGY, and any unauthorized expenditure(s) or unallowable cost charged to this Agreement shall be refunded to ECOLOGY by the RECIPIENT.

RECIPIENT shall refund to ECOLOGY the full amount of any erroneous payment or overpayment under this Agreement.

RECIPIENT shall refund by check payable to ECOLOGY the amount of any such reduction of payments or repayments within thirty (30) days of a written notice. Interest will accrue at the rate of twelve percent (12%) per year from the time ECOLOGY demands repayment of funds.

Any property acquired under this Agreement, at the option of ECOLOGY, may become ECOLOGY's property and the RECIPIENT's liability to repay monies will be reduced by an amount reflecting the fair value of such property.

24. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

25. STATE ENVIRONMENTAL POLICY ACT (SEPA)

RECIPIENT must demonstrate to ECOLOGY's satisfaction that compliance with the requirements of the State Environmental Policy Act (Chapter 43.21C RCW and Chapter 197-11 WAC) have been or will be met. Any reimbursements are subject to this provision.

26. SUSPENSION

When in the best interest of ECOLOGY, ECOLOGY may at any time, and without cause, suspend this Agreement or any portion thereof for a temporary period by written notice from ECOLOGY to the RECIPIENT. RECIPIENT shall resume performance on the next business day following the suspension period unless another day is specified by ECOLOGY.

27. SUSTAINABLE PRACTICES

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is fully encouraged to implement sustainable practices and to purchase environmentally preferable products under this Agreement.

a) Sustainable practices may include such activities as: use of clean energy, use of double-sided printing, hosting low impact meetings, and setting up recycling and composting programs.

b) Purchasing may include such items as: sustainably produced products and services, EPEAT registered computers and

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imaging equipment, independently certified green cleaning products, remanufactured toner cartridges, products with reduced packaging, office products that are refillable, rechargeable, and recyclable, 100% post-consumer recycled paper, and toxic free products.

For more suggestions visit ECOLOGY's web page, Green Purchasing,
<https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Sustainable-purchasing>.

28. TERMINATION

a) For Cause

ECOLOGY may terminate for cause this Agreement with a seven (7) calendar days prior written notification to the RECIPIENT, at the sole discretion of ECOLOGY, for failing to perform an Agreement requirement or for a material breach of any term or condition. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Failure to Commence Work. ECOLOGY reserves the right to terminate this Agreement if RECIPIENT fails to commence work on the project funded within four (4) months after the effective date of this Agreement, or by any date mutually agreed upon in writing for commencement of work, or the time period defined within the Scope of Work.

Non-Performance. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this Agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of ECOLOGY, to perform any obligation required of it by this Agreement, ECOLOGY may refuse to pay any further funds, terminate in whole or in part this Agreement, and exercise any other rights under this Agreement.

Despite the above, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and the State of Washington because of any breach of this Agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

b) For Convenience

ECOLOGY may terminate for convenience this Agreement, in whole or in part, for any reason when it is the best interest of ECOLOGY, with a thirty (30) calendar days prior written notification to the RECIPIENT, except as noted below. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Non-Allocation of Funds. ECOLOGY's ability to make payments is contingent on availability of funding. In the event funding from state, federal or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to the completion or expiration date of this Agreement, ECOLOGY, at its sole discretion, may elect to terminate the Agreement, in whole or part, or renegotiate the Agreement, subject to new funding limitations or conditions. ECOLOGY may also elect to suspend performance of the Agreement until ECOLOGY determines the funding insufficiency is resolved. ECOLOGY may exercise any of these options with no notification or restrictions, although ECOLOGY will make a reasonable attempt to provide notice.

In the event of termination or suspension, ECOLOGY will reimburse eligible costs incurred by the RECIPIENT through the effective date of termination or suspension. Reimbursed costs must be agreed to by ECOLOGY and the RECIPIENT. In no event shall ECOLOGY's reimbursement exceed ECOLOGY's total responsibility under the agreement and any amendments. If payments have been discontinued by ECOLOGY due to unavailable funds, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination.

RECIPIENT's obligation to continue or complete the work described in this Agreement shall be contingent upon availability of funds by the RECIPIENT's governing body.

c) By Mutual Agreement

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ECOLOGY and the RECIPIENT may terminate this Agreement, in whole or in part, at any time, by mutual written agreement.

d) In Event of Termination

All finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports or other materials prepared by the RECIPIENT under this Agreement, at the option of ECOLOGY, will become property of ECOLOGY and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Nothing contained herein shall preclude ECOLOGY from demanding repayment of all funds paid to the RECIPIENT in accordance with Recovery of Funds, identified herein.

29. THIRD PARTY BENEFICIARY

RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this Agreement, the state of Washington is named as an express third party beneficiary of such subcontracts with full rights as such.

30. WAIVER

Waiver of a default or breach of any provision of this Agreement is not a waiver of any subsequent default or breach, and will not be construed as a modification of the terms of this Agreement unless stated as such in writing by the authorized representative of ECOLOGY.



Date: December 10, 2019
To: Utility Advisory Committee
From: MarySue French, *Cost & Capital Accountant*
Subject: Proposed Adjustments to 2019 Industrial Transmission Rates

Summary: As part of the 2019 budget process, one-year rates were established for the Electric Industrial Transmission customer. These rates will expire on December 31, 2019. Revised rates for this utility are being presented for review and recommendation for adoption by the City Council. The recommendation is for approval for rates need to be established for the Industrial Transmission electric customer. These rates are based on the published rates from the Bonneville Power Authority (BPA), existing utility tax rates and 2020 budget expense spending.

Funding: The approval of the proposal presented will not increase expenditures but will require a basic rate increase in 2020 that will generate the required revenue to meet budgeted expenditures.

Recommendation: Forward a favorable recommendation to the City Council to adopt the 2020 rates upon completion of the mandatory public hearing and waive the 2nd reading.

Background / Analysis: Current rates for the Industrial Transmission Electric were adopted on November 06, 2018 (Ord. No 3610) to set rates through 2019. An update for 2020 rates is needed at this time.

As part of the Budget and COSA process, a revenue and expenditure analysis was completed to determine the rate requirements for 2020 based on the 2020 Budget expenditures and non-rate revenue. The Industrial Transmission customers rate structure is a pass through of the BPA bill plus a basic charge, medic-1 and utility taxes and Industrial Transmission monthly network services charge.

As with the 2019 Budget, the recommendation for 2020 is a one-year rate option for the Industrial Transmission Utility. The proposal of a single year rate setting will allow the Industrial Transmission Customer (McKinley Paper Company) the opportunity to start up, evaluate their needs and recommend changes to the City to forward to the BPA for future usage.

Funding Overview: The approval of the proposal presented will not increase expenditures but will require a basic charge rate increase in 2020 that will generate the required revenue to meet budgeted expenditures in the electric Industrial Transmission only.

After presentation of the proposed rate changes, the request of the Utility Advisory Committee is to recommend the adoption of the rate revisions to the City Council and waive the 2nd reading.

13.12.071 - Schedule IT-11—Industrial transmission.

- A. *Applicability.* This schedule applies to all accounts where power is taken at transmission voltage.
- B. *Character of service.* Service to be furnished under this schedule is unregulated three-phase 60 cycle, alternating current at transmission voltage, 69 KV nominal.
- C. *Point of delivery.* Service under this schedule shall be provided and measured where the customer's facilities interconnect with the facilities of the City and the Bonneville Power Administration.
- D. *Service policy.* Service under this schedule is subject to the customer service policies of the City.
- E. *Rate and charges.* The rates and charges for service hereunder is the sum of the amounts determined in accordance with sections 2 through 11 for each month.

- 1. *Definitions:* Initially capitalized words used herein have the meaning set forth in the BPA agreement, the Tiered Rate Methodology, or as defined below:

"BPA" means the Bonneville Power Administration.

"BPA Agreement" means the agreement between the City and BPA, dated December 1, 2008, Contract No. 09PB-13093, as amended from time to time.

"CHWM" means the City's Contract High Water Mark.

"Customer" means the person or entity that purchases power from the City, using the service governed by this section. "Customer" may hereafter be abbreviated as "Cu."

"Customer facility" means facilities or premises owned by the customer and served by power purchased pursuant to this section.

"Demand" means the amount of energy delivered to the customer at the point of delivery (as measured in whole kilowatts) integrated over the 60-minute period during the City's CSP. For purposes of such calculation, the 60-minute periods shall begin at the beginning of each whole hour and run for 60 consecutive minutes until the end of such whole hour.

"Network agreement" means the agreement between the City and the BPA, dated September 20, 2006, Contract No. 0TX-124433, as amended from time to time.

"RHWM" means the City's Rate Period High Water Mark.

"Tiered Rate Methodology" means BPA's policy for calculating wholesale power rates, adopted in the Administrator's Final Record of Decision issued in September, 2009, and as amended from time to time.

- 2. *Elements for calculating rates and charges:*

- A. *Cu CHWM.* Customer will have a CHWM amount ("Cu CHWM") of 53.351 aMW. From October 1, 2017⁹ through September 30, 2049²⁰ the customer will have a rate period high water mark (RHWM) of 1.7 aMW.

- B. *Cu CDQ.* Customer will have the following monthly CDQs ("Cu CDQ"): as follows:

January	14,760 kW	July	14,238 kW
February	11,974 kW	August	15,113 kW
March	14,913 kW	September	13,541 kW

April	14,913 kW	October	19,262 kW
May	22,190 kW	November	14,423 kW
June	13,546 kW	December	7,366 kW

3. *Customer charge.*

The customer charge (Cu CO) is the portion of the City's customer charges for a month to be paid by customer.

The Cu CC each month shall be calculated by the following formula:

$$\text{Cu CC} = [\text{CuCHWM} \div \text{CHWM}] \times \text{CMCC}$$

Where:

Cu CHWM is the amount set out in section 2.A., above.

CHWM is 86.755 aMW.

CMCC is the City's customer charge for the month.

No credit on the Cu CC will be given or paid for using electricity in amounts less than the Cu CHWM.

4. *Demand charges for service.*

The customer demand charge (Cu DC) is the demand charges for a month to be paid by customer.

The Cu DC each month shall be calculated by the following formula:

$$\text{Cu DC} = [(\text{Cu CSP} - \text{Cu AHLH}) - \text{Cu CDQ}] \times \text{DR}$$

Where:

Cu CSP is the demand of the customer facility (in kilowatts) during the City's CSP in each month.

Cu CDQ is the amount set out in section 2. above.

Cu AHLH is the average of the customer facility's actual hourly Tier 1 loads during the HLH in each month in kilowatts.

DR is the demand rate charged to the City.

No credit will be given or paid for using demand in amounts less than the Cu CDQ.

5. *Load shaping charges and credits.*

The customer load shaping charge (Cu LSC) is the load shaping charges for a month to be paid by customer.

The Cu LSC each month shall be calculated by the following formula:

$$\text{Cu LSC} = (\text{Cu AL} - \text{Cu SSL}) \times \text{LSR}$$

Where:

Cu LSC is the net of the load shaping charges and credits for a month apportioned to customer, with customer paying net load shaping charges to the City, and the City paying net load shaping credits to customer, less an amount calculated by the City using the load shaping adjustment true-up rate.

Cu AL is customer's monthly HLH and LLH loads.

Cu SSL is customer's shaped system load as set out below.

LSR is the load shaping rate applicable to HLH and LLH periods.

**HLH SSL 13.12.071 Schedule IT-11
Industrial Transmission FY 2019~~20~~ SSL Allocations**

FY 2019-20 IT HLH SSL	kWh	FY 2019-20 IT LLH SSL	kWh
October 2019	746,520 642,550	October 2019	401,242 343,423
November 2019	893,842 785,258	November 2019	524,704 467,235
December 2019	873,072 768,408	December 2019	528,439 468,960
January 2020	739,809 648,212	January 2020	457,648 383,209
February 2020	620,109 589,493	February 2020	361,574 344,868
March 2020	734,989 660,814	March 2020	427,288 378,492
April 2020	718,424 532,475	April 2020	398,693 313,729
May 2020	1,044,808 740,569	May 2020	594,482 400,664
June 2020	846,106 945,036	June 2020	447,251 511,099
July 2020	742,482 785,887	July 2020	393,194 355,769

August 2020	841,480 761,853	August 2020	416,326 349,892
September 2020	728,427 639,202	September 2020	411,096 358,909
* Based on Bonneville Power Administration's BP-1820 Record of Decision			

6. *Additional charges:* In addition to the charges calculated above, customer shall pay to the City each month all costs, charges, surcharges, adjustment charges and penalties, and conditions incurred by the City and attributable to customer, including but not limited to those applicable under the BPA agreement, the TRM, BPA rate schedules and general rate schedule provisions, network agreement, tariffs, and general rate schedule provisions.
7. *Basic Other charges:* Beginning on October 1, 2016, the customer will pay to the City a basic charge of ~~\$4,440.00~~ 4,700.00 per month and an IT Monthly Network Services Charge (including telecommunications tax) of \$300.00.
8. *Transmission charges:* The monthly wholesale transmission cost to the City based on the metered energy and demand associated with providing service hereunder.
9. *Taxes:* An amount calculated to recover the actual tax obligation of the electric utility and City for State public utilities tax and City public utility tax and any other applicable taxes. In addition, customer shall pay each month any and all Federal, State, local and City taxes as may be levied, imposed or due, which arise from, or in connection with the provision of electric service to customer pursuant to this ordinance.
10. *Calculation of utility taxes:* The customer shall pay to the City each month the amount necessary to fully satisfy the City's obligation for State and local utility taxes. For utility tax purposes, the gross income from the customer shall be the sum of subsections 3 through 9 above, plus the amount necessary to satisfy the City's obligation for State and local utility taxes.
11. *Rates and charges for service:* The City has no obligation to provide service to the customer facility in excess of Cu CHWM and its Cu CDQ. If the customer facility takes service in excess of its Cu CHWM and/or its Cu CDQ, customer will pay the City all costs, charges, surcharges and penalties attributable to such service.
12. If the City pays or receives a load shaping charge true-up adjustment charge or credit in any fiscal year, then a pro-rata portion of such charge or credit will be apportioned to customer as determined by the City, plus an amount calculated by the City using the load shaping adjustment true-up rate.

(Ord. [3610](#) § 1, 11/6/2018; Ord. [3601](#) § 1, 12/19/2017; Ord. [3559](#) § 1, 10/18/2016; Ord. [3542](#) § 1, 10/20/2015; Ord. [3539](#) § 1, 9/1/2015; Ord. 3521 § 1, 11/18/2014; Ord. 3485 § 1, 10/1/2013; Ord. 3473 §§ 1, 2, 1/2/2013; Ord. 3464 § 1, 10/16/2012, eff. 1/7/2013; Ord. 3436 § 1, 9/20/2011; Ord. 3347 § 2, 1/1/2009; Ord. 3218 § 2 (part), 10/1/2005; Ord. 3166, 7/30/2004; Ord. 3145 § 1 (part), 10/1/2003; Ord. 3107 § 1, 12/28/2001; Ord. 3098 § 1 (part), 11/1/2001; Ord. 2930 § 6, 9/13/1996; Ord. 2924, 7/26/1996; Ord. 2875 § 6, 10/1/1995; Ord. 2776 § 6, 10/1/1993; Ord. 2646 § 6, 10/1/1991; Ord. 2608 § 6, 10/1/1990; Ord. 2417 § 3, 12/1/1986; Ord. 2273 § 4, 11/1/1983; Ord. 2267 § 1, 9/6/1983; Ord. 2260 § 4, 8/1/1983; Ord. 2232 § 4, 10/1/1982; Ord. 2210 § 4, 5/1/1982; Ord. 2173 § 2, 11/1/1981)