

**A G E N D A**  
**GRANT COUNTY PUBLIC UTILITY DISTRICT**  
**Via Conference Call**  
**+1 509-703-5291 Conference ID: 287 686 505#**  
**COMMISSION MEETING**  
**Tuesday, April 27, 2021**

An Executive Session may be called at any time for purposes authorized  
by the Open Public Meetings Act

- 9:00 a.m.** Commission Convenes  
Review and Sign Vouchers
- 10:00 a.m.** Reports from staff
- 12:00 Noon** Lunch with County Commissioners
- 1:00 p.m.** Safety Briefing  
Pledge of Allegiance  
Attendance  
Public requests to discuss agenda items/non-agenda items  
Correspondence  
Business Meeting

**1. Consent Agenda**

Approval of Vouchers

Meeting minutes of April 13, 2021

**2. Regular Agenda**

8962 – Resolution Designating the General Counsel of Grant PUD as General Counsel / Chief Legal Officer or GC/CLO.

8963 – Resolution Amending the Governance Policy and Superseding Prior Resolutions Relating to Governance of Grant PUD.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 4 to Contract 130-08756 with North Sky Communications, LLC, increasing the not-to-exceed contract amount by \$18,400,000.00 for a new contract total of \$52,300,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 4. (3361)

### **3. Review Items For Next Business Meeting**

XXXX – Resolution Adopting Salaries for Commission Appointees.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10232A with Washington State Department of Enterprise Services for the Ephrata Service Center (ESC) remodel project, in an amount not-to-exceed \$9,289,303.01. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10232B with Washington State Department of Enterprise Services for the Moses Lake Service Center (MLSC) remodel project, in an amount not-to-exceed \$7,787,245.01. (xxxx)

### **4. Calendar**

### **5. Reports from Staff (if applicable)**

### **Adjournment**

# **CONSENT AGENDA**

# Draft – Subject to Commission Review

## REGULAR MEETING OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

April 13, 2021

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 287 686 505# with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; Dale Walker, Commissioner; and Tom Flint, Commissioner.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:07 a.m.

The Commission resumed at 9:30 a.m.

A round table discussion was held regarding the following topics: Vantage restroom concerns; recognition from Grant County Health District to Grant PUD staff for ongoing COVID response efforts; noted improvement in safety outcomes and lowest level of recordable incident rate to-date; TRi Energy partnership announcement; system update; request for status update of Desert Aire security risk assessment; customer connection tracking technology; appreciation to Kevin Nordt and Grant PUD staff for preliminary efforts in the small modular reactor project; request from customer that esignature technology be allowed for lands/easement documents and other various customer forms; continued appreciation of progress in the fiber build out project; status update of fiber grant/loan program terms and conditions analysis; and letter of support for the Port of Warden Rail & Road Infrastructure Expansion Project.

Ty Ehrman, Managing Director of Power Production, provided the Power Production Performance Report.

Shannon Lowry, Lands & Recreation Manger provided the Lands and Recreation Program Report.

Paul Dietz, Enterprise Risk Manager, provided the Enterprise Risk Program Report.

Trade association and committee reports were reviewed.

Gene Austin, Compliance Manager, provided the NERC/WECC R&C Program Report.

The Commission recessed at 12:00 p.m.

The Commission resumed at 1:00 p.m.

Consent agenda motion was made Mr. Flint and seconded by Mr. Walker to approve the following consent agenda items:

Payment Number	110002	through	110501	\$14,135,743.62
Payroll Direct Deposit	174848	through	176278	\$3,994,921.67
Payroll Tax and Garnishments	20210325A	through	20210408A	\$1,765,234.06

Meeting minutes of March 23, 2021.

After consideration, the above consent agenda items were approved by unanimous vote of the Commission and signatures were affirmed.

Resolution No. 8961 relative to accepting a bid and awarding contract was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Walker to approve Resolution No. 8961. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8961

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-10711, FOR  
SUPPLYING DISTRIBUTION TRANSFORMERS

Recitals

1. Bids were publicly opened on January 19, 2021 for Contract 170-10711, for Supplying Distribution Transformers;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;
  - General Pacific, Inc. Bidding Howard Industries
  - Wesco Distribution, Inc. Bidding Power Partners/ABB
  - Electric Research & Manufacturing Cooperative, Inc. (ERMCO)
  - Anixter, Inc. Bidding Eaton/Cooper
  - WEG Transformer USA
  - Central Moloney
3. Bids were evaluated by transformer type for commercial and technical compliance;
4. The low bid for Bid Item Nos. 1-15, submitted by Anixter, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;
5. The low bid for Bid Item Nos. 16-20, submitted by Wesco Distribution, Inc. is rejected due to technical noncompliance;

6. The second low Bid for Bid Item Nos. 16-20 and the low Bid for Bid Item Nos. 21-34, submitted by General Pacific, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;
7. The low commercially and technically compliant Bids are less than the Engineer's Estimate of:
  - \$1,598,215.00 for Bid Item Nos. 1-15
  - \$737,145.00 for Bid Item Nos. 16-20
  - \$2,565,529.00 for Bid Item Nos. 21-34; and
8. Grant PUD's Senior Manager of Power Delivery Construction and Maintenance and Managing Director of Power Delivery concur with staff and recommend award to Anixter, Inc. and General Pacific, Inc. as the lowest responsible and best bids based on Grant PUD's plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into the following contracts for Supplying Distribution Transformers:

- Contract 170-10711A: Anixter Inc. of Portland, Oregon, Bidding Eaton Cooper Power Systems, is awarded Bid Item Nos. 1 through 15 for a total Contract not to exceed amount of \$1,137,165.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.
- Contract 170-10711B: General Pacific, Inc. of Fairview, Oregon, Howard Industries, is awarded Bid Item Nos. 16 through 34 for a total Contract not to exceed amount of \$2,788,081.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 13<sup>th</sup> day of April, 2021

Motion was made by Mr. Walker and seconded by Mr. Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10804 with Star Protection Agency, in an amount not-to-exceed \$4,000,000.00 and with a contract completion date of July 2, 2024. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Walker and seconded by Mr. Flint authorizing the General Manager/CEO, on behalf of Grant PUD, to sign the Purchase and Sale Agreement with the City of Ephrata, to acquire 1.6 acres of property adjacent to Grant PUD parcel #13-0435-028 to allow for expansion for additional capacity in the South Ephrata Substation, in the amount of \$10,500.00. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

The Commission discussed and appointed NWPPA voting delegation for the 2021 calendar year. Dale Walker will serve as primary voting delegate with Nelson Cox serving as the alternate.

The Commission recessed at 1:28 p.m.

The Commission resumed at 1:33 p.m.

An executive session was announced at 1:33 p.m. p.m. to last until 5:00 p.m. to review performance of a public employee present pursuant to RCW 42.30.110(1)(g). The executive session concluded at 4:45 p.m. and the regular session resumed.

There being no further business to discuss, the April 13, 2021 meeting officially adjourned at 4:45 p.m.

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Larry Schaapman, President

ATTEST:

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Nelson Cox, Secretary

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Judy Wilson, Vice President

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Dale Walker, Commissioner

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Tom Flint, Commissioner

# **REGULAR AGENDA**



RESOLUTION NO. 8962

A RESOLUTION DESIGNATING THE GENERAL COUNSEL OF GRANT PUD  
AS GENERAL COUNSEL/CHIEF LEGAL OFFICER OR GC/CLO

Recitals

1. Grant PUD, through the direction of the General Manager / Chief Executive Officer and with the consent of the Commission, reorganized the executive management titles by incorporating "C Suite" terminology such as CFO, COO and CCO;
2. The General Manager's title was updated to reflect "C Suite" terminology and was officially designated as General Manager / Chief Executive Officer through adoption of Resolution No. 8896, effective August 28, 2018;
3. The Commission finds that utility peers around the country are using Chief Legal Officer or CLO to identify their chief executive; and
4. The Commission desires to update the General Counsel's title to reflect the "C Suite" terminology used in the executive ranks at Grant PUD.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 2 of Grant County, Washington, as follows:

Section 1. The General Counsel of Grant PUD shall hereafter be designated the General Counsel/Chief Legal Officer or GM/CLO on the effective date of this resolution.

PASSED AND APPROVED by the Board of Commissioners of Public Utility District No. 2 of Grant County, Washington, this 27<sup>th</sup> day of April, 2021.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

RESOLUTION NO. 8963

A RESOLUTION AMENDING THE GOVERNANCE POLICY AND SUPERSEDING PRIOR  
RESOLUTIONS RELATING TO GOVERNANCE OF GRANT PUD

Recitals

1. Grant PUD has a Governance Policy adopted August 31, 2009 by Resolution No. 8402, and as amended by Resolution Nos. 8517, 8708, 8815, and 8918; and
2. Grant PUD has reviewed and desires to update its Governance Policy.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of Public Utility District No. 2 of Grant County, Washington:

Section 1. The Public Utility District No. 2 of Grant County, Washington Governance Policy (the "Governance Policy") attached as Exhibit A is hereby approved and adopted as the official governance policy of Grant PUD.

Section 2. Any prior resolutions inconsistent with the Governance Policy adopted herein are superseded to the extent of the inconsistency.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27<sup>th</sup> day of April, 2021.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

# GOVERNANCE POLICY



Exhibit A  
Resolution No. 8402  
Revised – Resolution No. 8517  
Revised – Resolution No. 8708  
Revised – Resolution No. 8815  
Revised – Resolution No. 8918  
Revised – Resolution No. XXXX

April 13, 2021

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## **Purpose of the Commission**

- 1
- A The Commission is the legislative body of Public Utility District No. 2 of Grant County, Washington pursuant to the Public Utility District Act, RCW Title 54, and all other applicable statutes and laws. The powers of the District are exercised through a five-member Commission pursuant to RCW 54.12.010.
- B The purpose and responsibility of Grant County PUD's Commission, on behalf of the customers of Grant County, is to provide oversight and democratic decisions that enable Grant County PUD to fulfill its mission of generating and delivering power and other services to its customers in a cost-effective and efficient manner.
- C Accordingly the Commission will:
1. Identify and define the purpose, values, vision, and strategic direction of the District, along with the results the District is to achieve, and communicate them in the form of policy.
  2. Identify and define those results or conditions of the District that are acceptable and not acceptable to the Commission and communicate them in the form of policy.
  3. Make operational decisions designated by statute.
  4. Hire, evaluate, and terminate the General Manager / CEO.
  5. Hire, evaluate, and terminate the General Counsel / CLO.
  6. Appoint or remove the Treasurer.
  7. Appoint or remove the Auditor.
  - 2 8. Review and approve the budget in a timely manner.

## **Governance Focus**

- A The Commission will govern with an emphasis on:
1. Strategic leadership.
  2. Encouragement of diversity in viewpoints.
  3. Clear distinction of Commission and General Manager / CEO roles.
  4. Collaborative rather than individual decisions.
  5. The future and present.
  6. Being proactive rather than reactive.
- B Specifically:
1. The Commission is responsible for excellence in governing.
  2. The Commission will direct, evaluate and inspire the organization through the careful establishment of written policies reflecting the Commission's values and vision.

3. The Commission's major policy focus will be on Grant County PUD's long-term impacts outside the organization, not on the administrative or programmatic means of achieving those effects. The Commission relies upon the expertise and diversity of its individual members to enhance the ability of the Commission as a body.
4. The Commission will establish and adhere to the standards needed to govern with excellence. Standards will apply to matters such as attendance at meetings, preparation for meetings, policymaking principles and codes of conduct.

### **Commission Member Job Description**

A The specific duties of the Commissioners as elected representatives are to ensure appropriate organizational performance.

B Specifically, Commissioners will:

1. Regularly attend Commission meetings and workshops.
2. Adopt the District's Strategic Plan, review it annually and make appropriate revisions.
3. Adopt the District's budget on an annual basis.
4. Set the rates, rules and regulations for services and commodities provided by the District.
5. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability.
6. Promote continual Commission development which will include orientation of new Commission members in the Commission's governance process and periodic Commission discussion of process improvement to include periodic training and education.
7. Monitor and discuss the Commission's process and performance semi-annually at Commission workshops. Self-monitoring will include comparison of Commission activity and discipline to policies in the governance process. The Commission will determine the appropriate manner of evaluation and feedback.
8. Maintain written policies to ensure a high quality of governance and clear direction and roles in decision-making between the Commission and General Manager / CEO.
9. Respect their individual fiduciary duties to protect and enhance the District as a customer-owned utility with due diligence using sound business judgment. In addition, a minimum of two (2) Commissioners will attend the Financial Advisory Committee (FAC) and work with staff on the financial management of the District.
10. Hire the General Manager / CEO to handle the day-to-day operations of the District and fulfill the duties as outlined in RCW 54.16.100.

11. Evaluate and determine compensation for the General Manager / CEO and General Counsel / Chief Legal Officer (Appointees). The Commission's evaluation criteria will focus on the District's strategic objectives.
  - a) Complete verbal mid-year evaluation of Appointees. The Commission will communicate any additional goals or objectives at the time of subsequent evaluation.
  - b) Complete year-end written evaluation of Appointees. The Commission will communicate any new goals or objective during the subsequent evaluation. At this time, the Commission will also determine proper compensation for the Appointees.
12. Develop and use outreach mechanisms to ensure the Commission hears the strategic viewpoints and values of its customer/owners, the community and other interested stakeholders. Community relations shall be an ongoing activity for all Commission members.
13. Take such other actions as may be required by law.

### **General Meeting Rules**

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- A The Commission may excuse an absent member by a majority vote. The Clerk of the Board will note in the minutes whether the member's absence was excused or un-excused. If a Commissioner anticipates an extended period of nonattendance in excess of 45 days, or is absent for a period of time in excess of 45 days, the Commission may excuse the absence by a majority vote in order to protect the Commissioner's position under RCW 54.12.010 prior to the 59th day of nonattendance. The Clerk of the Board shall note in the minutes whether the member's absence is excused or un-excused for the period.
- B Journal of Proceeding: A journal of all proceedings (minutes) of the Commission, except executive sessions, shall be kept in hardcopy and electronic form by the Clerk of the Board or their designee constituting the official record of the Commission. All Commission meetings and workshops held in the Ephrata Commission room, except executive sessions, shall be audio recorded, unless prevented by technical difficulties, and retained in accordance with State retention guidelines.
- C Right of Floor: Any members desiring to speak shall first be recognized by the Chair.
- D Decorum: All members, employees, and members of the public shall preserve order, decency and decorum at all times while the Commission is in session. No member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Commission, nor disturb any member who is speaking. No member shall refuse to obey an order of the Chair. Members shall confine their remarks to the subject under consideration. Discussion shall relate to the subject under consideration and shall be relevant and pertinent thereto so as to provide for the expeditious disposition and resolution of the District's business. No member shall use any impertinent, degrading or slanderous language as to any other member, staff, or public. There shall be no lectures, speeches or grandstanding.

- E Audio/Video Area: All audio or video taping by the public and/or press shall be done from the back of the meeting room.

### **Presiding Officer**

- 5 A **President:** The President shall preside at meetings of the Commission, and be recognized as the head of the Commission for all ceremonial purposes. In case of the President's absence or temporary disability, the Vice-President shall act as President during the continuance of the absence. The President is referred to as the "Chair" or "Presiding Officer" from time-to-time in this Governance Policy.
- B **Call to Order:** The meetings of the Commission shall be called to order at the appointed time by the President or, in his absence, by the Vice-President. In the absence of both the President and Vice-President, the meeting shall be called to order by the Secretary.
- C **Preservation of Order:** The President shall preserve order and decorum; prevent attacks on personalities or the impugning of member's or public motives and confine members or public in debate to the question under discussion.
- D **Points of Order:** The President shall determine all points of order, subject to the right of any member to appeal to the Commission. If any appeal is taken, the question shall be "Shall the decision of the President be sustained?"
- E **Questions to be stated:** The President shall state all questions submitted for a vote and announce the results. A roll call shall be taken upon request of any member.
- 6 F **President-Voting Powers:** The President shall vote on motions or other matters to be decided by the Commission unless he or she has abstained from discussion or debate and voting on an agenda item due to an announced conflict of interest.

### **Commission Meeting Agenda**

- A The General Manager / CEO shall arrange a list of proposed matters according to the order of business and prepare an agenda for the Commission. A copy of the agenda and supporting materials shall be prepared for Commission members, the General Manager / CEO, and the press on or before the close of business on the Thursday before the regular Commission meeting.
- B The Consent Agenda may contain items which are of a routine and non controversial nature and may include, but are not limited to the following; meeting minutes, vouchers, travel, and trade association appointments. Any item on the Consent Agenda may be removed and considered separately as an agenda item at the request of any Commission member or any person attending a Commission meeting.
- C Members of the Commission, General Manager / CEO, or designee, will have the opportunity to discuss/recommend business or other matters for placement on future agendas. In addition, at each regular Commission meeting, time will be allowed for any Commission member, the General Manager / CEO, or designee to



bring before the Commission any business that should be discussed or deliberated upon.

- D In the event of a natural disaster, attack or notice of imminent attack, where it becomes imprudent, inexpedient or impossible to conduct the affairs of the District at the regular or usual place, the Commission may meet at any place within or without its territorial limits on the call of the presiding President or any three members of the Commission. After any emergency relocation, the affairs of the District shall be conducted at such emergency temporary location for the duration of the emergency (RCW 42.14.075).

## Motions

- 7 A Members who wish to make a motion must first be recognized by the Presiding Officer. After the member makes a motion (and after the motion is seconded if required), the chair must restate it or rule it out of order, then call for discussion.
- B Most motions require a second, although there are some exceptions: nominations, points of order, requests to remove an item from the consent agenda, and motions to table. The Presiding Officer will state the motion and call for the vote. A motion to table does not require a second and is not debatable.
- C Motions for reconsideration must be made by a member from the prevailing side; any member may make the second. The following rules apply to motions for reconsideration: Motion must be in a timely manner but in no instance more than six (6) months after the original action. When (6) months have elapsed, any member may bring the item before the Commission.

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## Voting

- A The votes during all meetings of the Commission shall be transacted as follows:
1. Unless otherwise provided for by statute, ordinance, or resolution, all votes shall be taken by voice, except that at the request of any Commission member, the Presiding Officer shall take roll call vote. The Presiding officer shall determine the order of the roll call vote.
  2. The passage of any motion or resolution shall require a majority vote of the whole Commission.
  3. Commission members shall vote on all matters before the Commission unless a statutory conflict of interest exists. If there is a conflict of interest, that Commission member shall state the conflict of interest and abstain from discussion and from voting on that matter.
  4. If any Commission member refuses to vote "aye" or "nay", their vote shall be counted as an "aye" vote unless the Commissioner provides a reason to abstain.

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## Audience Participation (Addressing the Commission)

- A **Agenda Items:** Anyone desiring to speak to the Commission on an agenda item must sign the meeting register and indicate their desire to speak to the Presiding

Officer at the beginning of the meeting unless otherwise recognized by the chair. This will generally take place during the public comment period of the meeting.

- B **Non-Agenda Items:** Anyone desiring to speak to the Commission on a non-agenda item shall sign the meeting register and indicate their desire to speak to the Chair at the beginning of the meeting. The Presiding Officer, at his or her discretion, may permit such persons to address the Commission and has the authority to limit the time for comment to three (3) minutes unless a longer period of time was either pre-arranged with the Clerk of the Board and/or is allowed by the Board President.
- C **Manner of Addressing the Commission:** Each person addressing the Commission shall step up to the microphone, give his/her name, address and city of residence and subject matter of comments in an audible tone of voice for the record. All comments shall be made to the entire Commission and not to any single member nor to staff. Any questions for Commission members or staff shall be presented through the Presiding Officer. The Commission will determine the disposition of any issues raised (e.g., placed on the present agenda, workshop, other agendas, refers to staff, or do not consider).
- D **Conduct of Audience:** All audience members shall abide by the rules of decorum contained in Section 4, General Meeting Rules, paragraph "D" entitled "Decorum". No audience member shall disrupt the conduct of the meeting or cheer, hoot, holler, gesture, whistle, guffaw, jeer, boo, hiss, make remarks out of turn, use profanity, or the like. Any audience member who does so shall be determined out of order and the Presiding Officer may have such person removed from the Commission chambers immediately. Such person shall not be permitted to attend the remainder of that Commission meeting.

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### **Filling Commission Vacancies**

- A Notice of Vacancy. If a Commission vacancy occurs, the Commission will follow the procedures outlined in RCW 42.12.070. In order to fill the vacancy with the most qualified person available until an election is held, the Commission will widely distribute and publish a notice of vacancy and the procedure and deadline for applying for the position.
- B Letters of Interest. The Commission will announce the vacancy and will accept letters of interest from any interested person for no less than 30 days from the time of official public announcement. The Commission will review the letters of interest and/or interview the applicants. The Commission will select and appoint a qualified person to the vacant Commission seat.

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### **Executive Sessions**

- A If the Commission convenes an executive session to discuss what is permitted by law, there is no valid reason to disclose publicly what was discussed and reviewed privately. Everything which is discussed during an executive session, and all written materials that are reviewed during an executive session, shall be considered confidential and no Commission member shall publicly disclose any such information. The Commission finds that disclosing publicly what was

discussed and reviewed during an executive session undermines the whole purpose of meeting in executive session. Public disclosure may be made in the event a majority of the Commission members vote to approve the public disclosure prior to its disclosure. Any request for such a vote shall be first raised during an executive session for discussion purposes prior to a vote in open session.

### **Criminal Convictions & Violations of the Code of Ethics**

- 12 A No Commission member shall serve on the Commission after having been convicted of any criminal violation of Chapter 42.23 RCW (as now enacted or hereafter amended) or any felony or malfeasance in office RCW 9.92.120 (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having violated any of the provisions of Chapter 42.23 RCW (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having been convicted of any offense involving a violation of his or her official oath RCW 42.12.010(5) (as now enacted or hereafter amended).

### **Preserving the Attorney Client Privilege**

- 13 A No Commission member shall make any disclosures or release any information which would result in the waiver of the attorney/client privilege without first obtaining the approval of a majority of the Commission in open session. Such a request for disclosure shall first be raised during an executive session for discussion prior to a vote in open session.

### **Good Faith Cooperation with Insurance Carrier**

- 14 A All Commission members shall cooperate in good faith with any insurance carrier or attorney representing the District in connection with a defense provided by an insurance carrier.

### **Ultra Vires Actions**

- 16 A Commission members shall not act ultra vires, or outside the scope of their authority and duties as Commission members.

### **Violations of Commission Rules of Proceedings**

- A These Rules of Procedure/ Proceedings are adopted with the intent that they be fully enforceable and that violations thereof result in Commission action against members as provided herein and pursuant to RCW Title 54 and Title 42.23, as now enacted or hereafter amended. Any violation of these Rules of Procedure/ Proceedings is deemed to constitute disorderly conduct by such member.
- B Any claim of violation of the Governance Policy must be made in writing by a Commission member and filed with the President and made a part of the minutes of the Commission meeting where the charge is first considered.
- C Members violating any other Rules of Procedure shall be subject to admonition for the first violation of a particular rule and reprimanded for subsequent violations.

D **Admonition:** An admonition shall be verbal vote in open session, recorded in the minutes, made by the Commission to the member.

E **Reprimand:** A reprimand shall be administered to the member by letter. The letter shall be prepared by the Commission after action in open session to approve such letter. If the member objects to the contents of such letter, he/she may file a request for review of the content of the letter of reprimand with the Commission. The Commission shall review the letter of reprimand based upon the request for review and any record established, and may take whatever action appears appropriate under the circumstances.

### **Role of Commission President**

A The President of the Commission shall:

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1. Ensure that the Commission jointly and consistently adheres to its own rules and policies, and those imposed upon it by the laws of the State of Washington.
2. Preside over and facilitate Commission meetings.
3. Ensure that deliberation is fair, open and thorough, but also timely, orderly and kept to the point.
4. Preside over and facilitate all Commission meetings in accordance with this Governance Policy, if not otherwise addressed here, the most current version of and Roberts Rules of Order, as needed.
5. Schedule and coordinate the semi-annual process of evaluating the General Manager / CEO.
6. Schedule and coordinate the semi-annual process of evaluating the General Counsel /CLO.
7. Have no authority to supervise or administratively direct the General Manager / CEO, apart from authority expressly granted the President by the Commission.
8. Assume responsibility of the Commission that is not specifically assigned to another Commission member.
9. Be allowed to delegate his or her authority, but remains accountable for its use.
10. Call Special Meetings of the Commission in the event of a business need as provided for in RCW 42.30.080.

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### **Role of the Commission Vice-President**

A The Vice-President of the Commission shall:

1. Perform such duties as are assigned by the President.
2. Have all the power and duties of the President in the absence or inability of the President to act.
3. Have all the powers and duties of the Secretary in the absence or inability of the Secretary to act, when not acting as the President.

## **Role of the Commission Secretary**

A The Secretary of the Commission shall:

1. Where appropriate, attest instruments and documents duly authorized by the Commission.
- 19 2. Perform all duties incident to the office of Secretary as may from time to time be required by law or assigned to such office by motion, rule or resolution of the Commission.
3. Have all the powers and duties of the President in the absence or inability of both the President and the Vice-President to act.

## **Commission Members' Code of Conduct**

20 A Commission members shall conduct themselves in accordance with all laws. The State of Washington has adopted a "Code of Ethics" that applies to all municipal officers, codified under RCW 42.23. The declared purpose of the Code of Ethics is to make uniform the laws of the State concerning the transaction of business by municipal officers in conflict with the proper performance of their duties in the public interest, and to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict.

B Specifically:

1. Commission members are strictly prohibited by law from entering into or engaging in any activity defined by RCW 42.23 as a conflict of interest with their official duties as a Grant County PUD Commissioner.
2. On an annual basis and in a public forum, each Commissioner shall acknowledge their obligation to disclose any conflicts of interest as defined in RCW 42.23.
3. On a case by case basis, each Commission member will disclose to the other Commission members, in a public forum, any remote conflicts of interest as defined under RCW 42.23. Disclosure will be noted in the District's official minutes which are public record. A Commissioner with such remote interest will not participate in any discussion and/or debate concerning such interest, will not vote on the matter, and will do nothing to influence any other Commissioner concerning their decision on the matter.
4. Commission members will adhere to the Grant County PUD Code of Ethics adopted by the Commission, and shall conduct themselves with civility and respect at all times with one another, with staff, and with members of the public.
5. Commission members will adhere to the Grant County PUD policy on appropriate use of District resources.
6. Commission members will become familiar with their individual and joint obligations pertaining to the District's directive on reporting alleged improper governmental action, including actions required of the

Commission regarding employee complaints of alleged improper governmental actions and/or employee claims of retaliation for reporting alleged improper governmental actions.

7. Commission members understand that all letters, memoranda and/or interactive computer or electronic information (including e-mail), the subject of which relates to the conduct of the District or the performance of any District function, are public records and may also be subject to disclosure under the Washington Public Records Act. Upon request, any such public records shall be provided to the Public Records Officer for inclusion in the District's records management program.
8. Commission members shall demonstrate loyalty to the interests of Grant County PUD's owners/ratepayers. This loyalty supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Commission member acting as a consumer of the District's activities.
9. Commission members may not attempt to exercise individual authority over Grant County PUD except as explicitly set forth and authorized in Commission policies.
  - a) Commission members recognize the lack of authority vested in them as individuals in their interactions with the General Manager / CEO and with staff, except where explicitly authorized by the Commission.
  - b) In interactions with the public, press or other entities, Commission members must recognize the same limitation and the inability of any Commission member to speak for the Commission except to repeat explicitly stated and adopted Commission decisions.
  - c) Commission members shall not lead the public or media to have the impression that the General Manager / CEO, General Counsel / CLO, Auditor, or Treasurer is out of compliance with policies absent a determination of non-compliance by the Commission.
10. In accordance with Washington's Open Public Meetings Act, Commission members:
  - a) Shall not meet as a quorum outside of Commission-called public meetings to hold discussions or make decisions as defined in RCW 42.30, regarding the business of the District.
  - b) Shall not meet as a quorum with staff outside of a Commission-called public meeting for the purpose of gathering information.
  - c) Understand that the requirements of the Washington Open Public Meetings Act applies to communications via telephone, e-mail, instant messaging or other forms of electronic communications. Any exchange of communication between more than two Commission members may constitute an official meeting of the Commission and be in violation of the Act.
  - d) Commission members may send information to other members of the Commission on an informational basis; however, replies and/or

exchanges of communications with more than one Commissioner regarding District business must not occur outside of an official public meeting of the Commission. Any such e-mail sent for informational purposes as described above, by any member of the Commission, shall be sent individually, not as group e-mail. Commissioners will not "reply" to any e-mail received by all other members of the Commission.

e) Commission members may not evade the requirements of the Open Public Meetings Act through use of "serial meetings", that is a series of smaller gatherings or use of a go-between such that the majority of Commissioners are not together but through the collection of other interactions the majority intend to take action. This includes but is not limited to: a series of telephone calls, multiple meetings between different groups of two Commissioners and e-mail communications between multiple Commissioners for the purpose of coordinating a decision.

11. Members will respect the confidentiality appropriate to issues regarding personnel, real estate transactions, proprietary matters, and attorney-client privileged communications, including those requirements listed under RCW 42.30.110, Executive Sessions and including any other confidential information gained by reason of the Commissioner's position.

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### **Board Training, Orientation**

A The Commission shall ensure that its skills are sufficient to assure excellence in governance of Grant County PUD.

B Specifically:

1. New Commission members shall receive training and orientation in Commission governance, policies and procedures.
2. New Commission members shall receive an orientation on the District's Strategic Plan.
3. New Commission members shall receive other general orientation in the organization and operation of the District by the General Manager / CEO and/or his designate.

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4. Commission members shall receive training in the skills of effective communication and decision-making.

5. The Commission President shall receive training in the facilitation of public meetings.

### **Commission Review of District Public Records**

A Grant County PUD has a duty to comply with appropriate public records requests as prescribed in the Washington Public Records Act. Commissioners do not give up their status as members of the public and therefore can request such information.

B Because of the special status conferred upon the Commissioners as elected representatives, each Commissioner agrees that:

1. Commission member requests to inspect District documents that do not meet the criteria of a "public record" under RCW 42.56 and/or which may be confidential in nature, shall be forwarded directly to the General Manager / CEO, who will provide the requested files, as allowed by law, for review on District premises.
2. No confidential or original documents shall be taken from District premises except with the authorization of the Commission or General Manager / CEO.
3. Commission members shall adhere to the same confidentiality requirements applicable to employees when dealing with the District's records and other documents.
4. District employee personnel files will not be subject to Commission review pursuant to the District's policies relating to employee records confidentiality and access except this limitation shall not apply to Commission appointees.
5. Access to District public records may be achieved by making a verbal or written request to the General Manager / CEO, General Counsel / CLO, or Clerk of the Board. The requested material will be provided to all five board members.

### **Commission Committees**

23

- A The Commission may establish ad hoc advisory and standing committees.
- B The Commission will review the committees at least annually to determine whether they should continue.
- C Specifically:
  1. Committees will ordinarily assist the Commission by gaining education, considering alternatives and implications, and preparing policy alternatives.
  2. Commission committees may not speak or act for the Commission, except when formally given such authority for specific and time-limited purposes.
  3. Commission committees cannot exercise authority over staff nor interfere with the delegation from the Commission to the General Manager / CEO.
  4. Participation in committee meetings shall be in compliance with the provisions of the Open Public Meetings Act, in that if three or more Commission members are present, then the meeting must be properly noticed as a public meeting.
  5. This policy applies to any group which is formed by Commission action, whether or not it is called a committee. It does not apply to committees formed under the authority of the General Manager / CEO.

24

### **Unity of Control**

- A Only decisions of the Commission acting as a body are binding upon the General Manager / CEO, the General Counsel / CLO, the Auditor, or Treasurer.



- B Specifically, in or out of Commission Meetings:
1. Decisions or instructions of individual Commission members are not binding on the General Manager / CEO, General Counsel / CLO, the Auditor, or Treasurer except in instances when the Commission has specifically authorized such exercise of authority.
  2. In the case of Commission members requesting information or assistance without Commission authorization, the General Manager / CEO, General Counsel / CLO, the Auditor, or Treasurer must refuse such requests that require, in their opinion, a material amount of staff time or funds, are disruptive to the District, or which may involve a conflict of interest between the District and the Commissioner requesting the information or assistance.
  3. Commission members individually may communicate directly with District employees or contractors. However, the Commission as a body and the Commission members will never give direction to persons who report directly or indirectly to the General Manager / CEO, with the exception of the General Counsel / CLO, Auditor, or Treasurer. If individual Commission members are dissatisfied with the response they receive, they may seek resolution through the Commission.
  4. The Commission as a body and the Commission members will refrain from evaluating, either formally or informally, the job performance of any District employee other than the General Manager / CEO and General Counsel / CLO.

25

### **Commission-General Manager / CEO Relationship**

- A The Commission governs Grant County PUD and is the policy-making body of the District. The Commission operates under the provisions of the Revised Code of Washington, Title 54, Title 42 in part, and all other applicable statutes and laws.
- B The Commission is responsible for the following:
1. Identifying and defining the purpose, values and vision of the District, along with the results that the District is to achieve, and communicating them in the form of policy.
  2. Making certain operational decisions as designated by law.
  3. Hiring, evaluating, and terminating the General Manager / CEO.
- C The General Manager / CEO is responsible for the following:
1. All operations of the District as well as the business affairs of the District.
  2. Achieving the results established by the Commission within the appropriate and ethical standards of business conduct set by the Commission.
  3. Enforcing District resolutions, administering directives, staff policies and procedures, hiring and terminating all employees, attending meetings of the Commission and reporting on the general affairs of the District, and

keeping the Commission advised as to the current and future business needs of the District.

4. Appointing a person to serve as the District's Chief Financial Officer. This will be a person with sufficient education and experience to fulfill the duties of the position. Together with the chief financial officer, the General Manager / CEO shall ensure that, to the best of their knowledge and belief, financial reports are complete and reliable in all material respects.
5. Ensuring the smooth continuous operation of the District in the event of the planned or unplanned absence of the General Manager / CEO.
6. Interacting with the public and other utilities and government agencies, pursuant to policies and direction adopted by the Commission.
7. At the direction and oversight of the Commission, the General Manager / CEO and Chief Financial Officer, or their designees, shall jointly serve as the chief liaison with all external audit agencies, shall coordinate the proper independent audit of annual financial statements, and shall ensure that the results and findings of such audits are reported to the Commission. In acting in this capacity, the General Manager / CEO does not relieve the Commission of its oversight responsibility
8. Perform other responsibilities as may be appropriately delegated by the Commission.

26

### **Commission-General Counsel / CLO Relationship**

- A The General Counsel / CLO provides legal counsel to the District and to the Commission. The General Counsel / CLO reports both to the Commission and to the General Manager / CEO.
- B The Commission is responsible for hiring and terminating the General Counsel / CLO.
- C The General Counsel / CLO shall advise the Commissioners regarding potential conflict of interest issues or ethical matters. General Counsel shall provide assistance to individual Commissioners in complying with applicable statutes and laws only when such advice does not conflict with the General Counsel's obligations to the District or to specific direction of the Commission.
- D The Commission is responsible for evaluating the General Counsel's / CLO's performance. The Commission shall solicit the General Manager / CEO's input in evaluating the performance of the General Counsel.
- E With respect to the Commission, the General Counsel / CLO shall:
  1. Give his or her advice or opinion whenever he or she deems it necessary or when required by the Commission.
  2. Inform the Commission of material legal issues impacting the District or the Commission.
  3. When necessary, act independently of the General Manager / CEO.

4. Provide counsel to the Commission and individual Commission members with regard to conflict of interest issues.
5. Provide counsel to the Commission and individual Commission members with regard to other ethical matters.
6. Assist the Commission members in complying with and interpretation of applicable statutes, laws, and regulations.
7. The General Counsel / CLO shall not provide legal counsel to Commission members except as it relates to their role as Grant County PUD Commission members.

### **Commission Relationship w/ Auditor and Treasurer**

27

- A The District Auditor (Auditor) and District Treasurer (Treasurer) serve in the capacity set forth by Title 54 of the Revised Code of Washington.
- B The Commission is responsible for appointing or removing the Auditor and the Treasurer. The Commission, by resolution, shall designate an Auditor and this person shall be a District employee other than the General Manager / CEO or Treasurer. The Commission, by resolution, shall designate a person other than the County Treasurer to be District Treasurer and this person shall be a District employee other than the General Manager / CEO or Auditor. The Auditor and Treasurer shall perform those duties specified by RCW 54.24.010 and shall be granted direct access to the Commission at the request of the Auditor, Treasurer or Commission, but not less than quarterly in the performance of these duties.
- C The Auditor and Treasurer shall report to the Chief Financial Officer for all administrative matters, including hiring, performance evaluations, salary administration, employee benefits, and terminations.
- D The Treasurer or Deputy Treasurer shall provide quarterly reports to the Commission summarizing cash and investment activity, and provide other reports to the Commission as necessary related to the duties of the Treasurer or as requested by the Commission.
- E The Auditor or Deputy Auditor shall issue warrants for claims against the District. As soon as practical after issuance of such warrants, the Auditor shall provide a list of all warrants issued, and shall certify to the Commission that such disbursements satisfy just, due and unpaid obligations of the District, in a manner specified by the State Auditor.
- F If the Commission disapproves a paid claim on the District, the Auditor will request the Treasurer to recognize the claim as a receivable. The Treasurer and Auditor will pursue collection.
- G The Auditor shall develop an annual audit plan, and conduct audits contained within the plan or other audits as may be requested by the Commission. The Auditor shall report to the Commission on the progress and results of such audits at least semi-annually. The Auditor, in the performance of his or her duties, shall

have unlimited access to all activities, records, property and personnel of the District.

### **Delegation to the General Manager / CEO**

28

- A In accordance with RCW 54.16.100, the General Manager / CEO is the chief administrative officer of the District, in control of all administrative functions and shall be responsible to the Commission for the efficient administration of the affairs of the District placed in his or her charge. In the absence or temporary disability of the General Manager / CEO, the General Manager / CEO shall, with the approval of the President of the Commission, designate some competent person as Acting Manager.

The General Manager / CEO may attend all meetings of the Commission and its committees, and take part in the discussion of any matters pertaining to the duties of his or her department, but shall have no vote.

The General Manager / CEO shall carry out the orders of the Commission, and see that the laws pertaining to matters within the functions of his or her department are enforced; keep the Commission fully advised as to the financial condition and needs of the districts; prepare an annual estimate for the ensuing fiscal year of the probable expenses of the department, and recommend to the commission what development work should be undertaken, and what extensions and additions, if any, should be made during the ensuing fiscal year, with an estimate of the costs of the development work, extensions, and additions; certify to the Commission all bills, allowances, and payrolls, including claims due contractors of public works; recommend to the Commission compensation of the employees of his or her office, and a scale of compensation to be paid for the different classes of service required by the district; hire and discharge employees under his or her direction; and perform such other duties as may be imposed upon the manager by resolution of the Commission.

- B The General Manager / CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities to achieve the goals set forth by the Commission for the District.
- C The Commission shall develop policies that define the delegation to the General Manager / CEO with regard to the General Manager / CEO's authority.
- D The General Manager / CEO must bring to the Commission's attention circumstances that affect the goals established by the Commission and may request the Commission to take appropriate actions.
- E The Commission may change its delegation to the General Manager / CEO at any time, thereby expanding or limiting the authority of the General Manager / CEO. Whenever a particular delegation is in place, the Commission will abide by the General Manager / CEO's decisions in those areas that are delegated to him or her.

## **Budget & Procurement Authority**

- 29
- A The Commission, by resolution, shall approve the District's budget prior to the start of each fiscal year.
  - B By resolution, the Commission shall set forth the authority of the General Manager / CEO to manage and expend District funds in accordance with financial policies and budgetary limits. Procurement of goods and services shall take place in accordance with applicable legal requirements in a fair, competitive and inclusive manner to maximize the benefit to the District's ratepayers/customers.
  - C The General Manager / CEO shall establish procurement controls that provide reasonable assurance that the procurement of goods and services are made for a valid business purpose and within authorized budget levels.
  - D It is District policy that all procurement decisions be made free from actual or perceived conflicts of interest consistent with the District's Code of Ethics.
  - E It is District policy that due diligence and prudent judgment be exercised in the making of procurement decisions, including conducting a risk assessment. If the General Manager / CEO reasonably determines that a procurement activity presents, regardless of the size of the financial commitment, either (i) a unique and significant operational risk to the District; or (ii) a significant impact to customers, the General Manager / CEO shall inform the Commission.

30

## **Financial Policies**

- 31
- A The Commission, by resolution, shall adopt financial policies that provide guidance to the General Manager / CEO and Chief Financial Officer in managing the finances of the District and in developing budgets, financial plans and rates. At a minimum, these policies shall 1) provide for sufficient liquidity relative to the District's risk profile, 2) provide for adequate coverage to meet debt covenants, 3) establish criteria for debt and rate - financed capital expenditures, 4) require that budgets be developed based on conservative and prudent assumptions consistent with standard industry practice, and 5) establish budgetary and procurement controls over expenditures.

## **Amendment of These Rules**

- A These rules may be amended or new rules adopted by a majority vote of the whole Commission, provided that the proposed amendments or new rules have been introduced into the record at a prior Commission meeting.

# GOVERNANCE POLICY



Exhibit A  
Resolution No. 8402  
Revised – Resolution No. 8517  
Revised – Resolution No. 8708  
Revised – Resolution No. 8815  
Revised – Resolution No. 8918  
[Revised – Resolution No. XXXX](#)

[April 13, 2021](#)

Deleted: May 28, 2019

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## 1 Purpose of the Commission

- A The Commission is the legislative body of Public Utility District No. 2 of Grant County, Washington pursuant to the Public Utility District Act, RCW Title 54, and all other applicable statutes and laws. The powers of the District are exercised through a five-member Commission pursuant to RCW 54.12.010.
- B The purpose and responsibility of Grant County PUD's Commission, on behalf of the customers of Grant County, is to provide oversight and democratic decisions that enable Grant County PUD to fulfill its mission of generating and delivering power and other services to its customers in a cost-effective and efficient manner.
- C Accordingly the Commission will:
1. Identify and define the purpose, values, vision, and strategic direction of the District, along with the results the District is to achieve, and communicate them in the form of policy.
  2. Identify and define those results or conditions of the District that are acceptable and not acceptable to the Commission and communicate them in the form of policy.
  3. Make operational decisions designated by statute.
  4. Hire, evaluate, and terminate the General Manager / CEO.
  5. Hire, evaluate, and terminate the General Counsel / **CLO**.
  6. Appoint or remove the Treasurer.
  7. Appoint or remove the Auditor.
  8. Review and approve the budget in a timely manner.

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## 2 Governance Focus

- A The Commission will govern with an emphasis on:
1. Strategic leadership.
  2. Encouragement of diversity in viewpoints.
  3. Clear distinction of Commission and General Manager / CEO roles.
  4. Collaborative rather than individual decisions.
  5. The future and present.
  6. Being proactive rather than reactive.
- B Specifically:
1. The Commission is responsible for excellence in governing.
  2. The Commission will direct, evaluate and inspire the organization through the careful establishment of written policies reflecting the Commission's values and vision.



3. The Commission's major policy focus will be on Grant County PUD's long-term impacts outside the organization, not on the administrative or programmatic means of achieving those effects. The Commission relies upon the expertise and diversity of its individual members to enhance the ability of the Commission as a body.
4. The Commission will establish and adhere to the standards needed to govern with excellence. Standards will apply to matters such as attendance at meetings, preparation for meetings, policymaking principles and codes of conduct.

### **3 Commission Member Job Description**

- A The specific duties of the Commissioners as elected representatives are to ensure appropriate organizational performance.
- B Specifically, Commissioners will:
1. Regularly attend Commission meetings and workshops.
  2. Adopt the District's Strategic Plan, review it annually and make appropriate revisions.
  3. Adopt the District's budget on an annual basis.
  4. Set the rates, rules and regulations for services and commodities provided by the District.
  5. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability.
  6. Promote continual Commission development which will include orientation of new Commission members in the Commission's governance process and periodic Commission discussion of process improvement to include periodic training and education.
  7. Monitor and discuss the Commission's process and performance semi-annually at Commission workshops. Self-monitoring will include comparison of Commission activity and discipline to policies in the governance process. The Commission will determine the appropriate manner of evaluation and feedback.
  8. Maintain written policies to ensure a high quality of governance and clear direction and roles in decision-making between the Commission and General Manager / CEO.
  9. Respect their individual fiduciary duties to protect and enhance the District as a customer-owned utility with due diligence using sound business judgment. In addition, a minimum of two (2) Commissioners will attend the Financial Advisory Committee (FAC) and work with staff on the financial management of the District.
  10. Hire the General Manager / CEO to handle the day-to-day operations of the District and fulfill the duties as outlined in RCW 54.16.100.

11. Evaluate and determine compensation for the General Manager / CEO and General Counsel / **Chief Legal Officer** (Appointees). The Commission's evaluation criteria will focus on the District's strategic objectives.
  - a) Complete verbal mid-year evaluation of Appointees. The Commission will communicate any additional goals or objectives at the time of subsequent evaluation.
  - b) Complete year-end written evaluation of Appointees. The Commission will communicate any new goals or objective during the subsequent evaluation. At this time, the Commission will also determine proper compensation for the Appointees.
12. Develop and use outreach mechanisms to ensure the Commission hears the strategic viewpoints and values of its customer/owners, the community and other interested stakeholders. Community relations shall be an ongoing activity for all Commission members.
13. Take such other actions as may be required by law.

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#### 4 General Meeting Rules

- A The Commission may excuse an absent member by a majority vote. The Clerk of the Board will note in the minutes whether the member's absence was excused or un-excused. If a Commissioner anticipates an extended period of nonattendance in excess of 45 days, or is absent for a period of time in excess of 45 days, the Commission may excuse the absence by a majority vote in order to protect the Commissioner's position under RCW 54.12.010 prior to the 59th day of nonattendance. The Clerk of the Board shall note in the minutes whether the member's absence is excused or un-excused for the period.
- B Journal of Proceeding: A journal of all proceedings (minutes) of the Commission, except executive sessions, shall be kept in hardcopy and electronic form by the Clerk of the Board or their designee constituting the official record of the Commission. All Commission meetings and workshops held in the Ephrata Commission room, except executive sessions, shall be audio recorded, unless prevented by technical difficulties, and retained in accordance with State retention guidelines.
- C Right of Floor: Any members desiring to speak shall first be recognized by the Chair.
- D Decorum: All members, employees, and members of the public shall preserve order, decency and decorum at all times while the Commission is in session. No member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Commission, nor disturb any member who is speaking. No member shall refuse to obey an order of the Chair. Members shall confine their remarks to the subject under consideration. Discussion shall relate to the subject under consideration and shall be relevant and pertinent thereto so as to provide for the expeditious disposition and resolution of the District's business. No member shall use any impertinent, degrading or slanderous language as to any other member, staff, or public. There shall be no lectures, speeches or grandstanding.

- E Audio/Video Area: All audio or video taping by the public and/or press shall be done from the back of the meeting room.

## 5 Presiding Officer

- A **President:** The President shall preside at meetings of the Commission, and be recognized as the head of the Commission for all ceremonial purposes. In case of the President's absence or temporary disability, the Vice-President shall act as President during the continuance of the absence. The President is referred to as the "Chair" or "Presiding Officer" from time-to-time in this Governance Policy.
- B **Call to Order:** The meetings of the Commission shall be called to order at the appointed time by the President or, in his absence, by the Vice-President. In the absence of both the President and Vice-President, the meeting shall be called to order by the Secretary.
- C **Preservation of Order:** The President shall preserve order and decorum; prevent attacks on personalities or the impugning of member's or public motives and confine members or public in debate to the question under discussion.
- D **Points of Order:** The President shall determine all points of order, subject to the right of any member to appeal to the Commission. If any appeal is taken, the question shall be "Shall the decision of the President be sustained?"
- E **Questions to be stated:** The President shall state all questions submitted for a vote and announce the results. A roll call shall be taken upon request of any member.
- F **President-Voting Powers:** The President shall vote on motions or other matters to be decided by the Commission unless he or she has abstained from discussion or debate and voting on an agenda item due to an announced conflict of interest.

## 6 Commission Meeting Agenda

- A The General Manager / CEO shall arrange a list of proposed matters according to the order of business and prepare an agenda for the Commission. A copy of the agenda and supporting materials shall be prepared for Commission members, the General Manager / CEO, and the press on or before the close of business on the Thursday before the regular Commission meeting.
- B The Consent Agenda may contain items which are of a routine and non controversial nature and may include, but are not limited to the following; meeting minutes, vouchers, travel, and trade association appointments. Any item on the Consent Agenda may be removed and considered separately as an agenda item at the request of any Commission member or any person attending a Commission meeting.
- C Members of the Commission, General Manager / CEO, or designee, will have the opportunity to discuss/recommend business or other matters for placement on future agendas. In addition, at each regular Commission meeting, time will be allowed for any Commission member, the General Manager / CEO, or designee to

bring before the Commission any business that should be discussed or deliberated upon.

- D In the event of a natural disaster, attack or notice of imminent attack, where it becomes imprudent, inexpedient or impossible to conduct the affairs of the District at the regular or usual place, the Commission may meet at any place within or without its territorial limits on the call of the presiding President or any three members of the Commission. After any emergency relocation, the affairs of the District shall be conducted at such emergency temporary location for the duration of the emergency (RCW 42.14.075).

## 7 Motions

- A Members who wish to make a motion must first be recognized by the Presiding Officer. After the member makes a motion (and after the motion is seconded if required), the chair must restate it or rule it out of order, then call for discussion.
- B Most motions require a second, although there are some exceptions: nominations, points of order, requests to remove an item from the consent agenda, and motions to table. The Presiding Officer will state the motion and call for the vote. A motion to table does not require a second and is not debatable.
- C Motions for reconsideration must be made by a member from the prevailing side; any member may make the second. The following rules apply to motions for reconsideration: Motion must be in a timely manner but in no instance more than six (6) months after the original action. When (6) months have elapsed, any member may bring the item before the Commission.

## 8 Voting

- A The votes during all meetings of the Commission shall be transacted as follows:
  1. Unless otherwise provided for by statute, ordinance, or resolution, all votes shall be taken by voice, except that at the request of any Commission member, the Presiding Officer shall take roll call vote. The Presiding officer shall determine the order of the roll call vote.
  2. The passage of any motion or resolution shall require a majority vote of the whole Commission.
  3. Commission members shall vote on all matters before the Commission unless a statutory conflict of interest exists. If there is a conflict of interest, that Commission member shall state the conflict of interest and abstain from discussion and from voting on that matter.
  4. If any Commission member refuses to vote "aye" or "nay", their vote shall be counted as an "aye" vote unless the Commissioner provides a reason to abstain.

## 9 Audience Participation (Addressing the Commission)

- A **Agenda Items:** Anyone desiring to speak to the Commission on an agenda item must sign the meeting register and indicate their desire to speak to the Presiding

Officer at the beginning of the meeting unless otherwise recognized by the chair. This will generally take place during the public comment period of the meeting.

B **Non-Agenda Items:** Anyone desiring to speak to the Commission on a non-agenda item shall sign the meeting register and indicate their desire to speak to the Chair at the beginning of the meeting. The Presiding Officer, at his or her discretion, may permit such persons to address the Commission and has the authority to limit the time for comment to three (3) minutes unless a longer period of time was either pre-arranged with the Clerk of the Board and/or is allowed by the Board President.

C **Manner of Addressing the Commission:** Each person addressing the Commission shall step up to the microphone, give his/her name, address and city of residence and subject matter of comments in an audible tone of voice for the record. All comments shall be made to the entire Commission and not to any single member nor to staff. Any questions for Commission members or staff shall be presented through the Presiding Officer. The Commission will determine the disposition of any issues raised (e.g., placed on the present agenda, workshop, other agendas, refers to staff, or do not consider).

D **Conduct of Audience:** All audience members shall abide by the rules of decorum contained in Section 4, General Meeting Rules, paragraph "D" entitled "Decorum". No audience member shall disrupt the conduct of the meeting or cheer, hoot, holler, gesture, whistle, guffaw, jeer, boo, hiss, make remarks out of turn, use profanity, or the like. Any audience member who does so shall be determined out of order and the Presiding Officer may have such person removed from the Commission chambers immediately. Such person shall not be permitted to attend the remainder of that Commission meeting.

## 10 Filling Commission Vacancies

A Notice of Vacancy. If a Commission vacancy occurs, the Commission will follow the procedures outlined in RCW 42.12.070. In order to fill the vacancy with the most qualified person available until an election is held, the Commission will widely distribute and publish a notice of vacancy and the procedure and deadline for applying for the position.

B Letters of Interest. The Commission will announce the vacancy and will accept letters of interest from any interested person for no less than 30 days from the time of official public announcement. The Commission will review the letters of interest and/or interview the applicants. The Commission will select and appoint a qualified person to the vacant Commission seat.

## 11 Executive Sessions

A If the Commission convenes an executive session to discuss what is permitted by law, there is no valid reason to disclose publicly what was discussed and reviewed privately. Everything which is discussed during an executive session, and all written materials that are reviewed during an executive session, shall be considered confidential and no Commission member shall publicly disclose any such information. The Commission finds that disclosing publicly what was

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discussed and reviewed during an executive session undermines the whole purpose of meeting in executive session. Public disclosure may be made in the event a majority of the Commission members vote to approve the public disclosure prior to its disclosure. Any request for such a vote shall be first raised during an executive session for discussion purposes prior to a vote in open session.

## **12 Criminal Convictions & Violations of the Code of Ethics**

- A No Commission member shall serve on the Commission after having been convicted of any criminal violation of Chapter 42.23 RCW (as now enacted or hereafter amended) or any felony or malfeasance in office RCW 9.92.120 (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having violated any of the provisions of Chapter 42.23 RCW (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having been convicted of any offense involving a violation of his or her official oath RCW 42.12.010(5) (as now enacted or hereafter amended).

## **13 Preserving the Attorney Client Privilege**

- A No Commission member shall make any disclosures or release any information which would result in the waiver of the attorney/client privilege without first obtaining the approval of a majority of the Commission in open session. Such a request for disclosure shall first be raised during an executive session for discussion prior to a vote in open session.

## **14 Good Faith Cooperation with Insurance Carrier**

- A All Commission members shall cooperate in good faith with any insurance carrier or attorney representing the District in connection with a defense provided by an insurance carrier.

## **15 Ultra Vires Actions**

- A Commission members shall not act ultra vires, or outside the scope of their authority and duties as Commission members.

## **16 Violations of Commission Rules of Proceedings**

- A These Rules of Procedure/ Proceedings are adopted with the intent that they be fully enforceable and that violations thereof result in Commission action against members as provided herein and pursuant to RCW Title 54 and Title 42.23, as now enacted or hereafter amended. Any violation of these Rules of Procedure/ Proceedings is deemed to constitute disorderly conduct by such member.
- B Any claim of violation of the Governance Policy must be made in writing by a Commission member and filed with the President and made a part of the minutes of the Commission meeting where the charge is first considered.
- C Members violating any other Rules of Procedure shall be subject to admonition for the first violation of a particular rule and reprimanded for subsequent violations.

D **Admonition:** An admonition shall be verbal vote in open session, recorded in the minutes, made by the Commission to the member.

E **Reprimand:** A reprimand shall be administered to the member by letter. The letter shall be prepared by the Commission after action in open session to approve such letter. If the member objects to the contents of such letter, he/she may file a request for review of the content of the letter of reprimand with the Commission. The Commission shall review the letter of reprimand based upon the request for review and any record established, and may take whatever action appears appropriate under the circumstances.

## 17 **Role of Commission President**

A The President of the Commission shall:

1. Ensure that the Commission jointly and consistently adheres to its own rules and policies, and those imposed upon it by the laws of the State of Washington.
2. Preside over and facilitate Commission meetings.
3. Ensure that deliberation is fair, open and thorough, but also timely, orderly and kept to the point.
4. Preside over and facilitate all Commission meetings in accordance with this Governance Policy, if not otherwise addressed here, the most current version of and Roberts Rules of Order, as needed.
5. Schedule and coordinate the semi-annual process of evaluating the General Manager / CEO.
6. Schedule and coordinate the semi-annual process of evaluating the General Counsel **YCLO**.
7. Have no authority to supervise or administratively direct the General Manager / CEO, apart from authority expressly granted the President by the Commission.
8. Assume responsibility of the Commission that is not specifically assigned to another Commission member.
9. Be allowed to delegate his or her authority, but remains accountable for its use.
10. Call Special Meetings of the Commission in the event of a business need as provided for in RCW 42.30.080.

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## 18 **Role of the Commission Vice-President**

A The Vice-President of the Commission shall:

1. Perform such duties as are assigned by the President.
2. Have all the power and duties of the President in the absence or inability of the President to act.
3. Have all the powers and duties of the Secretary in the absence or inability of the Secretary to act, when not acting as the President.

**19 Role of the Commission Secretary**

- A The Secretary of the Commission shall:
1. Where appropriate, attest instruments and documents duly authorized by the Commission.
  2. Perform all duties incident to the office of Secretary as may from time to time be required by law or assigned to such office by motion, rule or resolution of the Commission.
  3. Have all the powers and duties of the President in the absence or inability of both the President and the Vice-President to act.

**20 Commission Members' Code of Conduct**

- A Commission members shall conduct themselves in accordance with all laws. The State of Washington has adopted a "Code of Ethics" that applies to all municipal officers, codified under RCW 42.23. The declared purpose of the Code of Ethics is to make uniform the laws of the State concerning the transaction of business by municipal officers in conflict with the proper performance of their duties in the public interest, and to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict.
- B Specifically:
1. Commission members are strictly prohibited by law from entering into or engaging in any activity defined by RCW 42.23 as a conflict of interest with their official duties as a Grant County PUD Commissioner.
  2. On an annual basis and in a public forum, each Commissioner shall acknowledge their obligation to disclose any conflicts of interest as defined in RCW 42.23.
  3. On a case by case basis, each Commission member will disclose to the other Commission members, in a public forum, any remote conflicts of interest as defined under RCW 42.23. Disclosure will be noted in the District's official minutes which are public record. A Commissioner with such remote interest will not participate in any discussion and/or debate concerning such interest, will not vote on the matter, and will do nothing to influence any other Commissioner concerning their decision on the matter.
  4. Commission members will adhere to the Grant County PUD Code of Ethics adopted by the Commission, and shall conduct themselves with civility and respect at all times with one another, with staff, and with members of the public.
  5. Commission members will adhere to the Grant County PUD policy on appropriate use of District resources.
  6. Commission members will become familiar with their individual and joint obligations pertaining to the District's directive on reporting alleged improper governmental action, including actions required of the



Commission regarding employee complaints of alleged improper governmental actions and/or employee claims of retaliation for reporting alleged improper governmental actions.

7. Commission members understand that all letters, memoranda and/or interactive computer or electronic information (including e-mail), the subject of which relates to the conduct of the District or the performance of any District function, are public records and may also be subject to disclosure under the Washington Public Records Act. Upon request, any such public records shall be provided to the Public Records Officer for inclusion in the District's records management program.
8. Commission members shall demonstrate loyalty to the interests of Grant County PUD's owners/ratepayers. This loyalty supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Commission member acting as a consumer of the District's activities.
9. Commission members may not attempt to exercise individual authority over Grant County PUD except as explicitly set forth and authorized in Commission policies.
  - a) Commission members recognize the lack of authority vested in them as individuals in their interactions with the General Manager / CEO and with staff, except where explicitly authorized by the Commission.
  - b) In interactions with the public, press or other entities, Commission members must recognize the same limitation and the inability of any Commission member to speak for the Commission except to repeat explicitly stated and adopted Commission decisions.
  - c) Commission members shall not lead the public or media to have the impression that the General Manager / CEO, General Counsel, **CTO**, Auditor, or Treasurer is out of compliance with policies absent a determination of non-compliance by the Commission.
10. In accordance with Washington's Open Public Meetings Act, Commission members:
  - a) Shall not meet as a quorum outside of Commission-called public meetings to hold discussions or make decisions as defined in RCW 42.30, regarding the business of the District.
  - b) Shall not meet as a quorum with staff outside of a Commission-called public meeting for the purpose of gathering information.
  - c) Understand that the requirements of the Washington Open Public Meetings Act applies to communications via telephone, e-mail, instant messaging or other forms of electronic communications. Any exchange of communication between more than two Commission members may constitute an official meeting of the Commission and be in violation of the Act.
  - d) Commission members may send information to other members of the Commission on an informational basis; however, replies and/or

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exchanges of communications with more than one Commissioner regarding District business must not occur outside of an official public meeting of the Commission. Any such e-mail sent for informational purposes as described above, by any member of the Commission, shall be sent individually, not as group e-mail. Commissioners will not "reply" to any e-mail received by all other members of the Commission.

- e) Commission members may not evade the requirements of the Open Public Meetings Act through use of "serial meetings", that is a series of smaller gatherings or use of a go-between such that the majority of Commissioners are not together but through the collection of other interactions the majority intend to take action. This includes but is not limited to: a series of telephone calls, multiple meetings between different groups of two Commissioners and e-mail communications between multiple Commissioners for the purpose of coordinating a decision.

- 11. Members will respect the confidentiality appropriate to issues regarding personnel, real estate transactions, proprietary matters, and attorney-client privileged communications, including those requirements listed under RCW 42.30.110, Executive Sessions and including any other confidential information gained by reason of the Commissioner's position.

## 21 Board Training, Orientation

A The Commission shall ensure that its skills are sufficient to assure excellence in governance of Grant County PUD.

B Specifically:

- 1. New Commission members shall receive training and orientation in Commission governance, policies and procedures.
- 2. New Commission members shall receive an orientation on the District's Strategic Plan.
- 3. New Commission members shall receive other general orientation in the organization and operation of the District by the General Manager / CEO and/or his designate.

4. Commission members shall receive training in the skills of effective communication and decision-making.

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5. The Commission President shall receive training in the facilitation of public meetings.

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Do we have this available? - There are good training materials available through MRCS.org.

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## 22 Commission Review of District Public Records

A Grant County PUD has a duty to comply with appropriate public records requests as prescribed in the Washington Public Records Act. Commissioners do not give up their status as members of the public and therefore can request such information.

- B Because of the special status conferred upon the Commissioners as elected representatives, each Commissioner agrees that:
1. Commission member requests to inspect District documents that do not meet the criteria of a "public record" under RCW 42.56 and/or which may be confidential in nature, shall be forwarded directly to the General Manager / CEO, who will provide the requested files, as allowed by law, for review on District premises.
  2. No confidential or original documents shall be taken from District premises except with the authorization of the Commission or General Manager / CEO.
  3. Commission members shall adhere to the same confidentiality requirements applicable to employees when dealing with the District's records and other documents.
  4. District employee personnel files will not be subject to Commission review pursuant to the District's policies relating to employee records confidentiality and access except this limitation shall not apply to Commission appointees.
  5. Access to District public records may be achieved by making a verbal or written request to the General Manager / CEO, General Counsel **CLO**, or Clerk of the Board. The requested material will be provided to all five board members.

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## 23 Commission Committees

- A The Commission may establish ad hoc advisory and standing committees.
- B The Commission will review the committees at least annually to determine whether they should continue.
- C Specifically:
1. Committees will ordinarily assist the Commission by gaining education, considering alternatives and implications, and preparing policy alternatives.
  2. Commission committees may not speak or act for the Commission, except when formally given such authority for specific and time-limited purposes.
  3. Commission committees cannot exercise authority over staff nor interfere with the delegation from the Commission to the General Manager / CEO.
  4. Participation in committee meetings shall be in compliance with the provisions of the Open Public Meetings Act, in that if three or more Commission members are present, then the meeting must be properly noticed as a public meeting.
  5. This policy applies to any group which is formed by Commission action, whether or not it is called a committee. It does not apply to committees formed under the authority of the General Manager / CEO.

## 24 Unity of Control

A Only decisions of the Commission acting as a body are binding upon the General Manager / CEO, the General Counsel /CLO, the Auditor, or Treasurer.

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B Specifically, in or out of Commission Meetings:

1. Decisions or instructions of individual Commission members are not binding on the General Manager / CEO, General Counsel /CLO, the Auditor, or Treasurer except in instances when the Commission has specifically authorized such exercise of authority.
2. In the case of Commission members requesting information or assistance without Commission authorization, the General Manager / CEO, General Counsel /CLO, the Auditor, or Treasurer must refuse such requests that require, in their opinion, a material amount of staff time or funds, are disruptive to the District, or which may involve a conflict of interest between the District and the Commissioner requesting the information or assistance.
3. Commission members individually may communicate directly with District employees or contractors. However, the Commission as a body and the Commission members will never give direction to persons who report directly or indirectly to the General Manager / CEO, with the exception of the General Counsel /CLO, Auditor, or Treasurer. If individual Commission members are dissatisfied with the response they receive, they may seek resolution through the Commission.
4. The Commission as a body and the Commission members will refrain from evaluating, either formally or informally, the job performance of any District employee other than the General Manager / CEO and General Counsel /CLO.

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## 25 Commission-General Manager / CEO Relationship

A The Commission governs Grant County PUD and is the policy-making body of the District. The Commission operates under the provisions of the Revised Code of Washington, Title 54, Title 42 in part, and all other applicable statutes and laws.

B The Commission is responsible for the following:

1. Identifying and defining the purpose, values and vision of the District, along with the results that the District is to achieve, and communicating them in the form of policy.
2. Making certain operational decisions as designated by law.
3. Hiring, evaluating, and terminating the General Manager / CEO.

C The General Manager / CEO is responsible for the following:

1. All operations of the District as well as the business affairs of the District.

2. Achieving the results established by the Commission within the appropriate and ethical standards of business conduct set by the Commission.
3. Enforcing District resolutions, administering directives, staff policies and procedures, hiring and terminating all employees, attending meetings of the Commission and reporting on the general affairs of the District, and keeping the Commission advised as to the current and future business needs of the District.
4. Appointing a person to serve as the District's Chief Financial Officer. This will be a person with sufficient education and experience to fulfill the duties of the position. Together with the chief financial officer, the General Manager / CEO shall ensure that, to the best of their knowledge and belief, financial reports are complete and reliable in all material respects.
5. Ensuring the smooth continuous operation of the District in the event of the planned or unplanned absence of the General Manager / CEO.
6. Interacting with the public and other utilities and government agencies, pursuant to policies and direction adopted by the Commission.
7. At the direction and oversight of the Commission, the General Manager / CEO and Chief Financial Officer, or their designees, shall jointly serve as the chief liaison with all external audit agencies, shall coordinate the proper independent audit of annual financial statements, and shall ensure that the results and findings of such audits are reported to the Commission. In acting in this capacity, the General Manager / CEO does not relieve the Commission of its oversight responsibility
8. Perform other responsibilities as may be appropriately delegated by the Commission.

**26 Commission-General Counsel /CLO Relationship**

- A The General Counsel /CLO provides legal counsel to the District and to the Commission. The General Counsel /CLO reports both to the Commission and to the General Manager / CEO.
- B The Commission is responsible for hiring and terminating the General Counsel /CLO.
- C The General Counsel /CLO shall advise the Commissioners regarding potential conflict of interest issues or ethical matters. General Counsel shall provide assistance to individual Commissioners in complying with applicable statutes and laws only when such advice does not conflict with the General Counsel's obligations to the District or to specific direction of the Commission.
- D The Commission is responsible for evaluating the General Counsel's /CLO's performance. The Commission shall solicit the General Manager / CEO's input in evaluating the performance of the General Counsel.
- E With respect to the Commission, the General Counsel /CLO shall:

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1. Give his or her advice or opinion whenever he or she deems it necessary or when required by the Commission.
2. Inform the Commission of material legal issues impacting the District or the Commission.
3. When necessary, act independently of the General Manager / CEO.
4. Provide counsel to the Commission and individual Commission members with regard to conflict of interest issues.
5. Provide counsel to the Commission and individual Commission members with regard to other ethical matters.
6. Assist the Commission members in complying with and interpretation of applicable statutes, laws, and regulations.
7. The General Counsel / CLO shall not provide legal counsel to Commission members except as it relates to their role as Grant County PUD Commission members.

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## 27 Commission Relationship w/ Auditor and Treasurer

- A The District Auditor (Auditor) and District Treasurer (Treasurer) serve in the capacity set forth by Title 54 of the Revised Code of Washington.
- B The Commission is responsible for appointing or removing the Auditor and the Treasurer. The Commission, by resolution, shall designate an Auditor and this person shall be a District employee other than the General Manager / CEO or Treasurer. The Commission, by resolution, shall designate a person other than the County Treasurer to be District Treasurer and this person shall be a District employee other than the General Manager / CEO or Auditor. The Auditor and Treasurer shall perform those duties specified by RCW 54.24.010 and shall be granted direct access to the Commission ~~at the request of the Auditor, Treasurer or Commission, but not less than quarterly~~ as necessary in the performance of these duties.
- C The Auditor and Treasurer shall report to the Chief Financial Officer for all administrative matters, including hiring, performance evaluations, salary administration, employee benefits, and terminations.
- D The Treasurer or Deputy Treasurer shall provide quarterly reports to the Commission summarizing cash and investment activity, and provide other reports to the Commission as necessary related to the duties of the Treasurer or as requested by the Commission.
- E The Auditor or Deputy Auditor shall issue warrants for claims against the District. As soon as practical after issuance of such warrants, the Auditor shall provide a list of all warrants issued, and shall certify to the Commission that such disbursements satisfy just, due and unpaid obligations of the District, in a manner specified by the State Auditor.

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- F If the Commission disapproves a paid claim on the District, the Auditor will request the Treasurer to recognize the claim as a receivable. The Treasurer and Auditor will pursue collection.
- G The Auditor shall develop an annual audit plan, and conduct audits contained within the plan or other audits as may be requested by the Commission. The Auditor shall report to the Commission on the progress and results of such audits at least semi-annually. The Auditor, in the performance of his or her duties, shall have unlimited access to all activities, records, property and personnel of the District.

## 28 Delegation to the General Manager / CEO

- A In accordance with RCW 54.16.100, the General Manager / CEO is the chief administrative officer of the District, in control of all administrative functions and shall be responsible to the Commission for the efficient administration of the affairs of the District placed in his or her charge. In the absence or temporary disability of the General Manager / CEO, the General Manager / CEO shall, with the approval of the President of the Commission, designate some competent person as Acting Manager.

The General Manager / CEO may attend all meetings of the Commission and its committees, and take part in the discussion of any matters pertaining to the duties of his or her department, but shall have no vote.

The General Manager / CEO shall carry out the orders of the Commission, and see that the laws pertaining to matters within the functions of his or her department are enforced; keep the Commission fully advised as to the financial condition and needs of the districts; prepare an annual estimate for the ensuing fiscal year of the probable expenses of the department, and recommend to the commission what development work should be undertaken, and what extensions and additions, if any, should be made during the ensuing fiscal year, with an estimate of the costs of the development work, extensions, and additions; certify to the Commission all bills, allowances, and payrolls, including claims due contractors of public works; recommend to the Commission compensation of the employees of his or her office, and a scale of compensation to be paid for the different classes of service required by the district; hire and discharge employees under his or her direction; and perform such other duties as may be imposed upon the manager by resolution of the Commission.

- B The General Manager / CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities to achieve the goals set forth by the Commission for the District.
- C The Commission shall develop policies that define the delegation to the General Manager / CEO with regard to the General Manager / CEO's authority.
- D The General Manager / CEO must bring to the Commission's attention circumstances that affect the goals established by the Commission and may request the Commission to take appropriate actions.

- E The Commission may change its delegation to the General Manager / CEO at any time, thereby expanding or limiting the authority of the General Manager / CEO. Whenever a particular delegation is in place, the Commission will abide by the General Manager / CEO's decisions in those areas that are delegated to him or her.

## 29 Budget & Procurement Authority

- A The Commission, by resolution, shall approve the District's budget prior to the start of each fiscal year.
- B By resolution, the Commission shall set forth the authority of the General Manager / CEO to manage and expend District funds in accordance with financial policies and budgetary limits. Procurement of goods and services shall take place in accordance with applicable legal requirements in a fair, competitive and inclusive manner to maximize the benefit to the District's ratepayers/customers.
- C The General Manager / CEO shall establish procurement controls that provide reasonable assurance that the procurement of goods and services are made for a valid business purpose and within authorized budget levels.
- D It is District policy that all procurement decisions be made free from actual or perceived conflicts of interest consistent with the District's Code of Ethics.
- E It is District policy that due diligence and prudent judgment be exercised in the making of procurement decisions, including conducting a risk assessment. If the General Manager / CEO reasonably determines that a procurement activity presents, regardless of the size of the financial commitment, either (i) a unique and significant operational risk to the District; or (ii) a significant impact to customers, the General Manager / CEO shall inform the Commission.

## 30 Financial Policies

- A The Commission, by resolution, shall adopt financial **policies** that provide guidance to the General Manager / CEO and Chief Financial Officer in managing the finances of the District and in developing budgets, financial plans and rates. At a minimum, these policies shall 1) provide for sufficient liquidity relative to the District's risk profile, 2) provide for adequate coverage to meet debt covenants, 3) establish criteria for debt and rate - financed capital expenditures, 4) require that budgets be developed based on conservative and prudent assumptions consistent with standard industry practice, and 5) establish budgetary and procurement controls over expenditures.

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## 31 Amendment of These Rules

- A These rules may be amended or new rules adopted by a majority vote of the whole Commission, provided that the proposed amendments or new rules have been introduced into the record at a prior Commission meeting.



Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 4 to Contract 130-08756 with North Sky Communications, LLC, increasing the not-to-exceed contract amount by \$18,400,000.00 for a new contract total of \$52,300,000.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 4.

**MEMORANDUM**

**3/19/2021**

**TO:** Kevin Nordt, General Manager/Chief Executive Officer

**VIA:** Russ Brethower, Senior Manager Wholesale Fiber  
Julie Pyper, Senior Manager of Project Management Office  
Allan Chatriand, PMO Manager Power Delivery

**FROM:** Jeremy Conner, Project Manager

**SUBJECT:** Contract 130-08756 Change Order No. 4, Fiber Optic Design and Construction Services 2019-2023

**Purpose:**

To request Commission approval of Change Order No. 4 to Contract 130-08756 in the amount of \$18,400,000.00 for a new total contract Not to Exceed price of \$52,300,000.00. This is intended to provide funding to continue with North Sky Communications, LLC (NSC) for Fiber Optic Design and Construction for the twelve-month period beginning in July 2021.

**Discussion:**

The original contract was awarded on December 11, 2018. NSC continues to design and build out fiber in areas of the County that are designated for connectivity. The District is managing the activities and expenses of NSC.

Funding for this contract was originally set at \$10,000,000.00 for 2019 with the intent to add additional funding via change order on an approximately annual basis. At the beginning of 2020 an additional \$10,500,000.00 was added via Change Order 1. Change Order 2 was administrative in nature and did not change the terms or financial amounts. Also, in 2020 Change Order 3 was approved in the amount of an additional \$13,400,00.00. It is projected the NSC contract will require additional funding beginning in July of 2021.

**Justification:**

The District is committed to completing and maintaining a sustainable wholesale fiber optic network to all the people of Grant County per Strategic Plan Objective 7. Since the expansion is a major project that has a definable end, the District uses contract labor and equipment to accomplish the task rather than increase and decrease staff levels. This is a five-year contract that helps maintain a stable contract workforce and reduce overall procurement costs.

**Financial Considerations:**

**Summary of Total Contract Spend**

<b>Item</b>	<b>2019 Actuals</b>	<b>2020 Actuals</b>
Completion of Prior Builds (ML5 and George)	\$1,052,653.50	\$0.00
Maintenance Support	\$78,760.33	\$0.00
Work Orders		\$169,783.52
Fiber Drops	\$1,738,663.21	\$2,754,500.54
Fiber Buildout Project (40 Areas)	\$7,045,870.26	\$13,831,093.71
<b>Annual Total</b>	<b>\$9,915,947.30</b>	<b>\$16,755,377.77</b>

1. In 2021 NSC is increasing resources to fulfil the high demand for Customer Connection requests, while still maintaining full efforts towards the construction of the Fiber Expansion.
2. The project team made the decision in 2020 to accelerate NSC’s engineering work. The engineering work drives the rest of the activity on the project. Getting the design work further out ahead of the construction will make construction more efficient. NSC has added engineering resources in 2020 that will remain onsite throughout 2021.

The fiber buildout budget for 2021 is \$16.4M and the connect the customer or “drops” budget for 2021 is \$5.4M.

**Change Order History:** See included change order table.

**Legal Review:** See included email.

**Recommendation:**

Commission approval of Change Order No. 4 to Contract 130-08756 in the amount of \$18,400,000.00 with North Sky Communications, LLC for Fiber Optic Design and Construction in the twelve-month period beginning in late July 2021.

# Fiber Availability Expansion

The majority of funds from this Change Order will be spent in Area 17 – Area 24. With additional work as needed for **Maintenance** and **Connect the Customer**.

Below is a screen shot from our public website.

142	<b>17. 2021 Build</b> - Dodson to Winchester Wasteway N I-90 (Target finish date: Aug. 30)	\$2,100,000
337	<b>18. 2021 Build</b> - Royal City Surrounding Area (Target finish date: Oct. 25)	\$3,100,000
40	<b>19. 2021 Build</b> - Complete Hartline Area/Rd V NE at Rd 47 NE (Target finish date: Dec. 20)	\$1,500,000
121	<b>20. 2021 Construction to Begin</b> - George Area Completion (Construction scheduled to begin Aug. 24)	\$1,200,000
22	<b>21. 2021 Construction to Begin</b> - Between Hartline and Wilson Creek (Construction scheduled to begin Sept. 1)	\$1,100,000
238	<b>22.</b> Mattawa Surrounding Area	\$2,300,000
66	<b>23.</b> Soap Lake: S.E. to fish hatchery and North to Lake Lenore	\$600,000
254	<b>24.</b> Winchester	\$2,300,000

**From:** [Jeremy Conner](#)  
**To:** [Julie Pyper](#); [Russ Brethower](#); [Patrick Bishop](#)  
**Cc:** [Vangie Crago](#); [Allen Chatriand](#)  
**Subject:** Re: 130-08756 CO4 North Sky Communications - Fiber Optic Design and Construction Services 2019-2023  
**Date:** Wednesday, March 24, 2021 11:10:40 AM

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Patrick,

I approve the memo and proceeding with the Change Order process.

Thank You,

Jeremy

Get [Outlook for iOS](#)

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**From:** Julie Pyper <Jpyper@gcpud.org>  
**Sent:** Wednesday, March 24, 2021 11:00:05 AM  
**To:** Russ Brethower <Rbretho@gcpud.org>; Patrick Bishop <Pbishop@gcpud.org>  
**Cc:** Vangie Crago <Vcrago@gcpud.org>; Jeremy Conner <Jconner@gcpud.org>; Allen Chatriand <achatriand@gcpud.org>  
**Subject:** RE: 130-08756 CO4 North Sky Communications - Fiber Optic Design and Construction Services 2019-2023

Patrick – I approve the memo and proceeding with the Change Order process.

Please let me know if you have any questions or comment. Thank you and take care, Jules

**Julie E. Pyper**

*Senior Manager of the Enterprise Project Management Office*

DESK 509.754.5089

EXT. 4153

CELL 509.429.2420

EMAIL [jpyper@gcpud.org](mailto:jpyper@gcpud.org)



[grantpud.org](http://grantpud.org)

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**From:** Russ Brethower <Rbretho@gcpud.org>  
**Sent:** Wednesday, March 24, 2021 10:49 AM  
**To:** Patrick Bishop <Pbishop@gcpud.org>  
**Cc:** Vangie Crago <Vcrago@gcpud.org>; Jeremy Conner <Jconner@gcpud.org>; Allen Chatriand

<achatriand@gcpud.org>; Julie Pyper <Jpyper@gcpud.org>

**Subject:** RE: 130-08756 CO4 North Sky Communications - Fiber Optic Design and Construction Services 2019-2023

Patrick,

I approve the memo and proceeding with the Change Order process.

Thanks,  
Russ

---

**From:** Patrick Bishop <[Pbishop@gcpud.org](mailto:Pbishop@gcpud.org)>

**Sent:** Wednesday, March 24, 2021 9:55 AM

**To:** Jeremy Conner <[Jconner@gcpud.org](mailto:Jconner@gcpud.org)>; Allen Chatriand <[achatriand@gcpud.org](mailto:achatriand@gcpud.org)>; Julie Pyper <[Jpyper@gcpud.org](mailto:Jpyper@gcpud.org)>; Russ Brethower <[Rbretho@gcpud.org](mailto:Rbretho@gcpud.org)>

**Cc:** Vangie Crago <[Vcrago@gcpud.org](mailto:Vcrago@gcpud.org)>

**Subject:** FW: 130-08756 CO4 North Sky Communications - Fiber Optic Design and Construction Services 2019-2023

Good morning everyone,

Change Order No. 4 to increase the Contract not to exceed price has been approved by Legal. Prior to moving this to the Commission Packet, can each of you addressed on the attached memo please provide your approval to proceed by return email? This will serve as your initials since we are all working remotely. Please let me know if you have any questions. Thank you.

---

**From:** Carol Mayer <[Cmayer@gcpud.org](mailto:Cmayer@gcpud.org)>

**Sent:** Wednesday, March 24, 2021 8:55 AM

**To:** Patrick Bishop <[Pbishop@gcpud.org](mailto:Pbishop@gcpud.org)>

**Subject:** 130-08756 CO4 North Sky Communications

You have contract and legal approval to proceed with submission into the Commission packet.

**Carol Mayer**

*Manager Procurement/Warehouse*

OFFICE 509.754.5055

EXT. 2336

EMAIL [cmayer@gcpud.org](mailto:cmayer@gcpud.org)



[grantpud.org](http://grantpud.org)

**From:** [Allen Chatriand](#)  
**To:** [Patrick Bishop](#); [Jeremy Conner](#); [Julie Pyper](#); [Russ Brethower](#)  
**Cc:** [Vangie Crago](#)  
**Subject:** RE: 130-08756 CO4 North Sky Communications - Fiber Optic Design and Construction Services 2019-2023  
**Date:** Wednesday, March 24, 2021 3:55:24 PM

---

Thank you Pat, I approve the change order.

---

*Allen Chatriand, Manager PMO – Power Delivery  
Grant County PUD  
509-378-7720*

---

**From:** Patrick Bishop <[Pbishop@gcpud.org](mailto:Pbishop@gcpud.org)>  
**Sent:** Wednesday, March 24, 2021 9:55 AM  
**To:** Jeremy Conner <[Jconner@gcpud.org](mailto:Jconner@gcpud.org)>; Allen Chatriand <[achatriand@gcpud.org](mailto:achatriand@gcpud.org)>; Julie Pyper <[Jpyper@gcpud.org](mailto:Jpyper@gcpud.org)>; Russ Brethower <[Rbretho@gcpud.org](mailto:Rbretho@gcpud.org)>  
**Cc:** Vangie Crago <[Vcrago@gcpud.org](mailto:Vcrago@gcpud.org)>  
**Subject:** FW: 130-08756 CO4 North Sky Communications - Fiber Optic Design and Construction Services 2019-2023

Good morning everyone,

Change Order No. 4 to increase the Contract not to exceed price has been approved by Legal. Prior to moving this to the Commission Packet, can each of you addressed on the attached memo please provide your approval to proceed by return email? This will serve as your initials since we are all working remotely. Please let me know if you have any questions. Thank you.

---

**From:** Carol Mayer <[Cmayer@gcpud.org](mailto:Cmayer@gcpud.org)>  
**Sent:** Wednesday, March 24, 2021 8:55 AM  
**To:** Patrick Bishop <[Pbishop@gcpud.org](mailto:Pbishop@gcpud.org)>  
**Subject:** 130-08756 CO4 North Sky Communications

You have contract and legal approval to proceed with submission into the Commission packet.

### **Carol Mayer**

*Manager Procurement/Warehouse*

OFFICE 509.754.5055

EXT. 2336

EMAIL [cmayer@gcpud.org](mailto:cmayer@gcpud.org)



[grantpud.org](http://grantpud.org)

CHANGE ORDER  
NO. 4

Pursuant to Section GC-11, the following changes are hereby incorporated into this Contract:

- A. Description of Change: Increase the Contract Price.
- B. Time of Completion: The completion date shall remain December 31, 2023.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$18,400,000.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$52,300,000.00, including changes incorporated by this Change Order.
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2  
of Grant County, Washington

North Sky Communications, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_





Change Order Table

**Contract Title:** Fiber Optic Design and Construction Services 2019-2023

Contract No.	130-08756	Award Date:	12/14/2018
Project Manager:	Jeremy Conner	Original Contract Amount:	\$10,000,000.00
District Representative (If Different):		Original Contract completion:	12/31/2023
Contractor:	North Sky Communications, LLC	Total CO Cost Change Amt	\$42,300,000.00

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Increase the not to exceed Contract Price.	Comm	12/11/19	N/A	\$10,500,000.00	\$20,500,000.00	\$10,500,000.00
2	Revise Exhibit "B" Rate Schedule to add one labor classification and three equipment classifications.	Dept Mgr	06/03/30	N/A	\$0.00	\$20,500,000.00	\$0.00
3	Increase the not to exceed Contract Price.	Comm	07/29/20	N/A	\$13,400,000.00	\$33,900,000.00	\$13,400,000.00
4	Increase the not to exceed Contract Price.	Comm		N/A	\$18,400,000.00	\$52,300,000.00	\$18,400,000.00
<b>Total Change Order Cost Change Amount</b>					<b>42,300,000.00</b>		

# For Commission Review – 04/27/2021

RESOLUTION NO. XXXX

A RESOLUTION ADOPTING SALARIES FOR COMMISSION APPOINTEES

## Recitals

1. The Commission desires to establish the salaries for Commission Appointees as set forth herein.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, as follows:

Section 1. The adjusted salaries for Commission Appointees is set forth in Exhibit A and shall be effective \_\_\_\_\_, 2021.

Section 2. The Commission adds a one-time contribution of \_\_\_\_\_ (xx) days at eight (8) hours per day to the personal leave (PL) bank of the General Manager.

Section 3. The Commission adds a one-time contribution of \_\_\_\_\_ (xx) days at eight (8) hours per day to the personal leave (PL) bank of the General Counsel.

Section 4. This resolution supersedes any prior resolution relating to Commission Appointee salaries to the extent of any conflict or inconsistency with the salary adjustments set forth in Exhibit A.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 11<sup>th</sup> day of May, 2021.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

**EXHIBIT A**  
**Resolution No. XXXX**

**Commission Appointee Salaries**  
**Effective \_\_\_\_\_, 2021**

General Manager \$ \_\_\_\_\_ bi-weekly

Attorney \$ \_\_\_\_\_ bi-weekly

# For Commission Review – 04/27/2021

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10232A with Washington State Department of Enterprise Services for the Ephrata Service Center (ESC) remodel project, in an amount not-to-exceed \$9,289,303.01.

430-10232A

## MEMORANDUM

April 21, 2021

**TO:** Kevin Nordt, General Manager/Chief Executive Officer

**VIA:** Jeff Bishop, Chief Financial Officer  
Tim Fleisher, Facilities Manager  
Kevin McCarthy, Senior Manager of Internal Services

**FROM:** Cliff Woods, EPMO Project Manager

**SUBJECT:** ESC Facilities Improvement ESCO Contract 430-10232A  
MLSC Facilities Improvement ESCO Contract 430-10232B

### Purpose

To request Commission approval of contracts 430-10232A (ESC) and 430-10232B (MLSC) with Washington State Department of Enterprise Services for the Ephrata Service Center and Moses Lake Service Center projects; with contract prices in the amounts of \$9,289,303.01 (ESC) and \$7,787,245.01 (MLSC).

### Discussion

McKinstry Essention, LLC (McKinstry) was selected, by a District Review Committee, from an Energy Services Company/Contractor (ESCO) list approved by the Washington State Department of Enterprise Services (DES) Energy Program to correct building and site deficiencies such as those we are facing at the Ephrata (ESC) and Moses Lake (MLSC) Service Centers. DES develops the pre-approved list of ESCOs via a Request for Qualifications (RFQ) submittal process. The submittals are reviewed by the DES and those ESCOs deemed to be qualified are interviewed and offered a Master Energy Services Agreement. This makes them eligible to participate in energy related projects at public facilities managed by the DES Energy Program. Local Government (including Public Utility Districts) Client Agencies enter into an Interagency Agreement (IAA) with DES to participate in the program and work with one of the pre-qualified ESCOs. The IAA is drafted pursuant to Chapter 39.34 RCW and allows the DES Energy Program to provide overall contracting and project management services. Client Agencies can select any of the pre-qualified ESCOs to work with under the ESPC Program.

As part of the ESCO program, DES contracts with qualified ESCOs to deliver the best value for agencies utilizing this program and DES project management services.

The process provides:

- The most cost-effective method for completing building energy upgrades and retrofits and is like the design/build project delivery methodology.
- Improved risk management through guaranteed total project costs, equipment performance, and energy savings.

There will be a variety of upgrades involved in the overall project scope. These upgrades will provide better operational function, space management, and energy efficiencies for at least another 5 to 7 years.

These projects are independent from the decisions impacting the facilities master planning effort. With that said, many of the upgrades will provide benefits beyond improved resale values should the utility decide to sell any of the facilities as part of future facility master planning decisions.

This will be accomplished at each of the facilities through the installation of energy efficient lighting, controls and HVAC system upgrades, code required ventilation air, and mechanical systems. Modifying and or expanding restrooms and locker rooms to accommodate workforce and installing hands free plumbing fixtures. The ESC warehouse will have insulated metal panels installed on the roof and as siding to meet energy code standards for envelope insulation. A new fire suppression system will be installed in the ESC warehouse. Interior finishes known to contain hazardous materials will be removed from the facilities and replaced.

### **Justification**

Existing conditions of the ESC and MLSC facilities do not meet GCPUD's health and safety requirements. Nor do they meet the current Washington State energy code standards. GCPUD operation and efficiency has been compromised as growth in the region continues and the need for available space increases. Years of "temporary fixes" and deferred upgrades compounded in each of the functional areas has created inefficiencies, discomfort, and safety concerns for various departments and work groups with a lack of basic regulatory safety requirements like smoke detectors and fire alarms.

GCPUD staff have, after completing an extensive study and investigation, proposed improvements to improve the overall operation and efficiency of these facilities. The proposed improvements will result in improved building system performance, increased productivity of our staff & crews, and facilities that meet GCPUD's compliance and health & safety standards.

The approval of this contract will allow GCPUD to meet the following benchmarks:

- Clean Buildings bill (HB 1257, 2019) EUI targets that were signed into law on May 7, 2019.
- Compliance with The Americans with Disabilities Act of 1990.
- Improvement of energy and water consumption systems in the building.
- Improvement of site safety and security by providing better lighting and more defined parking areas at the facilities.
- Improve the safety and risk to our materials inventory with the installation of a fire sprinkler system in the ESC warehouse.
- Provide adequate office space, locker room expansion, and bathroom facilities to support line and telecommunication crew operations.
- Provide updated and more efficient office spaces for administrative staff.

The work completed under this contract supports GCPUD's mission "*To safely, efficiently, and reliably generate and deliver energy to our customers.*" This project also supports our Key Objectives by improving workplace safety, improving working conditions that confirm our commitment to GCPUD's culture, providing more effective and well-maintained facilities that support our strong financial position and low long-term rates, give our staff & crews the ability to provide outstanding service to our customers, and operate with regulatory compliance.

**Financial Considerations**

The budget estimates have been reviewed and finalized by selected ESCO (McKinstry) to reach a Guaranteed Maximum Pricing (GMP). GCPUD’s project team agrees that the cost and scope, along with an energy savings guarantee meets GCPUD’s expectations for this project.

**Contract Specifics**

The State of Washington is requiring GCPUD to include and commit to paying sales tax in the funding agreement and contract price. The sales tax will be paid upon invoicing to McKinstry. Below is a high-level breakdown of the ESCO and estimated Non-ESCO costs for the ESC and MLSC projects. The Non-ESCO project funding will be bid and procured separately from the energy funding discussed herein.

ESC	
ESCO Audit (Contract 430-10232)	\$ 506,691.00
ESCO Energy Funding (Contract 430-10232A)	\$ 9,289,303.01
Non-ESCO Project Funding (Separate Contracts for temporary warehouse relocation, hazardous material removal, site improvements, equipment, furniture, security services, other purchased services)	\$ 5,695,929.00
<b>Total ECS Project Spend</b>	<b>\$ 15,491,923.01</b>

MLSC	
ESCO Audit (Contract 430-10232)	\$ 348,227.00
ESCO Energy Funding (Contract 430-10232B)	\$ 7,787,245.01
Non-ESCO Project Funding (Separate Contracts for temporary warehouse relocation, hazardous material removal, site improvements, equipment, furniture, security services, other purchased services)	\$ 1,040,823.00
<b>Total MLSC Project Spend</b>	<b>\$ 9,176,295.01</b>

**Recommendation:**

Commission approval of contracts 430-10232A (ESC) and 430-10232B (MLSC) with Washington State Department of Enterprise Services for the Ephrata Service Center and Moses Lake Service Center projects; with contract prices in the amounts of \$9,289,303.01 (ESC) and \$7,787,245.01 (MLSC).

**Legal Review:**

See attached.



STATE OF WASHINGTON  
DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson St. SE, Olympia, WA 98501  
PO Box 41476, Olympia, WA 98504-1476

March 30, 2021

TO: Tim Fleisher, Public Utility District No. 2 of Grant County, WA

FROM: Kim Obi, Contracts Specialist, (360) 407-8273

RE Agreement No. 2021-015 A (1), Amendment No. 1  
M&V Agreement No. 2021-015 B (2)  
Contract No. 2021-015 G (1-1)  
Ephrata Service Center Energy Upgrades

IAA No. K6534

PUD No. 2 of Grant County Contract No.: 430-10232A

McKinstry Essention, LLC

SUBJECT: Funding Approval - Revised

The Dept. of Enterprise Services (DES), Energy Program, requires funding approval for the above referenced contract documents. The amount required is as follows (see page 2 for funding detail):

ESCO Audit	\$ 506,691.00*
ESCO Professional Services Total	\$ 1,989,665.49
ESCO Measurement and Verification Total	\$ 14,816.11
ESCO Construction Total	\$ 7,169,489.41
DES Energy Program Project Management Services Total (IAA)	\$ <u>115,332.00</u>
<b>Total Funding</b>	<b>\$ 9,795,994.01</b>

**In accordance with the provisions of RCW 43.88, the signature affixed below certifies to the DES Energy Program that the above identified funds are appropriated, allotted or that funding will be obtained from other sources available to the using client/agency. The using/client agency bears the liability for any issues related to the funding for this project**

By \_\_\_\_\_ Date \_\_\_\_\_  
Name / Title

Please sign and return this form to E&AS. If you have any questions, please call me.



Agreement No. 2021-015 A (1), Amendment No. 1

M&V Agreement No. 2021-015 B (2)

Contract No. 2021-015 G (1-1)

Funding Approval Detail

**ESCO Professional Services**

Design and Implementation of Energy Conservation Measures	\$	2,116,541.00
Apprenticeship Incentive	\$	922.51
Sales Tax (8.4%) (Includes tax on Audit proposal)	\$	220,428.98
Audit for Moses Lake Service Center-Transferred to its own Agr.	\$	(348,227.00)
<b>Total</b>	<b>\$</b>	<b>1,989,665.49</b>

**ESCO Measurement and Verification**

First Year Measurement & Verification	\$	13,668.00
Sales Tax (8.4%)	\$	1,148.11
<b>Total</b>	<b>\$</b>	<b>14,816.11</b>

**ESCO Construction**

ESCO Contract Amount	\$	5,638,369.00
Sales Tax (8.4%)	\$	473,623.00
Contingency Amount (with Tax)	\$	1,057,497.41
<b>Total</b>	<b>\$</b>	<b>7,169,489.41</b>

**DES Energy Program Project Management Services**

Project Management Fee from IAA No. K6534, Amendment No. 1	\$	115,332.00
<b>Total</b>	<b>\$</b>	<b>115,332.00</b>

Note: Items and dollar values shown in a lighter color shade have been approved via previous funding authorizations and are shown for informational purposes only.



# Grant County PUD

Ephrata Service Center Energy Upgrades  
Energy Services Proposal

Volume 1 of 2

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EPHRATA, WA  
19 MARCH 2021

FOR THE  
LIFE OF  
YOUR  
BUILDING

# Project Contacts

---

<b>AREA OF RESPONSIBILITY</b>	<b>NAME</b>	<b>CONTACT NUMBER</b>	<b>EMAIL</b>
<i>Primary Client Contact</i>	Tim Fleisher, AIA	509.754.5088	tfleish@gcpud.org
<i>WA DES Representative</i>	Chris McCarthy, PE	509.315.6701	chris.mccarthy@des.wa.gov
<i>Account Executive</i>	Christie Hoffpauer	509.713.7721	christieh@mckinstry.com
<i>Program Manager</i>	Casey McGourin, PE	509.625.7261	caseym@mckinstry.com
<i>Energy Engineer</i>	Daniel Funke, PE	208.596.2663	danielf@mckinstry.com
<i>Performance Assurance Specialist</i>	Jake Landsiedel, CEM, CMVP, FMP, CWEP	509.625.3115	jakel@mckinstry.com
<i>Construction Manager</i>	Warren Tastad	509.625.3131	warrent@mckinstry.com

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- 1.5 McKinstry Differentiators

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- FIM # 03.01-ELS: ELECTRONIC SHOP ENERGY UPGRADES
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# Executive Summary

## OUTCOME SNAPSHOT

This project represents an excellent opportunity to significantly improve facilities while saving energy and trimming utility spending. McKinstry looks forward to making this project a success.

McKinstry estimates these **savings** if proposed facility improvement measures (FIMs) are installed:



**\$8,448**  
Utility cost savings/year



**191,574**  
Guaranteed kWh/year

*Carbon dioxide emissions reductions would equal:*



**38**  
Acres of Trees Planted



**303,679**  
lbs. CO<sub>2</sub>/year less emissions

## 1.1 Overview

Through the Washington State Department of Enterprise Services (DES) Energy Savings Performance Contracting (ESPC) program, McKinstry has completed an extensive study and investigation of energy upgrades for Grant County PUD. Our Directed Engineering Study presents a holistic project solution for improving the overall facility efficiency and operation. Our proposed solutions will result in lower utility use and cost along with improved building system performance and occupant productivity.

## 1.2 Current Situation

### CHALLENGES

The existing layout does not meet the PUD's health and safety requirements as there are separate workgroups that must commingle with one another, share restrooms, etc. In pandemic situation this causes reliability concerns that need to be addressed. Additionally, the existing energy/water consuming systems are not energy efficient and do not meet current energy code standards.

The existing locker room and restroom layout is inadequate to support line crew operations. The restroom and locker room are being modified/expanded as part of another contract. The existing energy/water consuming systems are inefficient, do not meet current energy codes and will not adequately support the new layout.

The existing electronic shop layout does not currently meet the needs of the PUD. The layout is being modified as part of another contract. The existing energy/water consuming systems are inefficient, do not meet current energy codes and will not adequately support the new layout.

The existing warehouse does not currently meet energy code standards for envelope insulation, heating and controls thus making the building energy inefficient. Additionally, the building does not have cooling and is lacking in life safety systems that are required by code and PUD standards.

The existing vehicle shop storage area has CMU exterior wall that is cracked and allows outside air to infiltrate the space. The building is poorly insulated and does not meet current energy code standards.

The existing site lighting includes high pressure sodium and metal halide lighting that is not energy efficient when compared to current lighting standards.

## 1.3 Solutions

This project includes:

### FIM #03.01-EES| ESC ELECTRIC SHOP ADMINISTRATION ENERGY UPGRADES

The layout upgrade work is being accomplished outside of the ESCO contract but the building energy/water consuming systems will be upgraded to match the new layout and will ensure that energy efficiency is optimized. The outcome of the project will result in meeting or exceeding HB1257 EUI targets.

### FIM # 03.01-ELA| ESC LINE CREW ENERGY UPGRADES

The proposed systems will improve the space energy and water consumption efficiency while providing code required ventilation and improved occupant comfort. The outcome of the project will result in meeting or exceeding HB1257 EUI targets.

# Executive Summary

## COMPANY AT-A-GLANCE

- Established 1960
- Over 1,700 employees
- 23 offices
- 55+ Professional Engineers
- 80+ LEED Accredited Professionals

## MCKINSTRY EXPERIENCE

**\$20 million**

Customer utility savings guaranteed

**\$100 million**

Grants & rebates secured for clients

**636 million**

Kilowatt hours saved

**453 thousand**

Metric tons of CO<sub>2</sub> saved

**91 million**

Gas Therms saved

*CO<sub>2</sub> emission reductions resulting from McKinstry projects have environmental impacts equal to:*

**3,167 acres**

Forest acres saved from destruction

**51.5 million**

Gallons of gas not used

**83+ thousand**

Cars taken off the road

**40+ thousand**

Homes taken off the power grid

### FIM # 03.01-ELS| ESC ELECTRONICS ENERGY UPGRADES

The proposed solution will increase envelope insulation and reduce energy consumption through lighting, controls and HVAC system upgrades. The upgrades will provide code required ventilation and improved occupant comfort. The outcome of the project will result in meeting or exceeding HB1257 EUI targets.

### FIM # 03.01-EWH| ESC WAREHOUSE ENERGY UPGRADES

The proposed improvements will create a more energy efficient, safe, and functional space. This will be accomplished through increasing envelope insulation, providing code required ventilation air, upgrading lighting and installing more energy efficient mechanical systems. The outcome of the project will result in meeting or exceeding HB1257 EUI targets.

### FIM # 13.01-EVS| ESC TRANSPORTATION DEPARTMENT ENERGY UPGRADES

The cracks will be sealed and a new exterior insulation and finishing system will be installed to increase envelope insulation levels and reduce infiltration air to produce a more energy efficient envelope.

### FIM # 20.01-ESW| ESC ENERGY SITE WORK

The existing site lighting will be replaced with new LED lighting and some new additional lighting will be added to improve site safety and security. Other sitework is required to support building work that either saves energy or is required to obtain a building permit.

## 1.4 Summary of Benefits

### FINANCIAL BENEFITS

Section 4 of this document provides a detailed look at the project financials. The guaranteed maximum project allowable cost is \$8,766,054. Including sales tax and DES management fees and prior to any utility incentives, the final project cost is \$9,587,589. Total first-year savings is \$8,448 in energy costs.

### ENVIRONMENTAL BENEFITS

By taking the necessary steps to reduce energy consumption through the implementation of the various facility improvement measures detailed in this report, Grant County PUD will attain the savings outlined in the outcome snapshot on the left. This is equivalent to:

- 13 average-sized homes being removed from the power grid; or
- 141,906 pounds of coal not burned per year; or
- 514,709 miles not driven by an average size vehicle.

## 1.5 McKinstry Differentiators

### COMPANY OVERVIEW

McKinstry has over 50 years of experience assessing and improving facilities in the Pacific Northwest. With more than 1,500 successful energy and facility improvement projects completed in the past 15 years, McKinstry has the expertise to offer comprehensive solutions to Grant County PUD. McKinstry is more than just another energy services company, we believe in serving as your



# Executive Summary

---

trusted advisor *"For the Life of Your Building."*

## **MCKINSTRY APPROACH ADVANTAGES**

- Vendor- and product-neutral for truly consultative role
- Transparent pricing
- Total cost of ownership consideration
- No "shared savings" model

# Scope of Work

---

## 2.1 Facility Improvement Measure (FIM) List

For full descriptions of the scope of work of each measure, please refer to Section 2 - Detailed Scope of Work.

FIM # 03.01-EWH: WAREHOUSE ENERGY UPGRADES  
FIM # 03.01-ELA: LINE CREW OFFICE ENERGY UPGRADES  
FIM # 03.01-EES: ELECTRIC SHOP ADMINISTRATION ENERGY UPGRADES  
FIM # 03.01-ELS: ELECTRONIC SHOP ENERGY UPGRADES  
FIM # 13.01-EVS: VEHICLE SHOP ENERGY UPGRADES  
FIM # 20.01-ESW: EPRATA SITE WORK ENERGY UPGRADES

## 2.2 McKinstry Services

McKinstry will include the following services related to this project:

1. *Energy Audit:*  
The energy audit is complete and is submitted under Section 5 – Directed Engineering Study.
2. *Design Services:*  
McKinstry will provide a detailed engineering design as needed to obtain permitting, Owner review, and approval of the proposed systems. In addition, McKinstry will also provide construction support services, start-up, testing, as-built drawings of systems installed, and provide operations and maintenance manuals.
3. *Construction:*  
Provide, or cause to be provided, all material, labor, and equipment, including paying for permits, fees, bonds, and insurance, required for the complete and working installation of McKinstry's equipment.
  - a. McKinstry will provide a site superintendent who will be responsible for the onsite supervision and coordination of trades and subcontractors. This individual's responsibilities will also include regular work observations, quality control, site security, enforcement of the site-specific safety plan, as well as coordinating any impact upon building tenants with the Owner.
  - b. McKinstry may perform portions of the construction work or may subcontract portions to qualified firms. In either case, McKinstry will share information regarding actual costs of the work with the Owner and DES.
  - c. When McKinstry has completed the installation of the equipment, including start-up, operations verification, and training in accordance with the Proposal, McKinstry will provide to Owner and DES a "Notice of Commencement of Energy Savings."
  - d. At the conclusion of the project, McKinstry will submit a "Notice of Substantial Completion" to the Owner and DES.
4. *Construction Management:*  
McKinstry will provide a dedicated construction manager who will provide contract administration services for the project. The owner is expected to coordinate day-to-day communications with tenants and any scheduling of tenant relocations in and around occupied areas.  
  
The overall project to be delivered has components that are not included in the ESCO contract. For these scopes, McKinstry will act on behalf of the PUD as the Owner's Representative, Site Supervisor and Construction Manager to ensure the project is delivered in a coordinated manner (See Construction Management/Supervision Plan in Section 5).
5. *Operation Training:*  
McKinstry will provide relevant training of building staff during construction as agreed to by the Owner and DES.



# Scope of Work

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6. *Performance Maintenance:*

McKinstry will provide ongoing monitoring and support services to help ensure that guaranteed savings are achieved throughout the term of the agreement. Ongoing services shall be under separate agreement. Ongoing services shall be at the discretion of the Owner and DES to terminate. Specific tasks associated with proposed ongoing Measurement and Verification (M&V) can be found in Table 3.2 - M&V Plan Outline.

7. *Equipment Maintenance:*

McKinstry will provide no equipment maintenance or repairs after the warranty period. Following the completion of the installation and Owner acceptance of the equipment, the Owner shall provide all necessary service, repairs, and adjustments to the equipment so that the equipment will perform in the manner and to the extent set forth in the Proposal. McKinstry shall have no obligation to service or maintain the equipment after the warranty period.

8. *Warranty:*

Due to large size and scope of the project, McKinstry will warrant equipment for one year following substantial completion of each facility improvement measure as identified in the detailed scopes of work. McKinstry will notify DES and Grant County PUD in writing within 30 days of substantial completion as notification of warranty commencement.

## 2.3 Extent of Subcontracting

McKinstry may subcontract the energy audit, design, construction management, start-up, and training portions of this Contract to qualified firms upon review and approval by owner. Construction subcontracts will be awarded competitively. McKinstry will endeavor to satisfy the Diverse Business Enterprise utilization goals of the Owner and DES.

## 2.4 Project Schedule

See attachment B for a detailed schedule outlining all of the various design, pre-construction, construction, and closeout tasks associated with the project and that interfaces with other construction work not under this proposal.

# Scope of Work

## Grant County PUD Detailed Scope of Work

### FIM # 03.01-EWH| ESC WAREHOUSE ENERGY UPGRADES

#### General Purpose

The existing warehouse does not currently meet energy code standards for envelope insulation, heating and controls thus making the building energy inefficient. Additionally, the building does not have cooling and is lacking in life safety systems that are required by code and PUD standards.

The proposed improvements will create a more energy efficient, safe, and functional space. This will be accomplished through increasing envelope insulation, providing code required ventilation air, upgrading lighting and installing more energy efficient mechanical systems. The outcome of the project will result in meeting or exceeding HB1257 EUI targets.

#### BASIS OF DESIGN NOTES

1. This scope of work and referenced floor plan is provided with the intent to provide GMAX pricing only. This is not to be used for construction.
2. For the purposes of pricing, no equipment substitutions shall be allowed unless explicitly approved by McKinstry.

#### SCOPE OF WORK INCLUDES

- A. Mechanical, Plumbing, and Controls
  1. Demolish then furnish and install all mechanical, plumbing, and controls as indicated on referenced documents.
  2. See ESC WH 50% design package M-Sheets – Main Floor and Mezzanine of Warehouse
  3. See Specification sections Volume 1 and 2.
- B. Electrical, Fire Alarm, and Network Cabling
  1. Demolish then furnish and install all electrical, fire alarm, and network cabling as indicated on referenced documents.
  2. See ESC WH 50% design package E-Sheets – Main Floor and Mezzanine of warehouse
  3. See Specification sections Volume 1 and 2.
- C. Fire Suppression System
  1. Furnish and install a complete fire sprinkler system as indicated on referenced documents.
  2. See "ESC warehouse Fire Sprinkler Plan 50% rev 1" drawings
- D. Metal roof and Siding System (Pre-finished structurally insulated panel systems or SIPS)
  1. Demolish then furnish and install a complete metal roofing and siding system as indicated on referenced documents.
  2. ESC WH 50% design package See Sheets A2.3 and A3.1 for Warehouse ONLY
- E. General Construction
  1. Demolish then furnish and install all general construction items as identified on referenced documents.
  2. See ESC WH 50% Design Package A Sheets – Work area enclosed on sheet A1.1 and referenced sheets A1.2, A1.4, and A2.1. **Truck dock infill and canopy slab will be contracted by others.**
  3. See Specification section Volume 1
- F. Racking/Shelving
  1. Furnish, install, and relocate all warehouse racking and racking modifications identified on referenced documents.
  2. See Ephrata Service Center Warehouse Racking/Shelving Q Sheets
  3. See Specification section Volume 1

# Scope of Work

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- G. Testing, Adjusting, and Balancing (TAB)
  - 1. See Mechanical M Sheets – Main Floor and Mezzanine of warehouse
  - 2. See Specification sections Volume 1 and 2.
  
- H. Commissioning
  - 1. See Mechanical M Sheets – Main Floor and Mezzanine of warehouse
  - 2. See Specification sections Volume 1 and 2 for scope.

## CLARIFICATIONS AND EXCLUSIONS

- 1. Hazardous materials abatement is NOT included in this contract. An estimate has been provided to Grant PUD for this work.
- 2. If existing equipment or components are reused, repairs to existing are not included unless specifically noted in the scope above or required to deliver the guaranteed energy/water savings and/or meet KPIs listed in Table 3.2.
- 3. Project may not be contracted within a 90-day period. Material cost increases beyond this time period shall be considered “unforeseen” and allow for the use of project contingency, if needed.
- 4. Primary side electrical work up to and including transformer installation will be furnished/installed by the Grant County PUD and is NOT in this contract.
- 5. Work is intended to be performed in an unoccupied facility.
- 6. Warehouse product will be moved and handled exclusively by Grant County PUD and is NOT included in this contract.
- 7. McKinstry has NOT included moving office equipment and personal items in this contract.
- 8. McKinstry has NOT included the purchase, installation, or demolition of furniture in this contract.
- 9. Scope currently does not include EMT conduit for all concealed low voltage wiring (fire alarm, DDC controls, data). Grant PUD authorizes McKinstry to proceed without EMT conduit for low voltage wiring that is concealed above the ceiling.

# Scope of Work

## Grant County PUD Detailed Scope of Work

### FIM # 03.01-ELA| ESC LINE CREW ENERGY UPGRADES

#### General Purpose

The existing locker room and restroom layout is inadequate to support line crew operations. The restroom and locker room are being modified/expanded as part of another contract. The existing energy/water consuming systems are inefficient, do not meet current energy codes and will not adequately support the new layout.

The proposed systems will improve the space energy and water consumption efficiency while providing code required ventilation and improved occupant comfort. The outcome of the project will result in meeting or exceeding HB1257 EUI targets.

#### BASIS OF DESIGN NOTES

1. This scope of work and referenced floor plan is provided with the intent to provide GMAX pricing only. This is not to be used for construction.
2. For the purposes of pricing, no equipment substitutions shall be allowed unless explicitly approved by McKinstry.

#### SCOPE OF WORK INCLUDES

- A. Mechanical, Plumbing, and Controls
  1. Demolish then furnish and install all new mechanical, plumbing, and controls as indicated on referenced documents.
  2. See ESC WH 50% design package M-Sheets – Line Crew
  3. See Specification sections Volume 1 and 2.
- B. Electrical, Fire Alarm, and Network Cabling
  1. Demolish then furnish and install all new electrical, fire alarm, and network cabling.
  1. See ESC WH 50% design package E-Sheets – Line Crew ONLY See Sheets E2.2, E2.4, E3.2, E3.4, E4.3
  2. See Specification sections Volume 1 and 2.
- C. Testing, Adjusting, and Balancing (TAB)
  1. See Mechanical M Sheets – Line Crew
  2. See Specification sections Volume 1 and 2.
- D. Commissioning
  1. See Mechanical M Sheets – Line Crew
  2. See Specification sections Volume 1 and 2 for scope.

#### CLARIFICATIONS AND EXCLUSIONS

1. Hazardous materials abatement is NOT included in this contract. An estimate has been provided to Grant PUD for this work.
2. If existing equipment or components are reused, repairs to existing are not included unless specifically noted in the scope above or required to deliver the guaranteed energy/water savings and/or meet KPIs listed in Table 3.2.
3. Project may not be contracted within a 90-day period. Material cost increases beyond this time period shall be considered "unforeseen" and allow for the use of project contingency, if needed.
4. Work is intended to be performed in an unoccupied facility.
5. McKinstry has NOT included moving office equipment and personal items in this contract.
6. McKinstry has NOT included the purchase, installation, or demolition of furniture in this contract.

# Scope of Work

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7. Scope currently does not include EMT conduit for all concealed low voltage wiring (fire alarm, DDC controls, data). Grant PUD authorizes McKinstry to proceed without EMT conduit for low voltage wiring that is concealed above the ceiling.
8. This scope area is not planned for coverage with a new sprinkler system based on the architect's interpretation of the building code and preliminary meeting with AHJ. Due to the unique nature of the warehouse canopy structure and its attachment to the electric shop admin./line crew area, a final ruling by the local AHJ has not yet been rendered.

GRANT

# Scope of Work

## Grant County PUD Detailed Scope of Work

### FIM # 03.01-EES| ESC ELECTRIC SHOP ADMINISTRATION ENERGY UPGRADES

#### General Purpose

The existing layout does not meet the PUD's health and safety requirements as there are separate workgroups that must commingle with one another, share restrooms, etc. In pandemic situation this causes reliability concerns that need to be addressed. Additionally, the existing energy/water consuming system are not energy efficient and do not meet current energy code standards.

The layout upgrade work is being accomplished outside of the ESCO contract but the building energy/water consuming systems will be upgraded to match the new layout and will ensure that energy efficiency is optimized. The outcome of the project will result in meeting or exceeding HB1257 EUI targets.

#### BASIS OF DESIGN NOTES

1. This scope of work and referenced floor plan is provided with the intent to provide GMAX pricing only. This is not to be used for construction.
2. For the purposes of pricing, no equipment substitutions shall be allowed unless explicitly approved by McKinstry.

#### SCOPE OF WORK INCLUDES

- A. Mechanical, Plumbing, and Controls
  1. Demolish then furnish and install all mechanical, plumbing, and controls as identified on referenced documents.
  2. See ESC WH 50% design package M-Sheets – Electric shop
  3. See Specification sections Volume 1 and 2.
- B. Electrical, Fire Alarm, and Network Cabling
  1. Demolish then furnish and install all electrical, fire alarm, and network cabling as identified on referenced documents.
  2. See ESC WH 50% design package E-Sheets – Electric shop ONLY See Sheets E2.2, E2.4, E3.2, E3.4, E4.3
  3. See Specification sections Volume 1 and 2.
- C. Testing, Adjusting, and Balancing (TAB)
  1. See Mechanical M Sheets – Electric shop
  2. See Specification sections Volume 1 and 2.
- D. Commissioning
  1. See Mechanical M Sheets – Electric shop
  2. See Specification sections Volume 1 and 2 for scope.

#### CLARIFICATIONS AND EXCLUSIONS

1. Hazardous materials abatement is NOT included in this contract. An estimate has been provided to Grant PUD for this work.
2. If existing equipment or components are reused, repairs to existing are not included unless specifically noted in the scope above or required to deliver the guaranteed energy/water savings and/or meet KPIs listed in Table 3.2.
3. Project may not be contracted within a 90-day period. Material cost increases beyond this time period shall be considered "unforeseen" and allow for the use of project contingency, if needed.

# Scope of Work

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4. Work is intended to be performed in an unoccupied facility.
5. McKinstry has NOT included moving office equipment and personal items in this contract.
6. McKinstry has NOT included the purchase, installation, or demolition of furniture in this contract.
7. Scope currently does not include EMT conduit for all concealed low voltage wiring (fire alarm, DDC controls, data). Grant PUD authorizes McKinstry to proceed without EMT conduit for low voltage wiring that is concealed above the ceiling.
8. This scope area is not planned for coverage with a new sprinkler system based on the architect's interpretation of the building code and preliminary meeting with AHJ. Due to the unique nature of the warehouse canopy structure and its attachment to the electric shop admin./line crew area, a final ruling by the local AHJ has not yet been rendered.

GRANT

# Scope of Work

## Grant County PUD Detailed Scope of Work

### FIM # 03.01-ELS| ESC ELECTRONICS ENERGY UPGRADES

#### General Purpose

The existing electronic shop layout does not currently meet the needs of the PUD. The layout is being modified as part of another contract. The existing energy/water consuming systems are inefficient, do not meet current energy codes and will not adequately support the new layout.

The proposed solution will increase envelope insulation and reduce energy consumption through lighting, controls and HVAC system upgrades. The upgrades will provide code required ventilation and improved occupant comfort. The outcome of the project will result in meeting or exceeding HB1257 EUI targets.

#### BASIS OF DESIGN NOTES

1. This scope of work and referenced floor plan is provided with the intent to provide GMAX pricing only. This is not to be used for construction.
2. For the purposes of pricing, no equipment substitutions shall be allowed unless explicitly approved by McKinstry.

#### SCOPE OF WORK INCLUDES

- A. Mechanical, Plumbing, and Controls
  1. Demolish then furnish and install all mechanical, plumbing, and controls as identified on referenced documents.
  2. See ESC Electronics Shop 50% Design Package M sheets
  3. See Specification sections Volume 1 and 2.
- B. Electrical, Fire Alarm, and Network Cabling
  1. Demolish the furnish and install all electrical, fire alarm, and network cabling as identified on referenced documents.
  2. See ESC Electronics Shop 50% Design Package E sheets.
  3. See Specification sections Volume 1 and 2.
- C. Exterior insulation and finish system (EIFS)
  1. Furnish and install External Insulation and Finishing System as identified on referenced documents.
  2. See ESC Electronics Shop 50% Design Package sheet A4.1
  3. See Specification section Volume 1 for scope.
- D. Exterior Man Doors
  1. Demolish then furnish and install new exterior man doors as indicated on the referenced documents.
  2. See ESC Electronics Shop 50% Design Package sheet A4.1 and A7.1.
  3. See Specification section Volume 1.
- E. Windows
  1. Demolish then furnish and install new replacement windows as indicated on the referenced documents. Any necessary saw cutting will be done by others.
  2. See ESC Electronics Shop 50% Design Package sheet A4.1 and A7.1 for scope.
  3. See Specification section Volume 1.
- F. Garage Doors
  1. Demolish then furnish and install new replacement doors as indicated on the referenced documents.
  2. See ESC Electronics Shop 50% Design Package sheet A4.1 and A7.1



# Scope of Work

3. See Specification section Volume 1.

## G. General Construction

1. Furnish and the following as indicated on the referenced drawings:
  - i. saw cuts for windows
  - ii. removal of insulated metal door/window and fill with pre-cast concrete to match adjacent wall type/finish.
  - iii. Removal gutter and furnish and install replacement pre-finished metal gutter.
2. See ESC Electronics Shop 50% Design Package sheet A4.1
3. See Specification section Volume 1.

## H. Testing, Adjusting, and Balancing (TAB)

1. See ESC Electronics Shop 50% Design Package M sheets
2. See Specification sections Volume 1 and 2.

## I. Commissioning

1. See ESC Electronics Shop 50% Design Package M Sheets.
2. See Specification section sections Volume 1 and 2.
3. Miscellaneous scope items

## CLARIFICATIONS AND EXCLUSIONS

1. Hazardous materials abatement is NOT included in this contract. An estimate has been provided to Grant PUD for this work.
2. If existing equipment or components are reused, repairs to existing are not included unless specifically noted in the scope above or required to deliver the guaranteed energy/water savings and/or meet KPIs listed in Table 3.2.
3. Project may not be contracted within a 90-day period. Material cost increases beyond this time period shall be considered "unforeseen" and allow for the use of project contingency, if needed.
4. Primary side electrical work up to and including transformer installation will be furnished/installed by the Grant County PUD and is NOT in this contract.
5. Work is intended to be performed in an unoccupied facility.
6. Product and shelving/racking for this space will be moved and handled exclusively by Grant County PUD and is NOT in this contract.
7. McKinstry has NOT included moving office equipment and personal items in this contract.
8. McKinstry has NOT included the purchase, installation, or demolition of furniture in this contract.
9. Scope currently does not include EMT conduit for all concealed low voltage wiring (fire alarm, DDC controls, data). Grant PUD authorizes McKinstry to proceed without EMT conduit for low voltage wiring that is concealed above the ceiling.

# Scope of Work

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## Grant County PUD Detailed Scope of Work

### FIM # 13.01-EVS| ESC TRANSPORTATION DEPARTMENT ENERGY UPGRADES

#### General Purpose

The existing vehicle shop storage area has CMU exterior wall that is cracked and allows outside air to infiltrate the space. The building is poorly insulated and does not meet current energy code standards.

The cracks will be sealed and a new exterior insulation and finishing system will be installed to increase envelope insulation levels and reduce infiltration air to produce a more energy efficient envelope.

#### BASIS OF DESIGN NOTES

1. This scope of work and referenced floor plan is provided with the intent to provide GMAX pricing only. This is not to be used for construction.
2. For the purposes of pricing, no equipment substitutions shall be allowed unless explicitly approved by McKinstry.

#### SCOPE OF WORK INCLUDES

- A. Exterior insulation and finishing system Contractor (EIFS)
  1. ESC WH 50% Design Package Sheet A 6.1
    - i. Scope is to furnish and install exterior insulation finishing system
  2. See Specification section Volume 1 for scope.

#### CLARIFICATIONS AND EXCLUSIONS

1. Hazardous materials abatement is NOT included in this contract. An estimate has been provided to Grant PUD for this work.
2. Project may not be contracted within a 90-day period. Material cost increases beyond this time period shall be considered "unforeseen" and allow for the use of project contingency, if needed.

# Scope of Work

## Grant County PUD Detailed Scope of Work

### FIM # 20.01-ESW| ESC ENERGY SITE WORK

#### General Purpose

The existing site lighting includes high pressure sodium and metal halide lighting that is not energy efficient when compared to current lighting standards.

The existing site lighting will be replaced with new LED lighting and some new additional lighting will be added to improve site safety and security. Other sitework is required to support building work that either saves energy or is required to obtain a building permit.

#### BASIS OF DESIGN NOTES

1. This scope of work and referenced floor plan is provided with the intent to provide GMAX pricing only. This is not to be used for construction.
2. For the purposes of pricing, no equipment substitutions shall be allowed unless explicitly approved by McKinstry.

#### SCOPE OF WORK INCLUDES

- A. Warehouse fire suppression service
  1. See ESC WH 50% Design Package G,P, and C sheets
  2. See volume 3 specifications
- B. Electronics shop and sewer extension
  1. See ESC WH 50% Design Package G,P, and C sheets
  2. See volume 3 specifications
- C. Electrical (Site Lighting and Card Reader Conduits)
  1. See ESC WH 50% Design Package E sheets
  2. See volume 2 specifications

#### CLARIFICATIONS AND EXCLUSIONS

1. Project may not be contracted within a 90-day period. Material cost increases beyond this time period shall be considered "unforeseen" and allow for the use of project contingency, if needed.
2. Drilling, blasting, and rock removal is not expected and would be considered unforeseen, requiring the use of project contingency. If project contingency is unable to cover the cost of work, the owner may be required to infuse additional capital to complete work.
3. Hidden items below grade that may require removal, soil mitigation, etc. are considered unforeseen requiring the use of project contingency. If project contingency is unable to cover the cost of work, the owner may be required to infuse additional capital to complete work.
4. Shallow groundwater conditions that require dewatering are not expected and therefore considered unforeseen. If project contingency is unable to cover the cost of work, the owner may be required to infuse additional capital to complete work.
5. Unknown utilities not shown on as-built drawings, or discovered during utility locates are considered unforeseen and may require the use of project contingency.
6. Assumes that the electronics shop sewer line 5' from the building exterior is in good condition.

Attachment B ESC Development Schedule

ID	Task	Task Name	Duration	Start	Finish	Predecessors	Sep '20	Oct '20	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21	Jul '21	Aug '21	Sep '21
1		<b>ESC and MLSC Projects</b>	<b>303 days</b>	<b>Wed 9/30/20</b>	<b>Fri 11/26/21</b>														
2		<b>ESC and MLSC Investment Grade Audit</b>	<b>150 days</b>	<b>Wed 9/30/20</b>	<b>Tue 4/27/21</b>														
3		Design Kick-Off Meeting	2 days	Wed 9/30/20	Thu 10/1/20														
4		Client Kickoff Meeting (ESC & MLSC)	2 days	Fri 10/2/20	Mon 10/5/20	3													
5		ROM Site Walks (ESC & MLSC)	2 days	Tue 10/6/20	Wed 10/7/20	4													
6		ROM Design and Scopes Complete (25%)	22 days	Thu 10/8/20	Fri 11/6/20	5													
7		ROM Engineering Estimates	2 days	Mon 11/9/20	Tue 11/10/20	6													
8		ROM Savings/EUI	15 days	Thu 10/8/20	Wed 10/28/20	6SS													
9		Trend/Logger Setup (Both ESC and MLSC Sites)	5 days	Thu 10/8/20	Wed 10/14/20	6SS													
10		ROM Presentation	1 day	Wed 11/11/20	Wed 11/11/20	7													
11		Client provides Pre-final Direction	5 days	Thu 11/12/20	Wed 11/18/20	10													
12		Pre-final Design and Scopes Complete (50%)	38 days	Thu 11/19/20	Mon 1/11/21	11													
13		Pre-final scope review and RFP	3 days	Tue 1/12/21	Thu 1/14/21	12													
14		Estimating Site Walks	2 days	Fri 1/15/21	Mon 1/18/21	13													
15		Pre-final Costs	10 days	Tue 1/19/21	Mon 2/1/21	14													
16		Pre-final Savings/EUI	35 days	Thu 11/19/20	Wed 1/6/21	12SS													
17		Risk Reviews (To DES for Review)	4 days	Tue 2/2/21	Fri 2/5/21	15													
18		Pre-final Presentation (Tim, Cliff, and Maria)	2 days	Mon 2/8/21	Tue 2/9/21	17													
19		Submit Materials and PWG Meeting	11 days	Wed 2/10/21	Wed 2/24/21	18													
20		McKinstry ESP creation and delivery	10 days	Thu 2/25/21	Wed 3/10/21	19													
21		DES ESP/Final Proposal Review	3 days	Thu 3/11/21	Mon 3/15/21	20													
22		PUD ESP/Final Proposal Review and Approval	6 days	Tue 3/16/21	Tue 3/23/21	21													
23		DES to Initiate Contract	5 days	Wed 3/24/21	Tue 3/30/21	22													
24		PUD Procurement Review	10 days	Wed 3/31/21	Tue 4/13/21	23													
25		Submit Packet and 1st Commissioner Meeting	10 days	Wed 4/14/21	Tue 4/27/21	24													
26		<b>ESC and MLSC Project Contracting</b>	<b>18 days</b>	<b>Wed 4/28/21</b>	<b>Fri 5/21/21</b>														
27		2nd Commissioner Meeting - Vote for Signature Approval	10 days	Wed 4/28/21	Tue 5/11/21	25													
28		Contract Signed	3 days	Wed 5/12/21	Fri 5/14/21	27													
29		Notice to Proceed	5 days	Mon 5/17/21	Fri 5/21/21	28													
30		<b>ESC Design and Pre-Construction</b>	<b>50 days</b>	<b>Mon 5/24/21</b>	<b>Fri 7/30/21</b>														
31		90% Design	20 days	Mon 5/24/21	Fri 6/18/21	29													
32		Permitting	20 days	Mon 6/21/21	Fri 7/16/21	31													
33		100% Construction Documents	10 days	Mon 7/19/21	Fri 7/30/21	32													
34		Final RFP and Contracting	10 days	Mon 6/21/21	Fri 7/2/21	31													
35		Pre-Con and Submittals	20 days	Mon 7/5/21	Fri 7/30/21	34													
36		<b>MLSC Design and Pre-Construction</b>	<b>75 days</b>	<b>Mon 5/24/21</b>	<b>Fri 9/3/21</b>														
37		90% Design	35 days	Mon 5/24/21	Fri 7/9/21	29													
38		Permitting	30 days	Mon 7/12/21	Fri 8/20/21	37													
39		100% Construction Documents	10 days	Mon 8/23/21	Fri 9/3/21	38													
40		Final RFP and Contracting	10 days	Mon 7/12/21	Fri 7/23/21	37													
41		Pre-Con and Submittals	20 days	Mon 7/26/21	Fri 8/20/21	40													
42		<b>ESC Implementation</b>	<b>82 days</b>	<b>Mon 8/2/21</b>	<b>Tue 11/23/21</b>														
43		Construction	82 days	Mon 8/2/21	Tue 11/23/21	35													
44		<b>MLSC Implementation</b>	<b>70 days</b>	<b>Mon 8/23/21</b>	<b>Fri 11/26/21</b>														
45		Construction	70 days	Mon 8/23/21	Fri 11/26/21	41													

MLSC schedule shown for reference only.

Project: Grant County ESC-MLS Date: Wed 3/10/21	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			

# Energy Savings Guarantee

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## 3.1 Guarantee Overview

1. *Philosophy:*

McKinstry is prepared to guarantee any portion of a project over which it has direct control. Where McKinstry does not have direct control (such as operating hours associated with lighting), we are prepared to work with the Owner and DES to devise a method of Measurement and Verification (M&V), which will provide the highest degree of assurance that the energy savings are achieved.

2. *This Project:*

For this project, McKinstry guarantees the performance of the installed initiatives to reduce energy consumption. The target energy reductions for the initiatives that will be implemented are shown in the attached Table 3.1 Energy Savings Summary. Based upon the stipulated conditions as enumerated by the Owner and DES personnel and the utility rates as described below, the utility cost savings estimates are also shown in Table 3.1.

3. *Ongoing Services:*

Refer to Table 4.1 for the cost and duration of ongoing M&V. The cost of ongoing M&V beyond the duration listed in Table 4.1 is at the discretion of the Owner. McKinstry is prepared to continue the guarantee as long as the Owner continues the ongoing services as described herein. When the Owner chooses to cancel the ongoing services, the guarantee will also be terminated at the same point in time. Please refer to Table 3.2 M&V Plan Outline for a summary of the proposed measurement and verification scope.

## 3.2 FIM Specific Performance Assurance Methodology

1. *Guarantees:*

Table 3.1 Energy Savings Summary provides the specific energy consumption savings for each Facility Improvement Measure (FIM) and the guarantee that McKinstry will provide associated with that measure. Savings calculations are based upon both baseline operating characteristics and proposed operation criteria:

- a. **Baseline:** Baseline refers to the existing operating characteristics that were used to calculate energy savings. The baseline values, including system performance and operational conditions, which were used for this project are provided in Table 3.2. In general, all parties acknowledge the baseline associated with any specific measure has been derived from the following sources:
  - i. Actual operating information gathered through field observation, measurement, micro-data loggers, and Owner's operating logbooks.
  - ii. Owner provided information concerning stipulated factors such as burn hours, occupancy, or operational expenditures.
  - iii. In some instances, a modified baseline may have been developed to address areas whereby pre-retrofit conditions do not reflect a system that is operating per current code or what the Owner may deem as normal operation.
- b. **Proposed:** The proposed operating values, including system performance and operational conditions, which were used for savings calculations are provided in Table 3.2. Systems must be operated per the proposed criteria to ensure energy savings are realized. McKinstry will provide the initial start-up, commissioning, and programming of the system to ensure the systems operate per the proposed operating criteria. The Owner acknowledges their responsibility to ensure these criteria are maintained and associated energy savings are realized. Energy Savings Guarantees are predicated based on the Owner maintaining their responsibilities as provided below in "Ongoing Owner Responsibilities" in Section 3.5.

# Energy Savings Guarantee

## 3.3 Utility Rates

1. *Utility Rate:*

For the purpose of calculating energy cost savings, the utility rates used will be the utility rates as paid by the Owner to the utility company at the time the Energy Services Proposal was developed. In the event that a building has multiple meters on different rate schedules, the per-unit cost of the utility will be the average of all the rate schedules in effect at that facility.

a. *Base Utility Rate:*

Refer to table 3.3 for the Base Utility Rates (including sales tax).

## 3.4 Standards Of Comfort Service

Where applicable, the following section provides the standards of comfort, which the Owner must maintain to ensure the comfort of the occupants and staff, and upon which all energy calculations were based.

### HVAC COMFORT

Heating, ventilating, and air conditioning (HVAC) systems provided by McKinstry will provide comfort and indoor air quality in accordance with the Standards of Comfort below. This standard will pertain only to buildings and areas of buildings in which McKinstry is installing HVAC equipment that has direct control over space comfort conditions. HVAC comfort conditions cannot be guaranteed when operable windows or doors are open.

### INDOOR CONDITIONS

*Occupied:*

Winter Heating Minimum Set-point – 70 degrees F (Superseded by DOH Regs)

Winter Heating Maximum Set-point – 74 degrees F (Superseded by DOH Regs)

Summer Cooling Minimum Set-point – 72 degrees F (where mechanical cooling systems are employed)

Summer Cooling Maximum Set-point – 78 degrees F (where mechanical cooling systems are employed)

*Unoccupied:*

Minimum – 55 degrees F

Maximum – 85 degrees F (where mechanical cooling systems are employed)

Relative Humidity (If humidity control provided):

Minimum - 40%

Maximum - 60%

*Minimum outside air per occupant:*

Minimum outside air per occupant shall be in accordance with American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) standards and Chapter 4 of the International Mechanical Code.

Less stringent conditions will not be proposed unless specifically approved by the Owner and DES (if applicable).

### LIGHTING

*Illumination Levels Verification:*

McKinstry shall perform a light level survey of the existing conditions during the audit phase of the project



# Energy Savings Guarantee

development. The existing lighting conditions shall be discussed with the Owner to gauge the preference for general illumination throughout the facility.

## *Illumination Levels Design:*

It is McKinstry's intent to provide energy efficient lighting conditions that effectively meet the needs of the occupants and accommodate the application requirements. Where deemed appropriate, McKinstry will follow IESNA recommendations for illumination criteria in the absence of the Owner's preferred lighting standards.

## 3.5 Ongoing Owner Responsibilities

The Owner shall provide the following services as part of this energy services project. In the event that these services are not provided, energy savings and associated guarantees will be modified to reflect the associated impact.

1. Maintain all equipment per manufacturer's recommendations and proposed maintenance schedule.
2. Maintain all sequence of operations and performance criteria related to installed systems as proposed and designed.
3. Provide other FIM specific ongoing responsibilities as provided in Table 3.2.
4. Provide McKinstry with copies of actual monthly utility billing information on a quarterly basis for the duration of the M&V service period. This includes electric, natural gas, and fuel oil. The associated facilities where utility information shall be provided include all meters providing direct or indirect service to all buildings included in this project.
5. Provide McKinstry all internal sub-meter data, including electric and condensate meters, providing direct or indirect service to all buildings included in this project.
6. Provide McKinstry access to Energy Management and Control Systems for the purpose of collecting and logging data over time as required for performance verification.
7. The Owner shall notify McKinstry in writing concerning any changes or alterations to the building that will affect energy usage. This notification should be provided within two weeks of the change. This includes occupancy or use changes, computer load or other load changes, scheduling changes, and sequence of operations changes.

## 3.6 Non-Performance

In the event the equipment performance is not met, McKinstry accepts responsibility for additional electricity and natural gas used by the equipment, due to reduced performance. McKinstry may, at its option, execute any of the following options:

1. Repair or replace equipment as necessary to meet required performance.
2. Make payments for the extra energy consumption to the Owner. In the event that McKinstry chooses the payment option, McKinstry reserves the right to select either an annual payment for the duration of the guarantee term or a one-time lump-sum payment of the same amount. In either case, the payment will be calculated based upon the quantity of additional electricity or natural gas used and the Base Utility Rate as described above.

# Energy Savings Guarantee

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## 3.7 Change Of Use

In the event that the Owner chooses to make changes to the facility that require set point adjustments, longer operating hours, or continuous equipment operation, the Owner agrees that:

1. Savings deemed as met described above will continue to be deemed as met.
2. Additional cost of extended equipment operation is a cost of the change, not due to a failure of McKinstry or their equipment.
3. McKinstry shall not be responsible for any increase in energy, maintenance, or any other costs incurred because of the extended equipment operation.
4. During the M&V portion of the project McKinstry at its option may make a baseline energy use adjustment to identify and account for a change-of-use at the facility.
5. McKinstry will calculate the change in energy consumption due to the specific change made to the system's operation.





# Table 3.1 - Energy Savings Summary

Project: Grant County PUD  
 Scenario: ESC - GMAX 2021: ESCO  
 Date: 3/10/2021

Facility Improvement Measures	Facility	Guarantee Multiplier for Positive Numbers *	Guarantee Multiplier for Negative Numbers *	Net Effective Guarantee Multiplier *	Electricity		Total **
					kWh	kWh (\$)	(\$)
03.01-EES: Electric Shop Administration Energy Upgrades - ESCO	ESC - Electric Shop/Warehouse 2	90.0%	110.0%	90.0%	36,519	\$1,611	\$1,611
03.01-ELA: Line Crew Energy Upgrades - ESCO	ESC - Electric Shop/Warehouse 2	90.0%	110.0%	90.0%	6,577	\$290	\$290
03.01-ELS: Electronic Shop Energy Upgrades - ESCO	ESC - Electronics Shop/Warehouse	90.0%	110.0%	90.0%	36,892	\$1,627	\$1,627
03.01-EWH: Warehouse Energy Upgrades - ESCO	ESC - Electric Shop/Warehouse 2	90.0%	110.0%	90.0%	94,217	\$4,155	\$4,155
13.01-EVS: Vehicle Shop Energy Upgrades - ESCO	ESC - Vehicle Shop	90.0%	110.0%	90.0%	8,074	\$356	\$356
20.01-ESW: Ephrata Energy Site Work - ESCO	ESC - Electric Shop/Warehouse 2	90.0%	110.0%	90.0%	9,295	\$410	\$410
<b>Totals ***</b>					<b>191,574</b>	<b>\$8,448</b>	<b>\$8,448</b>

\* The savings shown in this table are less than the calculated savings unless a guarantee multiplier of 100% is shown.

\*\* The guarantee is based on Key Performance Indicators shown in Table 3.2. Refer to Section 3 of the ESP for the method of converting Key Performance Indicators to dollars durir

\*\*\* The guarantee is based on the aggregate savings for all FIMs, not on individual FIM savings.

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# Table 3.2 - M&V Plan Outline

Project: Grant County PUD  
 Scenario: ESC - GMAX 2021: ESCO  
 Date: 3/10/2021

FIM Name	Facility	IPMVP Option	KPI	Key Performance Indicators	Baseline Values	Proposed Values	Audit Stage (Baselining)	Post Retrofit (Commissioning)	Annual	Ongoing Owner Responsibilities	Stipulated Factors
							Tasks	Tasks	Tasks		
03.01-EES: Electric Shop Administration Energy Upgrades - ESCO	ESC - Electric Shop/Warehouse 2		1.	HVAC Hours of Operation	24/7	M-F 8:00a to 5:00p	Review building activity and consultation with facility operators.	Review Cx Report, functional performance tests.	Review BAS front-end to verify HVAC operating schedule.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Baseline HVAC Operating Schedule
			2.	Zone Temperature Setpoints	Occupied Cooling: 72°F Heating: 68°F Unoccupied Cooling: 72°F Heating: 65°F	Occupied Cooling: 74°F Heating: 68°F Unoccupied Cooling: 80°F Heating: 55°F (VRF Zones 65°F)	Review temperature setpoints during site audits and consultation with facility operators.	Review Cx Report, functional performance tests.	Review BAS front-end to verify zone temperature setpoints.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			3.	Heating and Cooling Degree Days @ 60F Balance Point	4,507 HDD 1,489 CDD	4,507 HDD 1,489 CDD	Collected TMY3 data from local Ephrata weather station.	No task, assumed constant.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Heating & Cooling Degree Days
			4.	Fixture Types and Quantities	See detailed lighting audit.	See detailed lighting audit.	Gather light fixture count records from electrical contractor responsible for installation.	Review lighting as-built documentation	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			5.	Fixture Input Power (Watts)	See detailed lighting audit.	See detailed lighting audit.	Gather lighting submittal data to determine fixtures installed are as designed.	Review pre-&post-retrofit fixture wattage on sample of fixtures.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Existing Fixture Wattage
			6.	Fixture Annual Burn Hours	See detailed lighting audit.	See detailed lighting audit.	No task, lighting burn hours are stipulated.	No Task.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Annual Burn Hours
03.01-ELA: Line Crew Energy Upgrades - ESCO	ESC - Electric Shop/Warehouse 2		1.	HVAC Hours of Operation	24/7	M-F 8:00a to 5:00p	Review building activity and consultation with facility operators.	Review Cx Report, functional performance tests.	Review BAS front-end to verify HVAC operating schedule.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Baseline HVAC Operating Schedule
			2.	Zone Temperature Setpoints	Occupied Cooling: 72°F Heating: 68°F Unoccupied Cooling: 72°F Heating: 65°F	Occupied Cooling: 74°F Heating: 68°F Unoccupied Cooling: 80°F Heating: 55°F (VRF Zones 65°F)	Review temperature setpoints during site audits and consultation with facility operators.	Review Cx Report, functional performance tests.	Review BAS front-end to verify zone temperature setpoints.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			3.	Heating and Cooling Degree Days @ 60F Balance Point	4,507 HDD 1,489 CDD	4,507 HDD 1,489 CDD	Collected TMY3 data from local Ephrata weather station.	No task, assumed constant.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Heating & Cooling Degree Days
			4.	Fixture Types and Quantities	See detailed lighting audit.	See detailed lighting audit.	Gather light fixture count records from electrical contractor responsible for installation.	Review lighting as-built documentation	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			5.	Fixture Input Power (Watts)	See detailed lighting audit.	See detailed lighting audit.	Gather lighting submittal data to determine fixtures installed are as designed.	Review pre-&post-retrofit fixture wattage on sample of fixtures.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Existing Fixture Wattage



# Table 3.2 - M&V Plan Outline

Project: Grant County PUD  
 Scenario: ESC - GMAX 2021: ESCO  
 Date: 3/10/2021

FIM Name	Facility	IPMVP Option	KPI	Key Performance Indicators	Baseline Values	Proposed Values	Audit Stage (Baselining)	Post Retrofit (Commissioning)	Annual	Ongoing Owner Responsibilities	Stipulated Factors
							Tasks	Tasks	Tasks		
			6.	Fixture Annual Burn Hours	See detailed lighting audit.	See detailed lighting audit.	No task, lighting burn hours are stipulated.	No Task.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Annual Burn Hours
03.01-ELS: Electronic Shop Energy Upgrades - ESCO	ESC - Electronics Shop/Warehouse		1.	HVAC Equipment Heating and Cooling Efficiency	Electric Unit Heaters: 1 COP htg, no cooling. Office Area Mini-Split: 3.46 COP, 13.0 SEER	EDH-1: 1 COP, no cooling EH-1: 1 COP, no cooling EH-2: 1 COP, no cooling RT-1: 8.8 HSPF, 16.5 SEER RT-2: 8.8 HSPF, 16.5 SEER HP-1: 3.86COP, 12.9 EER DS-1: 20.5 SEER	Review existing equipment documentation	Review submittal documentation for installed equipment.	Trend heat pump power (kW) during the heating season for two weeks. Calculate heating efficiency based on peak power draw (kW) and AHRI rated heating capacity.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			2.	Heat Recovery Effectivness	No heat recovery equipment.	62%	Perform building energy audit.	Verify the installed heat recovery ventilator core is AHRI certified in accordance with AHRI 1060 (I-P).	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			3.	HVAC Hours of Operation	24/7	M-F 8:00a to 5:00p	Review building activity and consultation with facility operators.	Review Cx Report, functional performance tests.	Review BAS front-end to verify HVAC operating schedule.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Baseline HVAC Operating Schedule
			4.	Zone Temperature Setpoints	Occupied Cooling: 72°F Heating: 68°F Unoccupied Cooling: 72°F Heating: 65°F	Occupied Cooling: 74°F Heating: 68°F Unoccupied Cooling: 80°F Heating: 55°F (VRF Zones 65°F)	Review temperature setpoints during site audits and consultation with facility operators.	Review Cx Report, functional performance tests.	Review BAS front-end to verify zone temperature setpoints.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			5.	Heating and Cooling Degree Days @ 60F Balance Point	4,507 HDD 1,489 CDD	4,507 HDD 1,489 CDD	Collected TMY3 data from local Ephrata weather station.	No task, assumed constant.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Heating & Cooling Degree Days
			6.	Fixture Types and Quantities	See detailed lighting audit.	See detailed lighting audit.	Gather light fixture count records from electrical contractor responsible for installation.	Review lighting as-built documentation	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			7.	Fixture Input Power (Watts)	See detailed lighting audit.	See detailed lighting audit.	Gather lighting submittal data to determine fixtures installed are as designed.	Review pre-&post-retrofit fixture wattage on sample of fixtures.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Existing Fixture Wattage
			8.	Fixture Annual Burn Hours	See detailed lighting audit.	See detailed lighting audit.	No task, lighting burn hours are stipulated.	No Task.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Annual Burn Hours
			9.	Exterior Finish System R-Value	No Exterior Finish System	Exterior Wall: 2" EIFS. R-10 Minimum from finish system.	Performed energy audit of facility and examined exterior wall condition.	Review exterior wall submittal documentation.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	



# Table 3.2 - M&V Plan Outline

Project: Grant County PUD  
 Scenario: ESC - GMAX 2021: ESCO  
 Date: 3/10/2021

FIM Name	Facility	IPMVP Option	KPI	Key Performance Indicators	Baseline Values	Proposed Values	Audit Stage (Baselining)	Post Retrofit (Commissioning)	Annual	Ongoing Owner Responsibilities	Stipulated Factors
							Tasks	Tasks	Tasks		
03.01-EWH: Warehouse Energy Upgrades - ESCO	ESC - Electric Shop/Warehouse 2		1.	HVAC Equipment Heating and Cooling Efficiency	Electric Unit Heaters: 1 COP htg, no cooling. Office Area Mini-Split: 3.46 COP, 13.0 SEER	EH-1: 1 COP, no cooling AHU-1: 3.2 COP @ 47°F, 11.5 IEER	Review existing equipment documentation	Review submittal documentation for installed equipment.	Trend heat pump power (kW) during the heating season for two weeks. Calculate heating efficiency based on peak power draw (kW) and AHRI rated heating capacity.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			2.	Heat Recovery Effectiveness	No heat recovery equipment.	62%	Perform building energy audit.	Verify the installed heat recovery ventilator core is AHRI certified in accordance with AHRI 1060 (I-P).	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			3.	HVAC Hours of Operation	24/7	M-F 8:00a to 5:00p	Review building activity and consultation with facility operators.	Review Cx Report, functional performance tests.	Review BAS front-end to verify HVAC operating schedule.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Baseline HVAC Operating Schedule
			4.	Zone Temperature Setpoints	Occupied Cooling: 72°F Heating: 68°F Unoccupied Cooling: 72°F Heating: 65°F	Occupied Cooling: 74°F Heating: 68°F Unoccupied Cooling: 80°F Heating: 55°F (VRF Zones 65°F)	Review temperature setpoints during site audits and consultation with facility operators.	Review Cx Report, functional performance tests.	Review BAS front-end to verify zone temperature setpoints.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			5.	Heating and Cooling Degree Days @ 60F Balance Point	4,507 HDD 1,489 CDD	4,507 HDD 1,489 CDD	Collected TMY3 data from local Ephrata weather station.	No task, assumed constant.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Heating & Cooling Degree Days
			6.	Fixture Types and Quantities	See detailed lighting audit.	See detailed lighting audit.	Gather light fixture count records from electrical contractor responsible for installation.	Review lighting as-built documentation	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			7.	Fixture Input Power (Watts)	See detailed lighting audit.	See detailed lighting audit.	Gather lighting submittal data to determine fixtures installed are as designed.	Review pre-&post-retrofit fixture wattage on sample of fixtures.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Existing Fixture Wattage
			8.	Fixture Annual Burn Hours	See detailed lighting audit.	See detailed lighting audit.	No task, lighting burn hours are stipulated.	No Task.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Annual Burn Hours
			9.	Exterior Finish System R-Value	No Exterior Finish System	Exterior Wall: 2" EIFS. R-10 Minimum from finish system.	Performed energy audit of facility and examined exterior wall condition.	Review exterior wall submittal documentation.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
13.01-EVS: Vehicle Shop Energy Upgrades - ESCO	ESC - Vehicle Shop		1.	Exterior Finish System R-Value	No Exterior Finish System	Exterior Wall: 2" EIFS. R-10 Minimum from finish system.	Performed energy audit of facility and examined exterior wall condition.	Review exterior wall submittal documentation.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			2.	Heating and Cooling Degree Days @ 60F Balance Point	4,507 HDD 1,489 CDD	4,507 HDD 1,489 CDD	Collected TMY3 data from local Ephrata weather station.	No task, assumed constant.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Heating & Cooling Degree Days



# Table 3.2 - M&V Plan Outline

Project: Grant County PUD  
 Scenario: ESC - GMAX 2021: ESCO  
 Date: 3/10/2021

FIM Name	Facility	IPMVP Option	KPI	Key Performance Indicators	Baseline Values	Proposed Values	Audit Stage (Baselining)	Post Retrofit (Commissioning)	Annual	Ongoing Owner Responsibilities	Stipulated Factors
							Tasks	Tasks	Tasks		
20.01-ESW: Ephrata Energy Site Work - ESCO	ESC - Electric Shop/Warehouse 2		1.	Fixture Types and Quantities	See detailed lighting audit. Modified baseline includes fixtures that would be required in order to meet required light levels.	See detailed lighting audit.	Gather light fixture count records from electrical contractor responsible for installation.	Review lighting as-built documentation	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			2.	Fixture Input Power (Watts)	See detailed lighting audit.	See detailed lighting audit.	Gather lighting submittal data to determine fixtures installed are as designed.	Review pre-&post-retrofit fixture wattage on sample of fixtures.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Existing Fixture Wattage
			3.	Fixture Annual Burn Hours	See detailed lighting audit.	See detailed lighting audit.	No task, lighting burn hours are stipulated.	No Task.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Annual Burn Hours

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## Table 3.3 - Base Utility Rates

Project Grant County PUD  
Scenario ESC - GMAX 2021: ESCO  
Date 3/10/2021

Building_Name	Utility_Provider	Rate_Name	Utility_Type	Dollars_Per_Unit	Units	Published_Date_Effective
ESC - Electric Shop/Warehouse 2	Grant County PUD	Rate 2-E	Electricity	\$0.044100	kWh	7/14/2020
ESC - Electronics Shop/Warehouse	Grant County PUD	Rate 2-E	Electricity	\$0.044100	kWh	7/14/2020
ESC - Vehicle Shop	Grant County PUD	Rate 2-E	Electricity	\$0.044100	kWh	7/14/2020

# Project Financials

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## 4.1 Maximum Project Allowable Cost

McKinstry guarantees that the Maximum Project Cost will not exceed the guaranteed value shown in Table 4.1 – Budget Summary; this cost does not include sales tax, WA State Interagency fees, or the utility incentive. The sales tax and interagency fees are shown in Table 4.1 for reference, and the utility incentive is shown in Table 4.2 for reference. (McKinstry does not guarantee the value of sales tax, interagency fees, or the utility incentive.)

Costs presented in this proposal are valid for 90 days from the date of publication. If the notice to proceed is issued after 90 days from publication, McKinstry reserves the right to utilize project contingency to cover price increases.

## 4.2 Project Cost Table

See Table 4.1 – Budget Summary. All fee percentages and costs are unique to the project.

## 4.3 Items Included in Maximum Project Cost

1. Engineering audit, which includes the cost for the preparation of this proposal
2. Engineering design
3. Construction management services
4. Installation of McKinstry Equipment including the following costs as specified in the scope of work:
  - a. All costs paid by McKinstry for the installation of the equipment. This includes costs paid to subcontractors or directly to McKinstry personnel, when related to installation or system verification of McKinstry equipment.
  - b. The portion of reasonable travel, lodging, and meal expenses of officers or employees incurred while traveling in discharge of duties connected with the work. McKinstry will comply with OFM guidelines for reimbursement of travel expenses.
  - c. Cost of all materials, supplies, and equipment incorporated in the Work, including costs of transportation thereof.
  - d. Cost or rental charges, including transportation and maintenance, of all materials, supplies, equipment, temporary facilities, and hand tools not owned by the workers, which are consumed in the performance of the work and cost less salvage value on such items used but not consumed which remain the property of McKinstry.
  - e. Cost of premiums for all bonds and insurance, which McKinstry is required to purchase and maintain.
  - f. Sales, use, or similar taxes related to the Work and for which McKinstry is liable imposed by a governmental authority.
  - g. Permit fees, royalties, and deposits lost for causes other than McKinstry's negligence.
  - h. Losses and expenses not compensated by insurance or otherwise, sustained by McKinstry in connection with the work, provided they have resulted from causes other than the fault or neglect of McKinstry. Such losses shall include settlements made with the written consent and approval of the Owner and the DES Energy Program. If, however, such loss requires reconstruction and McKinstry is placed in charge thereof, McKinstry shall be paid a fee for such services.
  - i. Demolition cost and cost of removal of all debris unless specifically excluded within the Scope of Work.

# Project Financials

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- j. Costs incurred due to an emergency affecting the safety of persons and property.
- k. Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner and DES.
- l. Contingency as defined in Section 4.4.
- m. Allowances as defined in Section 4.5.
- n. Cost of equipment startup, training, system verification, and balancing performed by McKinstry.
- o. Construction Bonds (including Performance & Payment Bond), Liability Insurance, and Builder's Risk Insurance.
- p. McKinstry fee. This includes McKinstry's remuneration for compensation of personnel, expenses, risks related to the project, overhead, and profit.
- q. McKinstry shall provide a Schedule of Values. The schedule of values will include all costs related to the installation of McKinstry's equipment.

## 4.4 Construction Contingency

A construction contingency as identified in Table 4.1 – "Budget Summary" has been established for this project. McKinstry can expend the contingency after a change order has been approved by the Owner, McKinstry, and the DES Project Manager for items necessary to complete the original scope of this project. The intent of the contingency is for "unforeseen conditions" beyond what was originally estimated. McKinstry and the Owner and DES will jointly manage any contingency left after the project scope is completed. All unused construction contingency funds shall reduce the overall project cost to the Owner.

## 4.5 Allowances

McKinstry may set aside allowances as identified in Table 4.1 - "Budget Summary" for specific areas of work that have been identified as a potential cost impact but cannot be determined at this stage. Should the allowance not be adequate, the Owner and the DES Project Manager will be advised. McKinstry will be compensated for any additional costs via Change Order to the contract should the Owner and the DES Project Manager agree. In extreme situations, McKinstry may request additional funds to cover cost overruns that could not have been foreseen by either party.

## 4.6 Permitting and Pre-Purchase of Equipment

Grant County PUD's shall pay for the permits including but not limited to (Building Permit, Civil Street Utility Permit, Fence Permit, Sewer/Water/Stormwater Connection, Dept. of Ecology Stormwater, SEPA). McKinstry has provided a permit estimate to the PUD for overall project budget purposes but is not included in this contract. Contractor who delivers work associated with a specific permit will be the permit holder and responsible for permit compliance.

Pre-purchasing of equipment prior to permit payment, plan review, and approval shall not occur unless specific written authorization is provided by Grant County PUD.

## 4.7 Ongoing Services

Refer to Table 4.1 for the cost and duration of any ongoing services.



# Project Financials

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## 4.8 Accounting Records

McKinstry shall check all material, equipment, and labor entering into the worksite and shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement. The Owner and the DES Project Manager shall be afforded access to all McKinstry's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to this Contract, and the McKinstry shall preserve all such records for a period of seven years, or for such longer period as may be required by law, after the final payment.

## 4.9 Reconciliation of Labor & Material Costs

The maximum project allowable cost is based on firm negotiated bids or estimated labor and material costs developed by McKinstry. In recognition that actual Labor & Material costs may vary from the estimate, the following procedures are established to reconcile this difference:

1. If the total maximum guaranteed project cost at completion exceeds the estimated amount (plus contingency), the additional costs will be borne by McKinstry at their expense.
2. If the total project costs at completion are less than the estimated proposal amount (less contingency), the savings will be retained by the Owner.
3. There shall be no cost savings split between the Owner and McKinstry.

The following Figure 4.A outlines proposed procurement and payment reconciliation methods. Changing the proposed method of reconciliation after the acceptance of the Proposal may require an adjustment to the Guaranteed Maximum Project Cost.

### **DEFINITIONS:**

#### *Major Equipment:*

Major Equipment is any single piece of equipment purchased by McKinstry with a value over \$5,000.

#### *Negotiated:*

Construction contract value is to be established through negotiations with a select or single contractor (i.e. owner preferred controls contractor, mechanical contractor, etc.).

#### *Bid:*

Construction contract value is to be established through a bid process based upon formal bid documents including plans and specifications which will be bid to a minimum of two (typically three) pre-qualified contractors as approved by McKinstry and the Owner.

#### *Self-Perform:*

McKinstry intends to perform work with McKinstry personnel.

#### *Schedule of Values (SOV):*

Cost shall be substantiated with a properly executed invoice from the subcontractor or supplier that matches the schedule of values in their contract or purchase order.

#### *Time & Materials (T&M):*

Published sell rates will be established prior to issuance of contract to subcontractor or commencement of work by McKinstry. A monthly labor and material report will be provided which will include labor hours and dollars per individual, and material and equipment invoices.

# Project Financials

*Firm:*

Fees that are negotiated prior to proposal and are not reconciled at the end of the project.

FIGURE 4.A

CONSTRUCTION COST CATEGORY (REF TABLE 4.1)	PROPOSED CONSTRUCTION METHOD	END OF PROJECT – RECONCILED
Mechanical	Negotiated	SOV
Electrical	Subcontract Bid	SOV
EMCS	Negotiated	SOV
General	Subcontract Bid	SOV
Excavation	Subcontract Bid	SOV
Other	Subcontract Bid	SOV
Commissioning	Self-Perform	SOV
Site Supervision	Self-Perform	SOV
Change Order (CO)	As Specified in CO	T&M
Fees	Self-Perform	Firm

## 4.10 Compensation

1. **TERMS:**

Net 30 days (45 days for State Treasurer payments) from the date of invoice, monthly billings as the job progresses.

2. **PAYMENTS:**

At a minimum, payments will be made in the amount of 100% at the completion and implementation of any individual facility improvement measure (FIM) in the amount of that FIM as delineated in the contract. If more than one FIM is completed in a monthly period, all those FIMS will be paid.

3. **FINANCE CHARGES ON UNPAID BALANCES:**

Payments due and unpaid shall be subject to interest charges within 30 days (45 days for State Treasurer payments) of receipt of a properly completed invoice per RCW 39.76. Finance charges will be calculated on the un-paid balance per RCW 39.76 which specifies the interest rate shall be one percent per month but not less than one dollar per month on amounts due beyond 30 days. Interest charges will be calculated daily, compounded monthly. Charges accrue until balances are paid in full.

4. **CONSTRUCTION PERIOD FINANCE CHARGES:**

McKinstry may charge construction period finance charges for projects, independent of financing method, whereby the anticipated billing lags the earned schedule of values by more than 90 days. If Owner controlled schedule delays occur during the progress of the project, the Contractor may request additional finance charges be added to the project. Construction period finance will be calculated on the un-paid balance at the rate of Prime + 2% per annum. Interest charges will be calculated daily, compounded monthly. Charges accrue until balances are paid in full.

McKinstry and the Owner will work together to minimize finance charges.

The construction schedule has been developed based on the following assumptions:

- a. Owner review of final Energy Services Proposal (ESP) 10 working days

# Project Financials

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b. McKinstry receives notice to proceed within 15 working days from the final review responses

## 5. SUBSTANTIATION OF FINANCE CHARGE:

McKinstry will do an accounting of finance charges progressively through the project, and at contract completion submit a change request itemizing the summary of additional costs for implementation. The contract will then be increased to reflect the same and finance charges will be paid within 30 days of the date of approved substantiation.

## 4.11 Financing

McKinstry enjoys over 55 years of experience within the engineering and contracting industry and its financial strength exceeds the industry average. This strength makes it possible to provide and assist with the financing needs of its customers. Long standing relationships with vendors assures reasonable pricing and excellent payment terms.

### **LONG-TERM FINANCING:**

The Owner has several options available for long term permanent financing. The Washington State Treasurer's Office can provide financing. Third Party financing is also available.

## 4.12 Termination Value

Should the owner choose to finance the project through McKinstry, a schedule will be provided showing the termination value of the financing agreement for each year during the term of the agreement.

## 4.13 Terms of Agreement

The Contract shall be effective and binding upon the parties immediately upon its execution and the period from contract execution until the Commencement of Energy Savings Date shall be known as the "Interim Period". All energy savings achieved during the interim period will be fully credited to the Owner.

## 4.14 Insurance & Bonding

McKinstry shall provide a payment and performance bond and builders Risk Insurance.

For The Purposes of This Agreement, the "Sum Amount of Bond" Shall Be (See Table 4.1 –"Budget Summary").

1. The bond amount consists of Labor and Materials and State Sales Tax.
2. This bond does not include any construction contingencies.
3. Certificates of General Liability Insurance will be provided prior to Contract Signing. The State of Washington shall be named as An Additional Insured on all insurance certificates.

McKinstry shall provide a payment and performance bond in the amount of 100% of the construction cost, as defined in the Energy Services Agreement Addendum. The amount shall include all authorized changes and state sales tax. The Bond shall be in the form attached to the Conditions of the Energy Services Agreement. The Contract listed on the bond form shall be the Addendum No. and Agreement No., which incorporates the work, and the "Contract Date" shall be the date of the Addendum. The full and just sum of the Bond shall be as defined above and shall include the actual cost of purchasing and installing McKinstry's Equipment. The Bond shall specifically exclude coverage for those portions of the Energy Services Agreement and/or Energy Services Agreement Addendum pertaining to design services, energy cost savings guarantee, maintenance guarantee, utility incentives, efficiency guarantees, and any other clauses which do not relate specifically to construction management and supervision of work for purchasing and installing of McKinstry's Equipment, or

# Project Financials

for work to be accomplished by the Owner. The Bond shall be with a Surety or Bonding Company that is registered with the State of Washington Insurance Commissioner's Office.

While McKinstry stands behind our safety record, we cannot control the work flow around items we have no control over. At no point does McKinstry assume any responsibility for the loss of use of any equipment and we exclude any and all claims for consequential damages therein.

## 4.15 Diverse Business Participation Goals for this Project

McKinstry has established the following diverse business participation goals for this project in consultation with the Owner and the DES Energy Program.

McKinstry has provided information and training to many potential subcontractors, suppliers, and consultants on how to register for the State certifications.

No diverse businesses were identified for participation in this project.

FIGURE 4.D

State Certification Category	McKinstry Standard Inclusion Plan	For this Project: Percentages for Construction	For this Project: Percentages for Professional Services
Diverse Business Enterprise	26%	0%	0%

# Table 4.1 - Budget Summary



Project	Ephrata Service Center - ESC
Scenario	ESC - GMAX 2021: ESCO
Date	3/18/2021

FIM Name	Mechanical	Electrical	EMCS	General	Excavation	Other	Total
3.01-EES: Electric Shop Admin. Energy Upgrades	\$ 189,200	\$ 126,137	\$ 40,370	\$ -	\$ -	\$ 10,709	\$ 366,416
3.01-EWH: Warehouse Energy Upgrades	\$ 572,550	\$ 300,213	\$ 70,037	\$ 2,276,196	\$ -	\$ 24,200	\$ 3,243,196
3.01-ELA: Line Crew Energy Upgrades	\$ 147,400	\$ 71,730	\$ 2,970	\$ -	\$ -	\$ -	\$ 222,100
3.01-ELS: Electronics Shop Energy Upgrades	\$ 485,650	\$ 475,166	\$ 78,980	\$ 189,509	\$ -	\$ 46,200	\$ 1,275,505
3.01-EVS: Vehicle Shop Energy Upgrades	\$ -	\$ 3,279	\$ -	\$ 30,690	\$ -	\$ -	\$ 33,969
20.01-ESW: Ephrata Energy Site Work	\$ -	\$ 172,507	\$ -	\$ -	\$ 92,888	\$ -	\$ 265,395
<b>Total Base FIM Cost</b>	<b>\$ 1,394,800</b>	<b>\$ 1,149,032</b>	<b>\$ 192,357</b>	<b>\$ 2,496,395</b>	<b>\$ 92,888</b>	<b>\$ 81,109</b>	<b>\$ 5,406,581</b>

A. Construction Costs										
Commissioning	Lump	\$ 32,040	\$ 8,266	\$ 6,809	\$ 1,140	\$ 14,794	\$ 550	\$ 481	\$ 32,040	
TAB	Lump	\$ 5,600	\$ 1,445	\$ 1,190	\$ 199	\$ 2,586	\$ 96	\$ 84	\$ 5,600	
Site Supervision	Lump	\$ 121,790	\$ 31,420	\$ 25,883	\$ 4,333	\$ 56,234	\$ 2,092	\$ 1,827	\$ 121,790	
<i>Subtotal(FIM Cost and A.)</i>			<b>\$ 1,435,930</b>	<b>\$ 1,182,915</b>	<b>\$ 198,029</b>	<b>\$ 2,570,009</b>	<b>\$ 95,627</b>	<b>\$ 83,501</b>	<b>\$ 5,566,011</b>	
Construction Bonds	%	1.30%	\$ 18,667	\$ 15,378	\$ 2,574	\$ 33,410	\$ 1,243	\$ 1,086	\$ 72,358	
<b>Total Construction Cost</b>									<b>\$ 5,638,369</b>	

B. Professional Services Costs										
Audit Fee	Lump	\$ 506,691								\$ 506,691
Design Fee	%	11.93%	Percent of Sub-Total Base FIM Cost and A (minus Site Supervision).							\$ 649,475
Construction Admin Fee	%	8.95%	Percent of Sub-Total Base FIM Cost and A (minus Site Supervision).							\$ 487,106
Overhead	%	10.00%	Percent of Sub-Total Base FIM Cost and A (minus Site Supervision).							\$ 544,422
Profit	%	8.00%	Percent of Sub-Total Base FIM Cost and A (minus Site Supervision).							\$ 435,538
<b>Total Professional Services Cost</b>									<b>\$ 2,623,232</b>	

C. Other Project Costs										
Project Contingency	%	5.00%	Percent of Total Construction Cost							\$ 281,918
Allowance: Tents/Job Shacks/Temp. Racks	Lump	\$ 776,579							\$ 776,579	
<b>Total Other Project Cost</b>									<b>\$ 1,058,498</b>	

D. Measurement and Verification										
Year 1	Lump	\$ 13,668								\$ 13,668
<b>Total M&amp;V Cost</b>									<b>\$ 13,668</b>	

<b>E. Total Guaranteed Construction &amp; ESCO Services (A + B + C + D)</b>									<b>\$ 9,333,767</b>
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F. Non-Guaranteed Costs										
Sales Tax	%	8.40%	Percent of Section E. (Excluding Contingency)							\$ 695,123
DES Fee	Lump	\$ 115,332							\$ 115,332	
<b>Total Non-Guaranteed Cost</b>									<b>\$ 810,455</b>	

<b>G. Total Maximum Project Cost (E + F)</b>									<b>\$ 10,144,221</b>
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## Table 4.2 - Facility Improvement Measure (FIM) Summary

Project: Ephrata Service Center - ESC  
 Scenario: ESC - GMAX 2021: ESCO  
 Date: March 18, 2021

Facility Improvement Measures	FIM Description	Facility	Budget <sup>1</sup>	Annual Utility Savings <sup>2</sup>	Potential Incentives <sup>3</sup>	Net Customer Cost (with Incentives)	Baseline EUI	Proposed EUI	HB1257 Target EUI
3.01-EES: Electric Shop Admin. Energy Upgrades	Building energy consuming systems will be upgraded to match the new layout and will ensure that energy efficiency is optimized.	Ephrata Service Center - Electric Shop	\$687,496	\$5,731	\$2,599	\$684,897	53 kBTU/ft <sup>2</sup>	43 kBTU/ft <sup>2</sup>	48 kBTU/ft <sup>2</sup>
3.01-EWH: Warehouse Energy Upgrades	The proposed improvements will create a more energy efficient, safe, and functional space.	Ephrata Service Center - Warehouse	\$6,085,121	\$337	\$153	\$6,084,968			
3.01-ELA: Line Crew Energy Upgrades	The proposed systems will improve the space energy consumption efficiency while providing code required ventilation and improved occupant comfort.	Ephrata Service Center - Warehouse (Line Crew Office)	\$416,720	\$1,658	\$752	\$415,968			
3.01-ELS: Electronics Shop Energy Upgrades	This project includes building systems upgrades to meet the needs of the modified layout to improve building energy efficiency, comfort, safety and code compliance.	Ephrata Service Center - Electronics Shop	\$2,393,196	\$1,692	\$767	\$2,392,428	40 kBTU/ft <sup>2</sup>	30 kBTU/ft <sup>2</sup>	48 kBTU/ft <sup>2</sup>
3.01-EVS: Vehicle Shop Energy Upgrades	The cracks will be sealed and a new exterior insulation finishing system will be installed to improve envelope insulation levels.	Ephrata Service Center - Vehicle Shop	\$63,735	\$356	\$161	\$63,574	N/A	N/A	N/A
20.01-ESW: Ephrata Energy Site Work	Some sitework is necessary to meet current codes as well as improve operational efficiency, safety, and security for those occupants of the yard and buildings within the yard.	Ephrata Service Center	\$497,953	\$410	\$186	\$497,768	N/A	N/A	N/A
<b>Totals</b>			<b>\$10,144,222</b>	<b>\$10,183</b>	<b>\$4,618</b>	<b>\$10,139,604</b>			

<sup>1</sup> Since design cost, audit cost, etc. are distributed among the FIMs, the total project cost will not go up or down by exactly the amounts shown here if a FIM or FIMs are dropped.

<sup>2</sup> Annual utility savings are guaranteed at 90%

State of Washington <b>ENERGY PROGRAM</b> Department of Enterprise Services P.O. Box 41476 Olympia, WA 98504-1476	<b>INTERAGENCY AMENDMENT</b>	
	IAA No.: K6534 Project No. 2021-015 Dist. Contract No: 430-10232A Amendment No. 1	
<b>PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WA</b> 154 A Street SE Ephrata, WA 98823	Date:	March 30, 2021

## INTERAGENCY AMENDMENT

Between

**PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WA**

And

**WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES**

The parties to this Amendment, the Department of Enterprise Services, Energy Program, hereinafter referred to as “DES”, and Public Utility District No. 2 of Grant County, WA, hereinafter referred to as the “CLIENT AGENCY”, hereby amend the Agreement as follows:

1. **TERM.** The term of the agreement commences April 30, 2020, and ending on **December 31, 2024** unless altered or amended as provided herein.
2. **STATEMENT OF WORK; COMPENSATION.** Energy Program shall provide the following services, for the following compensation, to Client Agency.
  - a. **SERVICES:** DES shall furnish the necessary personnel and services and otherwise do all things necessary for or incidental to the performance of the work set forth in Attachment “A” and Attachment “C”, attached hereto and incorporated herein by reference. Unless otherwise specified, DES shall be responsible for performing all fiscal and program responsibilities as set forth in Attachment “A” and Attachment “C”.

Energy/Utility Conservation projects shall be authorized by Amendment to this Agreement.

**2a.1 Ephrata Service Center Energy Upgrades outlined in the McKinstry Essention, LLC Energy Services Proposal dated March 19, 2021. Project No. 2021-015 G**

**2a.2 Review of Measurement and Verification reports for the Ephrata Service Center Energy Upgrades outlined in the McKinstry Essention, LLC Energy Services Proposal dated March 19, 2021. Project No. 2021-015 G**

- b. **COMPENSATION.** Compensation under this Agreement shall be by Amendment to this Agreement for each authorized project. Each Amendment will include a payment schedule for the specific project.

- i. Project Management Services (Attachment A): For Project Management Services provided by DES, the CLIENT AGENCY will pay DES a Project Management Fee for services based on the total project value per Project Management Fees Schedule set forth in Attachment “B”.
  - ii. Termination Fee: If the CLIENT AGENCY after authorizing an investment grade audit and Energy Services Proposal, decides not to proceed with an Energy/Utility Conservation project that meets the CLIENT AGENCY’s cost effective criteria, then the CLIENT AGENCY will be charged a Termination Fee per Attachment “B”. The Termination Fee will be based on the estimated Total Project Value outlined in the Energy Audit and Energy Services Proposal prepared by the Energy Services Company (ESCO).
  - iii. Measurement & Verification Services (Attachment C): If measurement and verification services beyond the first three years following the Notice of Commencement of Energy Services are requested by the CLIENT AGENCY, and provided by DES under Attachment “C” of this Agreement, the CLIENT AGENCY will pay DES \$2,000.00 annually for each year that monitoring and verification services are provided.
- c. PAYMENT OF ESCO SERVICES. Compensation for services provided by the ESCO shall be paid directly to the ESCO by the CLIENT AGENCY, after DES has reviewed, recommended approval, and sent the invoices to the CLIENT AGENCY for payment.

**2c.1 Energy Project Management Fee for the work described in Section 2a.1 is \$115,332.00 which, in lieu of lump sum, shall be broken into progress payments of \$28,833.00. Anticipated billing date for this Amendment is January 1, 2023. See Special Billing Conditions. Project No. 2021-015 G**

**2c.2 Measurement and Verification (M&V) Fee for the work described in Section 2a.2 is included in the project management fee for the first three years. Duration of the M&V period for this Amendment is 1 year. Anticipated M&V review date for this Amendment is January, 2024 Project No. 2021-015 G**

**Special Billing Condition: Energy Project Management Fee for the work described in Section 2c.1 is \$115,332.00 which, in lieu of lump sum shall be broken into four progress payments of \$28,833.00. Anticipated billing periods will be September, October and November of 2021, with the final invoice to be sent at project close on or before January 1, 2023. Project No. 2021-015 G**

**The new total Agreement value is \$115,332.00.**

Sections d. through e. terms and conditions of the original Agreement remain in full force and effect.



**3. INVOICES; BILLING.**

- a. **BILLING PROCEDURE.** Energy Program shall submit a single invoice to the CLIENT AGENCY upon substantial completion of each authorized project, unless a project specified a Special Billing Condition in the Amendment. Substantial completion of the project will include the delivery and acceptance of the notice of commencement of energy savings issued by the ESCO. Each invoice will clearly indicate that it is for the services rendered in performance under this Agreement and shall reflect this Agreement and Amendment number. Energy Program will invoice for any remaining services within 60 days of the expiration or termination of this Agreement.
  
- b. **PAYMENT PROCEDURE.** The CLIENT AGENCY shall pay all invoices received from the Energy Program within 90 days of receipt of properly executed invoice vouchers. The CLIENT AGENCY shall notify DES in writing if the CLIENT AGENCY cannot pay an invoice within 90 days.
  
- c. **BILLING DETAIL.** Each invoice submitted to Client Agency by Energy Program shall include information as is necessary for Client Agency to determine the exact nature of all expenditures. At a minimum, the invoice shall reference this Agreement and include the following:
  - The date(s) such services were provided
  - Brief description of the services provided
  - Total invoice amount
  
- d. **BILLING ADDRESS.** Invoices shall be delivered to Client Agency electronically.

All sections above have been fully amended and are shown in their entirety.

All other terms and conditions of this Agreement remain in full force and effect. The requirements of RCW 39.34.030 are satisfied by the underlying Agreement and are incorporated by reference herein.

Each party signatory hereto, having first had the opportunity to read this Amendment and discuss the same with independent legal counsel, in execution of this document hereby mutually agree to all terms and conditions contained herein, and as incorporated by reference in the original Agreement.

**Public Utility District No. 2 of Grant  
County, WA**

**Department of Enterprise Services  
Energy Program**

\_\_\_\_\_  
\_\_\_\_\_  
Title Date

\_\_\_\_\_  
Kirsten Wilson, PE  
Acting Energy Program Manager  
\_\_\_\_\_  
Title Date

K6534IAAamd1ko

# **ATTACHMENT A – OF WORK**

Energy/Utility Conservation Projects

## **PROJECT MANAGEMENT SERVICES**

Statewide Energy Performance Contracting Program

Energy Program will provide the following project management services for each specific project for the CLIENT AGENCY. Each individual project shall be authorized by Amendment to this Agreement.

1. Assist the CLIENT AGENCY in the selection of an Energy Service Company (ESCO) consistent with the requirements of RCW 39.35A for local governments; or 39.35C for state agencies and school districts.
2. Assist in identifying potential energy/utility conservation measures and estimated cost savings.
3. Negotiate scope of work and fee for ESCO audit of the facility(s).
4. Assist in identifying appropriate project funding sources and assist with obtaining project funding.
5. Assist in negotiating the technical, financial and legal issues associated with the ESCO's Energy Services Proposal.
6. Review and recommend approval of ESCO energy/utility audits and Energy Services Proposals.
7. Provide assistance during the design, construction and commissioning processes.
8. Review and recommend approval of the ESCO's invoice vouchers for payment.
9. Assist with final project acceptance.
10. Provide other services as required to complete a successful energy performance contract.

## ATTACHMENT B - Fee Schedule

2019-21 Interagency Reimbursement Costs  
for Project Management Fees to Administer Energy/Utility Conservation Projects

<u>TOTAL PROJECT VALUE</u>	<u>PROJECT MANAGEMENT FEE</u>	<u>TERMINATION</u>
5,000,001.....6,000,000.....	\$68,800.....	25,700
4,000,001.....5,000,000.....	67,700.....	25,400
3,000,001.....4,000,000.....	66,700.....	25,000
2,000,001.....3,000,000.....	62,500.....	23,400
1,500,001.....2,000,000.....	58,300.....	21,800
1,000,001.....1,500,000.....	51,600.....	19,300
900,001. ... 1,000,000.....	43,800.....	16,400
800,001.....900,000.....	41,300.....	15,400
700,001.....800,000.....	38,300.....	14,400
600,001.....700,000.....	36,500.....	13,700
500,001.....600,000.....	33,800.....	12,600
400,001.....500,000.....	30,200.....	11,300
300,001.....400,000.....	25,800.....	9,700
200,001.....300,000.....	20,700.....	7,700
100,001.....200,000.....	14,400.....	5,400
50,001.....100,000.....	7,800.....	3,500
20,001.....50,000.....	4,200.....	2,000

The project management fee on projects over \$6,000,000 is 1.15% of the project cost. The maximum DES termination fee is \$25,700.

1. These fees cover project management services for energy/utility conservation projects managed by DES's Energy Program.
2. Termination fees cover the selection and project management costs associated with managing the ESCO's investment grade audit and energy service proposal. No termination fee will be charged unless the CLIENT AGENCY decides not to proceed to construction based on an energy services proposal that identifies projects that met the CLIENT AGENCY'S cost effectiveness criteria.
3. If the project meets the CLIENT AGENCY's cost effectiveness criteria and the CLIENT AGENCY decides not to move forward with a project, then the CLIENT AGENCY will be invoiced per Attachment B Termination or \$25,700.00 whichever is less. If the CLIENT AGENCY decides to proceed with the project then the Agreement will be amended per Attachment B for Project Management Fee.
4. If the audit fails to produce a project that meets the CLIENT AGENCY's established Cost Effectiveness Criteria, then there is no cost to the CLIENT AGENCY and no further obligation by the CLIENT AGENCY.

## **ATTACHMENT C – SCOPE OF WORK**

Energy/Utility Conservation Projects

### **MEASUREMENT & VERIFICATION SERVICES**

Statewide Energy Performance Contracting Program

If requested DES will provide the following measurement and verification services following the Notice of Commencement of Energy Savings by the ESCO for the specific Client Agency project:

1. Review the ESCO's annual Measurement and Verification (M&V) report for completeness and accuracy. Review any ESCO guarantee compared to reported results and resolve differences, if needed. Review and recommend approval of any ESCO invoice vouchers for payment by the Client Agency.
2. Where necessary, review Client Agency facility operations including any changes in operating hours, changes in square footage, additional energy consuming equipment and negotiate changes in baseline energy use with the ESCO and the Client Agency that may impact achieved energy savings.
3. Attend a meeting or meetings with the Client Agency and the ESCO to review and discuss the annual M&V report.

# For Commission Review – 04/27/2021

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10232B with Washington State Department of Enterprise Services for the Moses Lake Service Center (MLSC) remodel project, in an amount not-to-exceed \$7,787,245.01.

430-10232B

## MEMORANDUM

April 21, 2021

**TO:** Kevin Nordt, General Manager/Chief Executive Officer

**VIA:** Jeff Bishop, Chief Financial Officer  
Tim Fleisher, Facilities Manager  
Kevin McCarthy, Senior Manager of Internal Services

**FROM:** Cliff Woods, EPMO Project Manager

**SUBJECT:** ESC Facilities Improvement ESCO Contract 430-10232A  
MLSC Facilities Improvement ESCO Contract 430-10232B

### Purpose

To request Commission approval of contracts 430-10232A (ESC) and 430-10232B (MLSC) with Washington State Department of Enterprise Services for the Ephrata Service Center and Moses Lake Service Center projects; with contract prices in the amounts of \$9,289,303.01 (ESC) and \$7,787,245.01 (MLSC).

### Discussion

McKinstry Essention, LLC (McKinstry) was selected, by a District Review Committee, from an Energy Services Company/Contractor (ESCO) list approved by the Washington State Department of Enterprise Services (DES) Energy Program to correct building and site deficiencies such as those we are facing at the Ephrata (ESC) and Moses Lake (MLSC) Service Centers. DES develops the pre-approved list of ESCOs via a Request for Qualifications (RFQ) submittal process. The submittals are reviewed by the DES and those ESCOs deemed to be qualified are interviewed and offered a Master Energy Services Agreement. This makes them eligible to participate in energy related projects at public facilities managed by the DES Energy Program. Local Government (including Public Utility Districts) Client Agencies enter into an Interagency Agreement (IAA) with DES to participate in the program and work with one of the pre-qualified ESCOs. The IAA is drafted pursuant to Chapter 39.34 RCW and allows the DES Energy Program to provide overall contracting and project management services. Client Agencies can select any of the pre-qualified ESCOs to work with under the ESPC Program.

As part of the ESCO program, DES contracts with qualified ESCOs to deliver the best value for agencies utilizing this program and DES project management services.

The process provides:

- The most cost-effective method for completing building energy upgrades and retrofits and is like the design/build project delivery methodology.
- Improved risk management through guaranteed total project costs, equipment performance, and energy savings.

There will be a variety of upgrades involved in the overall project scope. These upgrades will provide better operational function, space management, and energy efficiencies for at least another 5 to 7 years.

These projects are independent from the decisions impacting the facilities master planning effort. With that said, many of the upgrades will provide benefits beyond improved resale values should the utility decide to sell any of the facilities as part of future facility master planning decisions.

This will be accomplished at each of the facilities through the installation of energy efficient lighting, controls and HVAC system upgrades, code required ventilation air, and mechanical systems. Modifying and or expanding restrooms and locker rooms to accommodate workforce and installing hands free plumbing fixtures. The ESC warehouse will have insulated metal panels installed on the roof and as siding to meet energy code standards for envelope insulation. A new fire suppression system will be installed in the ESC warehouse. Interior finishes known to contain hazardous materials will be removed from the facilities and replaced.

### **Justification**

Existing conditions of the ESC and MLSC facilities do not meet GCPUD's health and safety requirements. Nor do they meet the current Washington State energy code standards. GCPUD operation and efficiency has been compromised as growth in the region continues and the need for available space increases. Years of "temporary fixes" and deferred upgrades compounded in each of the functional areas has created inefficiencies, discomfort, and safety concerns for various departments and work groups with a lack of basic regulatory safety requirements like smoke detectors and fire alarms.

GCPUD staff have, after completing an extensive study and investigation, proposed improvements to improve the overall operation and efficiency of these facilities. The proposed improvements will result in improved building system performance, increased productivity of our staff & crews, and facilities that meet GCPUD's compliance and health & safety standards.

The approval of this contract will allow GCPUD to meet the following benchmarks:

- Clean Buildings bill (HB 1257, 2019) EUI targets that were signed into law on May 7, 2019.
- Compliance with The Americans with Disabilities Act of 1990.
- Improvement of energy and water consumption systems in the building.
- Improvement of site safety and security by providing better lighting and more defined parking areas at the facilities.
- Improve the safety and risk to our materials inventory with the installation of a fire sprinkler system in the ESC warehouse.
- Provide adequate office space, locker room expansion, and bathroom facilities to support line and telecommunication crew operations.
- Provide updated and more efficient office spaces for administrative staff.

The work completed under this contract supports GCPUD's mission "*To safely, efficiently, and reliably generate and deliver energy to our customers.*" This project also supports our Key Objectives by improving workplace safety, improving working conditions that confirm our commitment to GCPUD's culture, providing more effective and well-maintained facilities that support our strong financial position and low long-term rates, give our staff & crews the ability to provide outstanding service to our customers, and operate with regulatory compliance.

### **Financial Considerations**

The budget estimates have been reviewed and finalized by selected ESCO (McKinstry) to reach a Guaranteed Maximum Pricing (GMP). GCPUD's project team agrees that the cost and scope, along with an energy savings guarantee meets GCPUD's expectations for this project.

### **Contract Specifics**

The State of Washington is requiring GCPUD to include and commit to paying sales tax in the funding agreement and contract price. The sales tax will be paid upon invoicing to McKinstry. Below is a high-level breakdown of the ESCO and estimated Non-ESCO costs for the ESC and MLSC projects. The Non-ESCO project funding will be bid and procured separately from the energy funding discussed herein.

ESC	
ESCO Audit (Contract 430-10232)	\$ 506,691.00
ESCO Energy Funding (Contract 430-10232A)	\$ 9,289,303.01
Non-ESCO Project Funding (Separate Contracts for temporary warehouse relocation, hazardous material removal, site improvements, equipment, furniture, security services, other purchased services)	\$ 5,695,929.00
<b>Total ECS Project Spend</b>	<b>\$ 15,491,923.01</b>

MLSC	
ESCO Audit (Contract 430-10232)	\$ 348,227.00
ESCO Energy Funding (Contract 430-10232B)	\$ 7,787,245.01
Non-ESCO Project Funding (Separate Contracts for temporary warehouse relocation, hazardous material removal, site improvements, equipment, furniture, security services, other purchased services)	\$ 1,040,823.00
<b>Total MLSC Project Spend</b>	<b>\$ 9,176,295.01</b>

### **Recommendation:**

Commission approval of contracts 430-10232A (ESC) and 430-10232B (MLSC) with Washington State Department of Enterprise Services for the Ephrata Service Center and Moses Lake Service Center projects; with contract prices in the amounts of \$9,289,303.01 (ESC) and \$7,787,245.01 (MLSC).

### **Legal Review:**

See attached.





STATE OF WASHINGTON  
DEPARTMENT OF ENTERPRISE SERVICES

1500 Jefferson St. SE, Olympia, WA 98501  
PO Box 41476, Olympia, WA 98504-1476

April 8, 2021

TO: Tim Fleisher, PUD No. 2 of Grant County, WA

FROM: Kim Obi, Contracts Specialist, (360) 407-8273

RE Agreement No. 2021-015 C (3)  
M&V Agreement No. 2021-015 D (4)  
Contract No. 2021-015 H (1-2)  
Moses Lake Service Center Energy Upgrades

IAA No. K6534

PUD No. 2 of Grant County Contract No.: 430-10232B

McKinstry Essention, LLC

SUBJECT: Funding Approval - Revised

The Dept. of Enterprise Services (DES), Energy Program, requires funding approval for the above referenced contract documents. The amount required is as follows (see page 2 for funding detail):

ESCO Professional Services Total	\$ 2,169,546.34
ESCO Measurement and Verification Total	\$ 6,781.50
ESCO Construction Total	\$ 5,866,650.17
DES Energy Program Project Management Services Total (IAA)	\$ 92,494.00
<b>Total Funding</b>	<b>\$ 8,135,472.01</b>

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**In accordance with the provisions of RCW 43.88, the signature affixed below certifies to the DES Energy Program that the above identified funds are appropriated, allotted or that funding will be obtained from other sources available to the using client/agency. The using/client agency bears the liability for any issues related to the funding for this project**

By \_\_\_\_\_  
Name / Title

\_\_\_\_\_  
Date

Please sign and return this form to E&AS. If you have any questions, please call me.

Agreement No. 2021-015 C (3)  
M&V Agreement No. 2021-015 D (4)  
Contract No. 2021-015 H (1-2)

Funding Approval Detail

**ESCO Professional Services**

Energy Audit and Energy Services Proposal	\$	348,227.00
Design and Implementation of Energy Conservation Measures	\$	1,652,277.00
Apprenticeship Incentive	\$	922.51
Sales Tax (8.4%) (Includes tax on Audit proposal)	\$	168,119.83
<b>Total</b>	<b>\$</b>	<b>2,169,546.34</b>

**ESCO Measurement and Verification**

First Year Measurement & Verification	\$	6,256.00
Sales Tax (8.4%)	\$	525.50
<b>Total</b>	<b>\$</b>	<b>6,781.50</b>

**ESCO Construction**

ESCO Contract Amount	\$	4,180,829.00
Sales Tax (8.4%)	\$	351,189.64
Contingency Amount (with Tax)	\$	1,334,631.53
<b>Total</b>	<b>\$</b>	<b>5,866,650.17</b>

**DES Energy Program Project Management Services**

Project Management Fee from IAA No. K6534, Amendment No. 2	\$	92,494.00
<b>Total</b>	<b>\$</b>	<b>92,494.00</b>



# Grant County PUD

Moses Lake Service Center Energy Upgrades  
Energy Services Proposal

Volume 1 of 2

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MOSES LAKE, WA  
19 MARCH 2021

FOR THE  
LIFE OF  
YOUR  
BUILDING

# Project Contacts

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<b>AREA OF RESPONSIBILITY</b>	<b>NAME</b>	<b>CONTACT NUMBER</b>	<b>EMAIL</b>
<i>Primary Client Contact</i>	Tim Fleisher, AIA	509.754.5088	tfleish@gcpud.org
<i>WA DES Representative</i>	Chris McCarthy, PE	509.315.6701	chris.mccarthy@des.wa.gov
<i>Account Executive</i>	Christie Hoffpauer	509.713.7721	christieh@mckinstry.com
<i>Program Manager</i>	Casey McGourin, PE	509.625.7261	caseym@mckinstry.com
<i>Energy Engineer</i>	Daniel Funke, PE	208.596.2663	danielf@mckinstry.com
<i>Performance Assurance Specialist</i>	Jake Landsiedel, CEM, CMVP, FMP, CWEP	509.625.3115	jakel@mckinstry.com
<i>Construction Manager</i>	Warren Tastad	509.625.3131	warrent@mckinstry.com

# Contents Volume 1

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- 1.2 Current Situation
- 1.3 Solutions
- 1.4 Summary of Benefits
- 1.5 McKinstry Differentiators

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- 2.2 McKinstry Services
- 2.3 Extent of Subcontracting
- 2.4 Project Schedule
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# Executive Summary

## OUTCOME SNAPSHOT

This project represents an excellent opportunity to significantly improve facilities while saving energy and trimming utility spending. McKinstry looks forward to making this project a success.

McKinstry estimates these **savings** if proposed facility improvement measures (FIMs) are installed:



**\$7,395**  
Utility cost savings/year



**167,691**  
Guaranteed kWh/year

*Carbon dioxide emissions reductions would equal:*



**33**  
Acres of Trees Planted



**265,819**  
lbs. CO<sub>2</sub>/year less emissions

## 1.1 Overview

Through the Washington State Department of Enterprise Services (DES) Energy Savings Performance Contracting (ESPC) program, McKinstry has completed an extensive study and investigation of energy upgrades for Grant County PUD. Our Directed Engineering Study presents a holistic project solution for improving the overall facility efficiency and operation. Our proposed solutions will result in lower utility use and cost along with improved building system performance and occupant productivity.

## 1.2 Current Situation

### CHALLENGES

The existing warehouse does not currently meet energy code standards for envelope insulation, heating and controls thus making the building energy inefficient. Additionally, the building does not have cooling.

The existing site lighting is not energy efficient when compared to current LED lighting technology.

## 1.3 Solutions

This project includes:

### FIM #03.01-MWH MLSC WAREHOUSE ENERGY UPGRADES

The proposed improvements at the Warehouse will create a more energy efficient, safe, and functional space. This will be accomplished through increasing envelope insulation, providing code required ventilation air, upgrading lighting and installing more energy efficient mechanical systems. The outcome of the project will result in meeting or exceeding HB1257 EUI targets.

### FIM #20.01-MSW MLSC ENERGY SITE WORK

Existing lighting will be replaced with LED and some new lighting will be added to improve safety and security for the site. Existing water, sewer, well, and septic work are required to complete the building work and meet local permitting requirements.

## 1.4 Summary of Benefits

### FINANCIAL BENEFITS

Section 4 of this document provides a detailed look at the project financials. The guaranteed maximum project allowable cost is \$6,948,800. Including sales tax and DES management fees and prior to any utility incentives, the final project cost is \$7,554,446. Total first-year savings is \$7,395 in energy costs.

# Executive Summary

## COMPANY AT-A-GLANCE

- Established 1960
- Over 1,700 employees
- 23 offices
- 55+ Professional Engineers
- 80+ LEED Accredited Professionals

## MCKINSTRY EXPERIENCE

**\$20 million**

Customer utility savings guaranteed

**\$100 million**

Grants & rebates secured for clients

**636 million**

Kilowatt hours saved

**453 thousand**

Metric tons of CO<sub>2</sub> saved

**91 million**

Gas Therms saved

*CO<sub>2</sub> emission reductions resulting from McKinstry projects have environmental impacts equal to:*

**3,167 acres**

Forest acres saved from destruction

**51.5 million**

Gallons of gas not used

**83+ thousand**

Cars taken off the road

**40+ thousand**

Homes taken off the power grid

## ENVIRONMENTAL BENEFITS

By taking the necessary steps to reduce energy consumption through the implementation of the various facility improvement measures detailed in this report, Grant County PUD will attain the savings outlined in the outcome snapshot on the left. This is equivalent to:

- 12 average-sized homes being removed from the power grid; or
- 124,215 pounds of coal not burned per year; or
- 450,541 miles not driven by an average size vehicle.

## 1.5 McKinstry Differentiators

### COMPANY OVERVIEW

McKinstry has over 50 years of experience assessing and improving facilities in the Pacific Northwest. With more than 1,500 successful energy and facility improvement projects completed in the past 15 years, McKinstry has the expertise to offer comprehensive solutions to Grant County PUD. McKinstry is more than just another energy services company, we believe in serving as your trusted advisor "For the Life of Your Building."

### MCKINSTRY APPROACH ADVANTAGES

- Vendor- and product-neutral for truly consultative role
- Transparent pricing
- Total cost of ownership consideration
- No "shared savings" model



# Scope of Work

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## 2.1 Facility Improvement Measure (FIM) List

For full descriptions of the scope of work of each measure, please refer to Section 2 - Detailed Scope of Work.

FIM # 03.01-MWH: WAREHOUSE BUILDING SYSTEM UPGRADES

FIM # 20.01-MSW: MOSES LAKE ENERGY SITE WORK

## 2.2 McKinstry Services

McKinstry will include the following services related to this project:

1. *Energy Audit:*  
The energy audit is complete and is submitted under Section 5 – Directed Engineering Study.
2. *Design Services:*  
McKinstry will provide a detailed engineering design as needed to obtain permitting, Owner review, and approval of the proposed systems. In addition, McKinstry will also provide construction support services, start-up, testing, as-built drawings of systems installed, and provide operations and maintenance manuals.
3. *Construction:*  
Provide, or cause to be provided, all material, labor, and equipment, including paying for permits, fees, bonds, and insurance, required for the complete and working installation of McKinstry's equipment.
  - a. McKinstry will provide a site superintendent who will be responsible for the onsite supervision and coordination of trades and subcontractors. This individual's responsibilities will also include regular work observations, quality control, site security, enforcement of the site-specific safety plan, as well as coordinating any impact upon building tenants with the Owner.
  - b. McKinstry may perform portions of the construction work or may subcontract portions to qualified firms. In either case, McKinstry will share information regarding actual costs of the work with the Owner and DES.
  - c. When McKinstry has completed the installation of the equipment, including start-up, operations verification, and training in accordance with the Proposal, McKinstry will provide to Owner and DES a "Notice of Commencement of Energy Savings."
  - d. At the conclusion of the project, McKinstry will submit a "Notice of Substantial Completion" to the Owner and DES.
4. *Construction Management:*  
McKinstry will provide a dedicated construction manager who will provide contract administration services for the project. The owner is expected to coordinate day-to-day communications with tenants and any scheduling of tenant relocations in and around occupied areas.  
  
The overall project to be delivered has components that are not included in the ESCO contract. For these scopes, McKinstry will act on behalf of the PUD as the Owner's Representative, Site Supervisor and Construction Manager to ensure the project is delivered in a coordinated manner (See Construction Management/Supervision Plan in Section 5).
5. *Operation Training:*  
McKinstry will provide relevant training of building staff during construction as agreed to by the Owner and DES.
6. *Performance Maintenance:*  
McKinstry will provide ongoing monitoring and support services to help ensure that guaranteed savings are achieved throughout the term of the agreement. Ongoing services shall be under separate agreement.



# Scope of Work

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Ongoing services shall be at the discretion of the Owner and DES to terminate. Specific tasks associated with proposed ongoing Measurement and Verification (M&V) can be found in Table 3.2 - M&V Plan Outline.

7. *Equipment Maintenance:*

McKinstry will provide no equipment maintenance or repairs after the warranty period. Following the completion of the installation and Owner acceptance of the equipment, the Owner shall provide all necessary service, repairs, and adjustments to the equipment so that the equipment will perform in the manner and to the extent set forth in the Proposal. McKinstry shall have no obligation to service or maintain the equipment after the warranty period.

8. *Warranty:*

Due to large size and scope of the project, McKinstry will warrant equipment for one year following substantial completion of each facility improvement measure as identified in the detailed scopes of work. McKinstry will notify DES and Grant County PUD in writing within 30 days of substantial completion as notification of warranty commencement.

## 2.3 Extent of Subcontracting

McKinstry may subcontract the energy audit, design, construction management, start-up, and training portions of this Contract to qualified firms upon review and approval by owner. Construction subcontracts will be awarded competitively. McKinstry will endeavor to satisfy the Diverse Business Enterprise utilization goals of the Owner and DES.

## 2.4 Project Schedule

See attachment B for a detailed schedule outlining all of the various design, pre-construction, construction, and closeout tasks associated with the project and that interfaces with other construction work not under this proposal.

# Scope of Work

## Grant County PUD Detailed Scope of Work

### FIM # 03.01-MWH| MLSC WAREHOUSE ENERGY UPGRADES

#### General Purpose

The existing warehouse does not currently meet energy code standards for envelope insulation, heating and controls thus making the building energy inefficient. Additionally, the building does not have cooling.

The proposed improvements will create a more energy efficient, safe, and functional space. This will be accomplished through increasing envelope insulation, providing code required ventilation air, upgrading lighting and installing more energy efficient mechanical systems. The outcome of the project will result in meeting or exceeding HB1257 EUI targets.

#### BASIS OF DESIGN NOTES

1. This scope of work and referenced floor plan is provided with the intent to provide GMAX pricing only. This is not to be used for construction.
2. For the purposes of pricing, no equipment substitutions shall be allowed unless explicitly approved by McKinstry.

#### SCOPE OF WORK INCLUDES

- A. Mechanical, Plumbing, and Controls
  1. Demolish existing then furnish and install all new mechanical, plumbing, and controls as indicated on referenced drawings.
  2. See MLSC WH 50% design package M-Sheets – Main Floor and Mezzanine of Warehouse
  3. See Specification sections Volume 1 and 2.
- B. Electrical, Fire Alarm, and Network Cabling
  1. Demolish existing then furnish and install all new electrical, fire alarm and network cabling as indicated on referenced drawings.
  2. See ESC WH 50% design package E-Sheets – Warehouse including second floor
  3. See Specification sections Volume 1 and 2.
- C. Fire Sprinkler System
  1. Furnish and install new fire suppression system as indicated on referenced drawings.
  2. See “MLSC warehouse Fire Sprinkler Plan 50% rev 1” drawings
- D. Metal roof and Siding Contractor
  1. Demolish existing then furnish and install metal roof and siding system as indicated on referenced drawings.
  2. MLSC WH 50% design package - See A sheets
  3. See volume 1 specifications
- E. General Construction
  1. Demolish existing then furnish and install all general construction items as indicated on referenced drawings.
    - i. All scope on A sheets except metal roofing and siding.
  2. See MLSC WH 50% Design Package – A Sheets
  3. See Specification section Volume 1.
- F. Testing, Adjusting, and Balancing (TAB)
  1. See Mechanical M Sheets – Main Floor and Mezzanine of warehouse
  2. See Specification sections Volume 1 and 2.
- G. Commissioning

# Scope of Work

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1. See Mechanical M Sheets - Main Floor and Mezzanine of warehouse
2. See Specification sections Volume 1 and 2 for scope.

## CLARIFICATIONS AND EXCLUSIONS

1. Hazardous materials abatement is NOT included in this contract. An estimate has been provided to Grant PUD for this work.
2. If existing equipment or components are reused, repairs to existing are not included unless specifically noted in the scope above or required to deliver the guaranteed energy/water savings and/or meet KPIs listed in Table 3.2.
3. Project may not be contracted within a 90-day period. Material cost increases beyond this time period shall be considered "unforeseen" and allow for the use of project contingency, if needed.
4. Work is intended to be performed in an unoccupied facility.
5. Warehouse product will be moved and handled exclusively by Grant County PUD and is NOT included in this contract.
6. McKinstry has NOT included moving office equipment and personal items in this contract.
7. McKinstry has NOT included the purchase, installation, or demolition of furniture in this contract.
8. Scope currently does not include EMT conduit for all concealed low voltage wiring (fire alarm, DDC controls, data). Grant PUD authorizes McKinstry to proceed without EMT conduit for low voltage wiring that is concealed above the ceiling.

GRANT

# Scope of Work

## Grant County PUD Detailed Scope of Work (GMP Pricing)

### FIM # 20.01-MSW| MLSC ENERGY SITE WORK

#### General Purpose

The existing site lighting is not energy efficient when compared to current LED lighting technology.

Existing lighting will be replaced with LED and some new lighting will be added to improve safety and security for the site. Existing water, sewer, well, and septic work are required to complete the building work and meet local permitting requirements.

#### BASIS OF DESIGN NOTES

1. This scope of work and referenced floor plan is provided with the intent to provide GMAX pricing only. This is not to be used for construction.
2. For the purposes of pricing, no equipment substitutions shall be allowed unless explicitly approved by McKinstry.

#### SCOPE OF WORK INCLUDES

- A. Warehouse fire suppression service
  1. See MLSC WH 50% Design Package C sheets
  2. See volume 3 specifications
- B. Kinder Rd sewer/water extension with road replacement
  1. See MLSC WH 50% Design Package C sheets
  2. See volume 3 specifications
- C. Abandon existing well and septic system
  1. See MLSC WH 50% Design Package C sheets
  2. See volume 3 specifications
- D. Electrical (Site Lighting and Card Reader Conduit)
  1. See MLSC WH 50% Design Package E sheets
  2. See volume 2 specifications

#### CLARIFICATIONS AND EXCLUSIONS

1. Project may not be contracted within a 90-day period. Material cost increases beyond this time period shall be considered "unforeseen" and allow for the use of project contingency, if needed.
2. An allowance has been included in the overall project budget for boring beneath the railroad track as opposed to open cut trenching beneath the tracks. Boring is not expected to be required by the railroad. The allowance is also carried for the possibility of fill material requirement, which is also not expected.
3. Drilling, blasting, and rock removal is not expected and would be considered unforeseen, requiring the use of project contingency. If project contingency is unable to cover the cost of work, the owner may be required to infuse additional capital to complete work.
4. Hidden items below grade that may require removal, soil mitigation, etc. are considered unforeseen requiring the use of project contingency. If project contingency is unable to cover the cost of work, the owner may be required to infuse additional capital to complete work.
5. Shallow groundwater conditions that require dewatering are not expected and therefore considered unforeseen. If project contingency is unable to cover the cost of work, the owner may be required to infuse additional capital to complete work.
6. Unknown utilities not shown on as-built drawings, or discovered during utility locates are considered unforeseen and

# Scope of Work

---

- may require the use project contingency.
- 7. Lift station programming and SCADA integration will be performed by RH2 under a separate contract with the PUD. No budget allowance has been provided for this work.
- 8. Assumes that City Water/Sewer mains in Stratford Rd. are in good condition.

GMAT

Attachment B MLSC Development Schedule

ID	Task	Task Name	Duration	Start	Finish	Predecessors	Sep '20	Oct '20	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21	Jul '21	Aug '21	Sep '21
1		<b>ESC and MLSC Projects</b>	<b>303 days</b>	<b>Wed 9/30/20</b>	<b>Fri 11/26/21</b>														
2		<b>ESC and MLSC Investment Grade Audit</b>	<b>150 days</b>	<b>Wed 9/30/20</b>	<b>Tue 4/27/21</b>														
3		Design Kick-Off Meeting	2 days	Wed 9/30/20	Thu 10/1/20														
4		Client Kickoff Meeting (ESC & MLSC)	2 days	Fri 10/2/20	Mon 10/5/20	3													
5		ROM Site Walks (ESC & MLSC)	2 days	Tue 10/6/20	Wed 10/7/20	4													
6		ROM Design and Scopes Complete (25%)	22 days	Thu 10/8/20	Fri 11/6/20	5													
7		ROM Engineering Estimates	2 days	Mon 11/9/20	Tue 11/10/20	6													
8		ROM Savings/EUI	15 days	Thu 10/8/20	Wed 10/28/20	6SS													
9		Trend/Logger Setup (Both ESC and MLSC Sites)	5 days	Thu 10/8/20	Wed 10/14/20	6SS													
10		ROM Presentation	1 day	Wed 11/11/20	Wed 11/11/20	7													
11		Client provides Pre-final Direction	5 days	Thu 11/12/20	Wed 11/18/20	10													
12		Pre-final Design and Scopes Complete (50%)	38 days	Thu 11/19/20	Mon 1/11/21	11													
13		Pre-final scope review and RFP	3 days	Tue 1/12/21	Thu 1/14/21	12													
14		Estimating Site Walks	2 days	Fri 1/15/21	Mon 1/18/21	13													
15		Pre-final Costs	10 days	Tue 1/19/21	Mon 2/1/21	14													
16		Pre-final Savings/EUI	35 days	Thu 11/19/20	Wed 1/6/21	12SS													
17		Risk Reviews (To DES for Review)	4 days	Tue 2/2/21	Fri 2/5/21	15													
18		Pre-final Presentation (Tim, Cliff, and Maria)	2 days	Mon 2/8/21	Tue 2/9/21	17													
19		Submit Materials and PWG Meeting	11 days	Wed 2/10/21	Wed 2/24/21	18													
20		McKinstry ESP creation and delivery	10 days	Thu 2/25/21	Wed 3/10/21	19													
21		DES ESP/Final Proposal Review	3 days	Thu 3/11/21	Mon 3/15/21	20													
22		PUD ESP/Final Proposal Review and Approval	6 days	Tue 3/16/21	Tue 3/23/21	21													
23		DES to Initiate Contract	5 days	Wed 3/24/21	Tue 3/30/21	22													
24		PUD Procurement Review	10 days	Wed 3/31/21	Tue 4/13/21	23													
25		Submit Packet and 1st Commissioner Meeting	10 days	Wed 4/14/21	Tue 4/27/21	24													
26		<b>ESC and MLSC Project Contracting</b>	<b>18 days</b>	<b>Wed 4/28/21</b>	<b>Fri 5/21/21</b>														
27		2nd Commissioner Meeting - Vote for Signature Approval	10 days	Wed 4/28/21	Tue 5/11/21	25													
28		Contract Signed	3 days	Wed 5/12/21	Fri 5/14/21	27													
29		Notice to Proceed	5 days	Mon 5/17/21	Fri 5/21/21	28													
30		<b>ESC Design and Pre-Construction</b>	<b>50 days</b>	<b>Mon 5/24/21</b>	<b>Fri 7/30/21</b>														
31		90% Design	20 days	Mon 5/24/21	Fri 6/18/21	29													
32		Permitting	20 days	Mon 6/21/21	Fri 7/16/21	31													
33		100% Construction Documents	10 days	Mon 7/19/21	Fri 7/30/21	32													
34		Final RFP and Contracting	10 days	Mon 6/21/21	Fri 7/2/21	31													
35		Pre-Con and Submittals	20 days	Mon 7/5/21	Fri 7/30/21	34													
36		<b>MLSC Design and Pre-Construction</b>	<b>75 days</b>	<b>Mon 5/24/21</b>	<b>Fri 9/3/21</b>														
37		90% Design	35 days	Mon 5/24/21	Fri 7/9/21	29													
38		Permitting	30 days	Mon 7/12/21	Fri 8/20/21	37													
39		100% Construction Documents	10 days	Mon 8/23/21	Fri 9/3/21	38													
40		Final RFP and Contracting	10 days	Mon 7/12/21	Fri 7/23/21	37													
41		Pre-Con and Submittals	20 days	Mon 7/26/21	Fri 8/20/21	40													
42		<b>ESC Implementation</b>	<b>82 days</b>	<b>Mon 8/2/21</b>	<b>Tue 11/23/21</b>														
43		Construction	82 days	Mon 8/2/21	Tue 11/23/21	35													
44		<b>MLSC Implementation</b>	<b>70 days</b>	<b>Mon 8/23/21</b>	<b>Fri 11/26/21</b>														
45		Construction	70 days	Mon 8/23/21	Fri 11/26/21	41													

ESC schedule shown for reference only.

Project: Grant County ESC-MLS Date: Wed 3/10/21	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			

# Energy Savings Guarantee

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## 3.1 Guarantee Overview

1. *Philosophy:*

McKinstry is prepared to guarantee any portion of a project over which it has direct control. Where McKinstry does not have direct control (such as operating hours associated with lighting), we are prepared to work with the Owner and DES to devise a method of Measurement and Verification (M&V), which will provide the highest degree of assurance that the energy savings are achieved.

2. *This Project:*

For this project, McKinstry guarantees the performance of the installed initiatives to reduce energy consumption. The target energy reductions for the initiatives that will be implemented are shown in the attached Table 3.1 Energy Savings Summary. Based upon the stipulated conditions as enumerated by the Owner and DES personnel and the utility rates as described below, the utility cost savings estimates are also shown in Table 3.1.

3. *Ongoing Services:*

Refer to Table 4.1 for the cost and duration of ongoing M&V. The cost of ongoing M&V beyond the duration listed in Table 4.1 is at the discretion of the Owner. McKinstry is prepared to continue the guarantee as long as the Owner continues the ongoing services as described herein. When the Owner chooses to cancel the ongoing services, the guarantee will also be terminated at the same point in time. Please refer to Table 3.2 M&V Plan Outline for a summary of the proposed measurement and verification scope.

## 3.2 FIM Specific Performance Assurance Methodology

1. *Guarantees:*

Table 3.1 Energy Savings Summary provides the specific energy consumption savings for each Facility Improvement Measure (FIM) and the guarantee that McKinstry will provide associated with that measure. Savings calculations are based upon both baseline operating characteristics and proposed operation criteria:

- a. **Baseline:** Baseline refers to the existing operating characteristics that were used to calculate energy savings. The baseline values, including system performance and operational conditions, which were used for this project are provided in Table 3.2. In general, all parties acknowledge the baseline associated with any specific measure has been derived from the following sources:
  - i. Actual operating information gathered through field observation, measurement, micro-data loggers, and Owner's operating logbooks.
  - ii. Owner provided information concerning stipulated factors such as burn hours, occupancy, or operational expenditures.
  - iii. In some instances, a modified baseline may have been developed to address areas whereby pre-retrofit conditions do not reflect a system that is operating per current code or what the Owner may deem as normal operation.
- b. **Proposed:** The proposed operating values, including system performance and operational conditions, which were used for savings calculations are provided in Table 3.2. Systems must be operated per the proposed criteria to ensure energy savings are realized. McKinstry will provide the initial start-up, commissioning, and programming of the system to ensure the systems operate per the proposed operating criteria. The Owner acknowledges their responsibility to ensure these criteria are maintained and associated energy savings are realized. Energy Savings Guarantees are predicated based on the Owner maintaining their responsibilities as provided below in "Ongoing Owner Responsibilities" in Section 3.5.

# Energy Savings Guarantee

## 3.3 Utility Rates

### 1. *Utility Rate:*

For the purpose of calculating energy cost savings, the utility rates used will be the utility rates as paid by the Owner to the utility company at the time the Energy Services Proposal was developed. In the event that a building has multiple meters on different rate schedules, the per-unit cost of the utility will be the average of all the rate schedules in effect at that facility.

#### a. *Base Utility Rate:*

Refer to table 3.3 for the Base Utility Rates (including sales tax).

## 3.4 Standards Of Comfort Service

Where applicable, the following section provides the standards of comfort, which the Owner must maintain to ensure the comfort of the occupants and staff, and upon which all energy calculations were based.

### HVAC COMFORT

Heating, ventilating, and air conditioning (HVAC) systems provided by McKinstry will provide comfort and indoor air quality in accordance with the Standards of Comfort below. This standard will pertain only to buildings and areas of buildings in which McKinstry is installing HVAC equipment that has direct control over space comfort conditions. HVAC comfort conditions cannot be guaranteed when operable windows or doors are open.

### INDOOR CONDITIONS

#### *Occupied:*

Winter Heating Minimum Set-point – 70 degrees F (Superseded by DOH Regs)

Winter Heating Maximum Set-point – 74 degrees F (Superseded by DOH Regs)

Summer Cooling Minimum Set-point – 72 degrees F (where mechanical cooling systems are employed)

Summer Cooling Maximum Set-point – 78 degrees F (where mechanical cooling systems are employed)

#### *Unoccupied:*

Minimum – 55 degrees F

Maximum – 85 degrees F (where mechanical cooling systems are employed)

Relative Humidity (If humidity control provided):

Minimum - 40%

Maximum - 60%

#### *Minimum outside air per occupant:*

Minimum outside air per occupant shall be in accordance with American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) standards and Chapter 4 of the International Mechanical Code.

Less stringent conditions will not be proposed unless specifically approved by the Owner and DES (if applicable).

### LIGHTING

#### *Illumination Levels Verification:*

McKinstry shall perform a light level survey of the existing conditions during the audit phase of the project





# Energy Savings Guarantee

development. The existing lighting conditions shall be discussed with the Owner to gauge the preference for general illumination throughout the facility.

## *Illumination Levels Design:*

It is McKinstry's intent to provide energy efficient lighting conditions that effectively meet the needs of the occupants and accommodate the application requirements. Where deemed appropriate, McKinstry will follow IESNA recommendations for illumination criteria in the absence of the Owner's preferred lighting standards.

## 3.5 Ongoing Owner Responsibilities

The Owner shall provide the following services as part of this energy services project. In the event that these services are not provided, energy savings and associated guarantees will be modified to reflect the associated impact.

1. Maintain all equipment per manufacturer's recommendations and proposed maintenance schedule.
2. Maintain all sequence of operations and performance criteria related to installed systems as proposed and designed.
3. Provide other FIM specific ongoing responsibilities as provided in Table 3.2.
4. Provide McKinstry with copies of actual monthly utility billing information on a quarterly basis for the duration of the M&V service period. This includes electric, natural gas, and fuel oil. The associated facilities where utility information shall be provided include all meters providing direct or indirect service to all buildings included in this project.
5. Provide McKinstry all internal sub-meter data, including electric and condensate meters, providing direct or indirect service to all buildings included in this project.
6. Provide McKinstry access to Energy Management and Control Systems for the purpose of collecting and logging data over time as required for performance verification.
7. The Owner shall notify McKinstry in writing concerning any changes or alterations to the building that will affect energy usage. This notification should be provided within two weeks of the change. This includes occupancy or use changes, computer load or other load changes, scheduling changes, and sequence of operations changes.

## 3.6 Non-Performance

In the event the equipment performance is not met, McKinstry accepts responsibility for additional electricity and natural gas used by the equipment, due to reduced performance. McKinstry may, at its option, execute any of the following options:

1. Repair or replace equipment as necessary to meet required performance.
2. Make payments for the extra energy consumption to the Owner. In the event that McKinstry chooses the payment option, McKinstry reserves the right to select either an annual payment for the duration of the guarantee term or a one-time lump-sum payment of the same amount. In either case, the payment will be calculated based upon the quantity of additional electricity or natural gas used and the Base Utility Rate as described above.

# Energy Savings Guarantee

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## 3.7 Change Of Use

In the event that the Owner chooses to make changes to the facility that require set point adjustments, longer operating hours, or continuous equipment operation, the Owner agrees that:

1. Savings deemed as met described above will continue to be deemed as met.
2. Additional cost of extended equipment operation is a cost of the change, not due to a failure of McKinstry or their equipment.
3. McKinstry shall not be responsible for any increase in energy, maintenance, or any other costs incurred because of the extended equipment operation.
4. During the M&V portion of the project McKinstry at its option may make a baseline energy use adjustment to identify and account for a change-of-use at the facility.
5. McKinstry will calculate the change in energy consumption due to the specific change made to the system's operation.



# Table 3.1 - Energy Savings Summary

Project: Grant County PUD  
 Scenario: MLSC - GMAX 2021: ESCO  
 Date: 3/10/2021

Facility Improvement Measures	Facility	Guarantee Multiplier for Positive Numbers *	Guarantee Multiplier for Negative Numbers *	Net Effective Guarantee Multiplier *	Electricity		Total **
					kWh	kWh (\$)	(\$)
03.01-MWH: Warehouse Building System Upgrades - ESCO	MLSC - Warehouse	90.0%	110.0%	90.0%	151,166	\$6,666	\$6,666
20.01-MSW: Moses Lake Energy Site Work - ESCO	MLSC - Warehouse	90.0%	110.0%	90.0%	16,525	\$729	\$729
<b>Totals ***</b>					<b>167,691</b>	<b>\$7,395</b>	<b>\$7,395</b>

\* The savings shown in this table are less than the calculated savings unless a guarantee multiplier of 100% is shown.

\*\* The guarantee is based on Key Performance Indicators shown in Table 3.2. Refer to Section 3 of the ESP for the method of converting Key Performance Indicators to dollars durir

\*\*\* The guarantee is based on the aggregate savings for all FIMs, not on individual FIM savings.



# Table 3.2 - M&V Plan Outline

Project: Grant County PUD  
 Scenario: MLSC - GMAX 2021: ESCO  
 Date: 3/10/2021

FIM Name	Facility	IPMVP Option	KPI	Key Performance Indicators	Baseline Values	Proposed Values	Audit Stage (Baselining)	Post Retrofit (Commissioning)	Annual	Ongoing Owner Responsibilities	Stipulated Factors
							Tasks	Tasks	Tasks		
03.01-MWH: Warehouse Building System Upgrades - ESCO	MLSC - Warehouse		1.	HVAC Equipment Heating and Cooling Efficiency	Electric Unit Heaters: 1 COP htg, no cooling. Office Area Mini-Split: 3.46 COP, 13.0 SEER	EH-1: 1 COP, no cooling AHU-1: 3.2 COP @ 47°F, 11.5 IEER HP-1: 3.61 COP @ 47°F, 12.1 EER	Review existing equipment documentation	Review submittal documentation for installed equipment.	Trend heat pump power (kW) during the heating season for two weeks. Calculate heating efficiency based on peak power draw (kW) and AHRI rated heating capacity.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			2.	Heat Recovery Effectiveness	No heat recovery equipment.	62%	Perform building energy audit.	Verify the installed heat recovery ventilator core is AHRI certified in accordance with AHRI 1060 (I-P).	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			3.	HVAC Hours of Operation	24/7	M-F 8:00a to 5:00p	Review building activity and consultation with facility operators.	Review Cx Report, functional performance tests.	Review BAS front-end to verify HVAC operating schedule.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Baseline HVAC Operating Schedule
			4.	Zone Temperature Setpoints	Occupied Cooling: 72°F Heating: 68°F Unoccupied Cooling: 72°F Heating: 65°F	Occupied Cooling: 74°F Heating: 68°F Unoccupied Cooling: 80°F Heating: 55°F (VRF Zones 65°F)	Review temperature setpoints during site audits and consultation with facility operators.	Review Cx Report, functional performance tests.	Review BAS front-end to verify zone temperature setpoints.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			5.	Heating and Cooling Degree Days @ 60F Balance Point	4,507 HDD 1,489 CDD	4,507 HDD 1,489 CDD	Collected TMY3 data from local Ephrata weather station.	No task, assumed constant.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Heating & Cooling Degree Days
			6.	Fixture Types and Quantities	See detailed lighting audit.	See detailed lighting audit.	Gather light fixture count records from electrical contractor responsible for installation.	Review lighting as-built documentation	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			7.	Fixture Input Power (Watts)	See detailed lighting audit.	See detailed lighting audit.	Gather lighting submittal data to determine fixtures installed are as designed.	Review pre-&post-retrofit fixture wattage on sample of fixtures.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Existing Fixture Wattage
			8.	Fixture Annual Burn Hours	See detailed lighting audit.	See detailed lighting audit.	No task, lighting burn hours are stipulated.	No Task.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Annual Burn Hours
			9.	Exterior Finish System R-Value	No Exterior Finish System	Exterior Wall: 2" EIFS. R-10 Minimum from finish system.	Performed energy audit of facility and examined exterior wall condition.	Review exterior wall submittal documentation.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
20.01-MSW: Moses Lake Energy Site Work - ESCO	MLSC - Warehouse		1.	Fixture Types and Quantities	See detailed lighting audit. Modified baseline includes fixtures that would be required in order to meet required light levels.	See detailed lighting audit.	Gather light fixture count records from electrical contractor responsible for installation.	Review lighting as-built documentation	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	
			2.	Fixture Input Power (Watts)	See detailed lighting audit.	See detailed lighting audit.	Gather lighting submittal data to determine fixtures installed are as designed.	Review pre-&post-retrofit fixture wattage on sample of fixtures.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Existing Fixture Wattage



# Table 3.2 - M&V Plan Outline

Project: Grant County PUD  
 Scenario: MLSC - GMAX 2021: ESCO  
 Date: 3/10/2021

							Audit Stage (Baselining)	Post Retrofit (Commissioning)	Annual		
FIM Name	Facility	IPMVP Option	KPI	Key Performance Indicators	Baseline Values	Proposed Values	Tasks	Tasks	Tasks	Ongoing Owner Responsibilities	Stipulated Factors
			3.	Fixture Annual Burn Hours	See detailed lighting audit.	See detailed lighting audit.	No task, lighting burn hours are stipulated.	No Task.	No task, assumed constant.	Maintain and operate equipment per McKinstry and manufacturer's recommendations.	Annual Burn Hours

Confidential and Proprietary



# Table 3.3 - Base Utility Rates

Project [Grant County PUD](#)  
Scenario MLSC - GMAX 2021: ESCO  
Date 3/10/2021

Building_Name	Utility_Provider	Rate_Name	Utility_Type	Dollars_Per_Unit	Units	Published_Date_Effective
MLSC - Warehouse	Grant County PUD	Rate 2-E	Electricity	\$0.044100	kWh	7/14/2020

# Project Financials

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## 4.1 Maximum Project Allowable Cost

McKinstry guarantees that the Maximum Project Cost will not exceed the guaranteed value shown in Table 4.1 – Budget Summary; this cost does not include sales tax, WA State Interagency fees, or the utility incentive. The sales tax and interagency fees are shown in Table 4.1 for reference, and the utility incentive is shown in Table 4.2 for reference. (McKinstry does not guarantee the value of sales tax, interagency fees, or the utility incentive.)

Costs presented in this proposal are valid for 90 days from the date of publication. If the notice to proceed is issued after 90 days from publication, McKinstry reserves the right to utilize project contingency to cover price increases.

## 4.2 Project Cost Table

See Table 4.1 – Budget Summary. All fee percentages and costs are unique to the project.

## 4.3 Items Included in Maximum Project Cost

1. Engineering audit, which includes the cost for the preparation of this proposal
2. Engineering design
3. Construction management services
4. Installation of McKinstry Equipment including the following costs as specified in the scope of work:
  - a. All costs paid by McKinstry for the installation of the equipment. This includes costs paid to subcontractors or directly to McKinstry personnel, when related to installation or system verification of McKinstry equipment.
  - b. The portion of reasonable travel, lodging, and meal expenses of officers or employees incurred while traveling in discharge of duties connected with the work. McKinstry will comply with OFM guidelines for reimbursement of travel expenses.
  - c. Cost of all materials, supplies, and equipment incorporated in the Work, including costs of transportation thereof.
  - d. Cost or rental charges, including transportation and maintenance, of all materials, supplies, equipment, temporary facilities, and hand tools not owned by the workers, which are consumed in the performance of the work and cost less salvage value on such items used but not consumed which remain the property of McKinstry.
  - e. Cost of premiums for all bonds and insurance, which McKinstry is required to purchase and maintain.
  - f. Sales, use, or similar taxes related to the Work and for which McKinstry is liable imposed by a governmental authority.
  - g. Permit fees, royalties, and deposits lost for causes other than McKinstry's negligence.
  - h. Losses and expenses not compensated by insurance or otherwise, sustained by McKinstry in connection with the work, provided they have resulted from causes other than the fault or neglect of McKinstry. Such losses shall include settlements made with the written consent and approval of the Owner and the DES Energy Program. If, however, such loss requires reconstruction and McKinstry is placed in charge thereof, McKinstry shall be paid a fee for such services.
  - i. Demolition cost and cost of removal of all debris unless specifically excluded within the Scope of Work.

# Project Financials

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- j. Costs incurred due to an emergency affecting the safety of persons and property.
- k. Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner and DES.
- l. Contingency as defined in Section 4.4.
- m. Allowances as defined in Section 4.5.
- n. Cost of equipment startup, training, system verification, and balancing performed by McKinstry.
- o. Construction Bonds (including Performance & Payment Bond), Liability Insurance, and Builder's Risk Insurance.
- p. McKinstry fee. This includes McKinstry's remuneration for compensation of personnel, expenses, risks related to the project, overhead, and profit.
- q. McKinstry shall provide a Schedule of Values. The schedule of values will include all costs related to the installation of McKinstry's equipment.

## 4.4 Construction Contingency

A construction contingency as identified in Table 4.1 – "Budget Summary" has been established for this project. McKinstry can expend the contingency after a change order has been approved by the Owner, McKinstry, and the DES Project Manager for items necessary to complete the original scope of this project. The intent of the contingency is for "unforeseen conditions" beyond what was originally estimated. McKinstry and the Owner and DES will jointly manage any contingency left after the project scope is completed. All unused construction contingency funds shall reduce the overall project cost to the Owner.

## 4.5 Allowances

McKinstry may set aside allowances as identified in Table 4.1 - "Budget Summary" for specific areas of work that have been identified as a potential cost impact but cannot be determined at this stage. Should the allowance not be adequate, the Owner and the DES Project Manager will be advised. McKinstry will be compensated for any additional costs via Change Order to the contract should the Owner and the DES Project Manager agree. In extreme situations, McKinstry may request additional funds to cover cost overruns that could not have been foreseen by either party.

## 4.6 Permitting and Pre-Purchase of Equipment

Grant County PUD's shall pay for the permits including but not limited to (Building Permit, Civil Street Utility Permit, Fence Permit, Sewer/Water/Stormwater Connection, Dept. of Ecology Stormwater, SEPA). McKinstry has provided a permit estimate to the PUD for overall project budget purposes but is not included in this contract. Contractor who delivers work associated with a specific permit will be the permit holder and responsible for permit compliance.

Pre-purchasing of equipment prior to permit payment, plan review, and approval shall not occur unless specific written authorization is provided by Grant County PUD.

## 4.7 Ongoing Services

Refer to Table 4.1 for the cost and duration of any ongoing services.



# Project Financials

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## 4.8 Accounting Records

McKinstry shall check all material, equipment, and labor entering into the worksite and shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement. The Owner and the DES Project Manager shall be afforded access to all McKinstry's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to this Contract, and the McKinstry shall preserve all such records for a period of seven years, or for such longer period as may be required by law, after the final payment.

## 4.9 Reconciliation of Labor & Material Costs

The maximum project allowable cost is based on firm negotiated bids or estimated labor and material costs developed by McKinstry. In recognition that actual Labor & Material costs may vary from the estimate, the following procedures are established to reconcile this difference:

1. If the total maximum guaranteed project cost at completion exceeds the estimated amount (plus contingency), the additional costs will be borne by McKinstry at their expense.
2. If the total project costs at completion are less than the estimated proposal amount (less contingency), the savings will be retained by the Owner.
3. There shall be no cost savings split between the Owner and McKinstry.

The following Figure 4.A outlines proposed procurement and payment reconciliation methods. Changing the proposed method of reconciliation after the acceptance of the Proposal may require an adjustment to the Guaranteed Maximum Project Cost.

### **DEFINITIONS:**

#### *Major Equipment:*

Major Equipment is any single piece of equipment purchased by McKinstry with a value over \$5,000.

#### *Negotiated:*

Construction contract value is to be established through negotiations with a select or single contractor (i.e. owner preferred controls contractor, mechanical contractor, etc.).

#### *Bid:*

Construction contract value is to be established through a bid process based upon formal bid documents including plans and specifications which will be bid to a minimum of two (typically three) pre-qualified contractors as approved by McKinstry and the Owner.

#### *Self-Perform:*

McKinstry intends to perform work with McKinstry personnel.

#### *Schedule of Values (SOV):*

Cost shall be substantiated with a properly executed invoice from the subcontractor or supplier that matches the schedule of values in their contract or purchase order.

#### *Time & Materials (T&M):*

Published sell rates will be established prior to issuance of contract to subcontractor or commencement of work by McKinstry. A monthly labor and material report will be provided which will include labor hours and dollars per individual, and material and equipment invoices.

# Project Financials

*Firm:*

Fees that are negotiated prior to proposal and are not reconciled at the end of the project.

FIGURE 4.A

CONSTRUCTION COST CATEGORY (REF TABLE 4.1)	PROPOSED CONSTRUCTION METHOD	END OF PROJECT – RECONCILED
Mechanical	Negotiated	SOV
Electrical	Subcontract Bid	SOV
EMCS	Negotiated	SOV
General	Subcontract Bid	SOV
Excavation	Subcontract Bid	SOV
Other	Subcontract Bid	SOV
Commissioning	Self-Perform	SOV
Site Supervision	Self-Perform	SOV
Change Order (CO)	As Specified in CO	T&M
Fees	Self-Perform	Firm

## 4.10 Compensation

1. **TERMS:**

Net 30 days (45 days for State Treasurer payments) from the date of invoice, monthly billings as the job progresses.

2. **PAYMENTS:**

At a minimum, payments will be made in the amount of 100% at the completion and implementation of any individual facility improvement measure (FIM) in the amount of that FIM as delineated in the contract. If more than one FIM is completed in a monthly period, all those FIMS will be paid.

3. **FINANCE CHARGES ON UNPAID BALANCES:**

Payments due and unpaid shall be subject to interest charges within 30 days (45 days for State Treasurer payments) of receipt of a properly completed invoice per RCW 39.76. Finance charges will be calculated on the un-paid balance per RCW 39.76 which specifies the interest rate shall be one percent per month but not less than one dollar per month on amounts due beyond 30 days. Interest charges will be calculated daily, compounded monthly. Charges accrue until balances are paid in full.

4. **CONSTRUCTION PERIOD FINANCE CHARGES:**

McKinstry may charge construction period finance charges for projects, independent of financing method, whereby the anticipated billing lags the earned schedule of values by more than 90 days. If Owner controlled schedule delays occur during the progress of the project, the Contractor may request additional finance charges be added to the project. Construction period finance will be calculated on the un-paid balance at the rate of Prime + 2% per annum. Interest charges will be calculated daily, compounded monthly. Charges accrue until balances are paid in full.

McKinstry and the Owner will work together to minimize finance charges.

The construction schedule has been developed based on the following assumptions:

- a. Owner review of final Energy Services Proposal (ESP) 10 working days

# Project Financials

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b. McKinstry receives notice to proceed within 15 working days from the final review responses

## 5. SUBSTANTIATION OF FINANCE CHARGE:

McKinstry will do an accounting of finance charges progressively through the project, and at contract completion submit a change request itemizing the summary of additional costs for implementation. The contract will then be increased to reflect the same and finance charges will be paid within 30 days of the date of approved substantiation.

## 4.11 Financing

McKinstry enjoys over 55 years of experience within the engineering and contracting industry and its financial strength exceeds the industry average. This strength makes it possible to provide and assist with the financing needs of its customers. Long standing relationships with vendors assures reasonable pricing and excellent payment terms.

### **LONG-TERM FINANCING:**

The Owner has several options available for long term permanent financing. The Washington State Treasurer's Office can provide financing. Third Party financing is also available.

## 4.12 Termination Value

Should the owner choose to finance the project through McKinstry, a schedule will be provided showing the termination value of the financing agreement for each year during the term of the agreement.

## 4.13 Terms of Agreement

The Contract shall be effective and binding upon the parties immediately upon its execution and the period from contract execution until the Commencement of Energy Savings Date shall be known as the "Interim Period". All energy savings achieved during the interim period will be fully credited to the Owner.

## 4.14 Insurance & Bonding

McKinstry shall provide a payment and performance bond and builders Risk Insurance.

For The Purposes of This Agreement, the "Sum Amount of Bond" Shall Be (See Table 4.1 –"Budget Summary").

1. The bond amount consists of Labor and Materials and State Sales Tax.
2. This bond does not include any construction contingencies.
3. Certificates of General Liability Insurance will be provided prior to Contract Signing. The State of Washington shall be named as An Additional Insured on all insurance certificates.

McKinstry shall provide a payment and performance bond in the amount of 100% of the construction cost, as defined in the Energy Services Agreement Addendum. The amount shall include all authorized changes and state sales tax. The Bond shall be in the form attached to the Conditions of the Energy Services Agreement. The Contract listed on the bond form shall be the Addendum No. and Agreement No., which incorporates the work, and the "Contract Date" shall be the date of the Addendum. The full and just sum of the Bond shall be as defined above and shall include the actual cost of purchasing and installing McKinstry's Equipment. The Bond shall specifically exclude coverage for those portions of the Energy Services Agreement and/or Energy Services Agreement Addendum pertaining to design services, energy cost savings guarantee, maintenance guarantee, utility incentives, efficiency guarantees, and any other clauses which do not relate specifically to construction management and supervision of work for purchasing and installing of McKinstry's Equipment, or

# Project Financials

for work to be accomplished by the Owner. The Bond shall be with a Surety or Bonding Company that is registered with the State of Washington Insurance Commissioner's Office.

While McKinstry stands behind our safety record, we cannot control the work flow around items we have no control over. At no point does McKinstry assume any responsibility for the loss of use of any equipment and we exclude any and all claims for consequential damages therein.

## 4.15 Diverse Business Participation Goals for this Project

McKinstry has established the following diverse business participation goals for this project in consultation with the Owner and the DES Energy Program.

McKinstry has provided information and training to many potential subcontractors, suppliers, and consultants on how to register for the State certifications.

No diverse businesses were identified for participation in this project.

FIGURE 4.D

State Certification Category	McKinstry Standard Inclusion Plan	For this Project: Percentages for Construction	For this Project: Percentages for Professional Services
Diverse Business Enterprise	26%	0%	0%

# Table 4.1 - Budget Summary



Project Moses Lake Service Center - MLSC  
 Scenario MLSC - GMAX 2021: ESCO  
 Date 3/18/2021

FIM Name	Mechanical	Electrical	EMCS	Lighting	General	Excavation	Other	Total
3.01-MWH: Warehouse Building Energy Upgrades	\$ 627,000	\$ 325,307	\$ 68,915	\$ -	\$ 1,504,448	\$ -	\$ 45,287	\$ 2,570,957
20.01-MSW: Moses Lake Energy Site Work	\$ -	\$ 170,013	\$ -	\$ -	\$ -	\$ 1,261,204	\$ -	\$ 1,431,217
<b>Total Base FIM Cost</b>	<b>\$ 627,000</b>	<b>\$ 495,320</b>	<b>\$ 68,915</b>	<b>\$ -</b>	<b>\$ 1,504,448</b>	<b>\$ 1,261,204</b>	<b>\$ 45,287</b>	<b>\$ 4,002,174</b>

A. Construction Costs										
Commissioning	Lump	\$ 19,230	\$ 3,013	\$ 2,380	\$ 331	\$ -	\$ 7,229	\$ 6,060	\$ 218	\$ 19,230
TAB	Lump	\$ 1,150	\$ 180	\$ 142	\$ 20	\$ -	\$ 432	\$ 362	\$ 13	\$ 1,150
Site Supervision	Lump	\$ 104,622	\$ 16,391	\$ 12,948	\$ 1,802	\$ -	\$ 39,328	\$ 32,970	\$ 1,184	\$ 104,622
Additional Line Item	Lump	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Line Item	Lump	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Line Item	Lump	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal(FIM Cost and A.)</b>		<b>\$ 646,583</b>	<b>\$ 510,791</b>	<b>\$ 71,067</b>	<b>\$ -</b>	<b>\$ 1,551,437</b>	<b>\$ 1,300,596</b>	<b>\$ 46,701</b>	<b>\$ 4,127,176</b>	
Construction Bonds	%	1.30%	\$ 8,406	\$ 6,640	\$ 924	\$ -	\$ 20,169	\$ 16,908	\$ 607	\$ 53,653
<b>Total Construction Cost</b>										<b>\$ 4,180,829</b>

B. Professional Services Costs										
Audit Fee	Lump	\$ 348,227								\$ 348,227
Design Fee	%	16.78%	Percent of Sub-Total Base FIM Cost and A (minus Site Supervision).							\$ 675,068
Construction Admin Fee	%	6.29%	Percent of Sub-Total Base FIM Cost and A (minus Site Supervision).							\$ 253,150
Overhead	%	10.00%	Percent of Sub-Total Base FIM Cost and A (minus Site Supervision).							\$ 402,255
Profit	%	8.00%	Percent of Sub-Total Base FIM Cost and A (minus Site Supervision).							\$ 321,804
<b>Total Professional Services Cost</b>										<b>\$ 2,000,505</b>

C. Other Project Costs										
Project Contingency	%	5.00%	Percent of Total Construction Cost							\$ 209,041
Allowance for Boring/Fill Material	Lump	\$ 350,000								\$ 350,000
Allowance: Tents/Job Shacks/Temp. Racks	Lump	\$ 776,588								\$ 776,588
<b>Total Other Project Cost</b>										<b>\$ 1,335,630</b>

D. Measurement and Verification										
Year 1	Lump	\$ 6,256								\$ 6,256
<b>Total M&amp;V Cost</b>										<b>\$ 6,256</b>

<b>E. Total Guaranteed Construction &amp; ESCO Services (A + B + C + D)</b>										<b>\$ 7,523,220</b>
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F. Non-Guaranteed Costs										
Sales Tax	%	8.40%	Percent of Section E. (Excluding Contingency)							\$ 519,758
DES Fee	Lump	\$ 92,494								\$ 92,494
<b>Total Non-Guaranteed Cost</b>										<b>\$ 612,252</b>

<b>G. Total Maximum Project Cost (E + F)</b>										<b>\$ 8,135,472</b>
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# Table 4.2 - Facility Improvement Measure (FIM) Summary

Project: Moses Lake Service Center - MLSC  
 Scenario: MLSC - GMAX 2021: ESCO  
 Date: March 18, 2021

Facility Improvement Measures	FIM Description	Facility	Budget <sup>1</sup>	Annual Utility Savings <sup>2</sup>	Potential Incentives <sup>3</sup>	Net Customer Cost (with Incentives)	Baseline EUI	Proposed EUI	HB1257 Target EUI
3.01-MWH: Warehouse Building Energy Upgrades	Replace existing HVAC and lighting equipment with new energy efficient systems that provide optimal comfort and code compliant safety for its occupants.	Moses Lake Service Center - Warehouse	\$5,226,147	\$6,442	\$2,922	\$5,223,225	73 kBTU/ft <sup>2</sup>	35 kBTU/ft <sup>2</sup>	48 kBTU/ft <sup>2</sup>
20.01-MSW: Moses Lake Energy Site Work	Some sitework is necessary to meet current codes as well as improve operational efficiency, safety, and security for those occupants of the yard and buildings within the yard.	Moses Lake Service Center	\$2,909,325	\$729	\$330	\$2,908,995	N/A	N/A	N/A
<b>Totals</b>			<b>\$8,135,472</b>	<b>\$7,171</b>	<b>\$3,252</b>	<b>\$8,132,220</b>			

<sup>1</sup> Since design cost, audit cost, etc. are distributed among the FIMs, the total project cost will not go up or down by exactly the amounts shown here if a FIM or FIMs are dropped.

<sup>2</sup> Annual utility savings are guaranteed at 90%

State of Washington <b>ENERGY PROGRAM</b> Department of Enterprise Services P.O. Box 41476 Olympia, WA 98504-1476	<b>INTERAGENCY AMENDMENT</b>	
	IAA No.: K6534 Project No. 2021-015 Dist. Contract No: 430-10232A & B Amendment No. 2 Revised	
<b>PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WA</b> 154 A Street SE Ephrata, WA 98823	Date: April 8, 2021	

## INTERAGENCY AMENDMENT

Between

**PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WA**

And

**WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES**

The parties to this Amendment, the Department of Enterprise Services, Energy Program, hereinafter referred to as “DES”, and Public Utility District No. 2 of Grant County, WA, hereinafter referred to as the “CLIENT AGENCY”, hereby amend the Agreement as follows:

1. **TERM.** The term of the agreement commences April 30, 2020, and ending on December 31, 2024 unless altered or amended as provided herein.
2. **STATEMENT OF WORK; COMPENSATION.** Energy Program shall provide the following services, for the following compensation, to Client Agency.
  - a. **SERVICES:** DES shall furnish the necessary personnel and services and otherwise do all things necessary for or incidental to the performance of the work set forth in Attachment “A” and Attachment “C”, attached hereto and incorporated herein by reference. Unless otherwise specified, DES shall be responsible for performing all fiscal and program responsibilities as set forth in Attachment “A” and Attachment “C”.

Energy/Utility Conservation projects shall be authorized by Amendment to this Agreement.

2a.1 Ephrata Service Center Energy Upgrades outlined in the McKinstry Essention, LLC Energy Services Proposal dated March 19, 2021. Project No. 2021-015 G

2a.2 Review of Measurement and Verification reports for the Ephrata Service Center Energy Upgrades outlined in the McKinstry Essention, LLC Energy Services Proposal dated March 19, 2021. Project No. 2021-015 G

**2a.3 Moses Lake Service Center Energy Upgrades outlined in the McKinstry Essention, LLC Energy Services Proposal dated March 19, 2021. Project No. 2021-015 H**

**2a.4 Review of Measurement and Verification reports for the Moses Lake Service Center Energy Upgrades outlined in the McKinstry Essention, LLC Energy Services Proposal dated March 19, 2021. Project No. 2021-015 H**

- b. COMPENSATION. Compensation under this Agreement shall be by Amendment to this Agreement for each authorized project. Each Amendment will include a payment schedule for the specific project.
- i. Project Management Services (Attachment A): For Project Management Services provided by DES, the CLIENT AGENCY will pay DES a Project Management Fee for services based on the total project value per Project Management Fees Schedule set forth in Attachment "B".
  - ii. Termination Fee: If the CLIENT AGENCY after authorizing an investment grade audit and Energy Services Proposal, decides not to proceed with an Energy/Utility Conservation project that meets the CLIENT AGENCY's cost effective criteria, then the CLIENT AGENCY will be charged a Termination Fee per Attachment "B". The Termination Fee will be based on the estimated Total Project Value outlined in the Energy Audit and Energy Services Proposal prepared by the Energy Services Company (ESCO).
  - iii. Measurement & Verification Services (Attachment C): If measurement and verification services beyond the first three years following the Notice of Commencement of Energy Services are requested by the CLIENT AGENCY, and provided by DES under Attachment "C" of this Agreement, the CLIENT AGENCY will pay DES \$2,000.00 annually for each year that monitoring and verification services are provided.
- c. PAYMENT OF ESCO SERVICES. Compensation for services provided by the ESCO shall be paid directly to the ESCO by the CLIENT AGENCY, after DES has reviewed, recommended approval, and sent the invoices to the CLIENT AGENCY for payment.

2c.1 Energy Project Management Fee for the work described in Section 2a.1 is \$115,332.00 which, in lieu of lump sum, shall be broken into progress payments of \$28,833.00. Anticipated billing date for this Amendment is January 1, 2023. See Special Billing Conditions. Project No. 2021-015 G

2c.2 Measurement and Verification (M&V) Fee for the work described in Section 2a.2 is included in the project management fee for the first three years. Duration of the M&V period for this Amendment is 1 year. Anticipated M&V review date for this Amendment is January, 2024 Project No. 2021-015 G

**2c.3 Energy Project Management Fee for the work described in Section 2a.3 is \$92,494.00 which, in lieu of lump sum, shall be broken into progress payments of \$23,123.50. Anticipated billing date for this Amendment is January 1, 2023. See Special Billing Conditions. Project No. 2021-015 H**



**2c.4 Measurement and Verification (M&V) Fee for the work described in Section 2a.4 is included in the project management fee for the first three years. Duration of the M&V period for this Amendment is 1 year. Anticipated M&V review date for this Amendment is January, 2024 Project No. 2021-015 H**

**Special Billing Condition: Energy Project Management Fee for the work described in Section 2c.3 is \$92,494.00 which, in lieu of lump sum shall be broken into four progress payments of \$23,123.50. Anticipated billing periods will be September, October and November of 2021, with the final invoice to be sent at project close on or before January 1, 2023. Project No. 2021-015 H**

**The new total Agreement value is \$207,826.00.**

Sections d. through e. terms and conditions of the original Agreement remain in full force and effect.

### **3. INVOICES; BILLING.**

- a. **BILLING PROCEDURE.** Energy Program shall submit a single invoice to the CLIENT AGENCY upon substantial completion of each authorized project, unless a project specified a Special Billing Condition in the Amendment. Substantial completion of the project will include the delivery and acceptance of the notice of commencement of energy savings issued by the ESCO. Each invoice will clearly indicate that it is for the services rendered in performance under this Agreement and shall reflect this Agreement and Amendment number. Energy Program will invoice for any remaining services within 60 days of the expiration or termination of this Agreement.
- b. **PAYMENT PROCEDURE.** The CLIENT AGENCY shall pay all invoices received from the Energy Program within 90 days of receipt of properly executed invoice vouchers. The CLIENT AGENCY shall notify DES in writing if the CLIENT AGENCY cannot pay an invoice within 90 days.
- c. **BILLING DETAIL.** Each invoice submitted to Client Agency by Energy Program shall include information as is necessary for Client Agency to determine the exact nature of all expenditures. At a minimum, the invoice shall reference this Agreement and include the following:
  - The date(s) such services were provided
  - Brief description of the services provided
  - Total invoice amount
- d. **BILLING ADDRESS.** Invoices shall be delivered to Client Agency electronically.

All sections above have been fully amended and are shown in their entirety.

All other terms and conditions of this Agreement remain in full force and effect. The requirements of RCW 39.34.030 are satisfied by the underlying Agreement and are incorporated by reference herein.

Each party signatory hereto, having first had the opportunity to read this Amendment and discuss the same with independent legal counsel, in execution of this document hereby mutually agree to all terms and conditions contained herein, and as incorporated by reference in the original Agreement.

**Public Utility District No. 2 of Grant  
County, WA**

**Department of Enterprise Services  
Energy Program**

\_\_\_\_\_  
\_\_\_\_\_  
Title Date

\_\_\_\_\_  
Kirsten Wilson, PE  
Acting Energy Program Manager  
\_\_\_\_\_  
Title Date

K6534IAAamd2revko

# **ATTACHMENT A – OF WORK**

Energy/Utility Conservation Projects

## **PROJECT MANAGEMENT SERVICES**

Statewide Energy Performance Contracting Program

Energy Program will provide the following project management services for each specific project for the CLIENT AGENCY. Each individual project shall be authorized by Amendment to this Agreement.

1. Assist the CLIENT AGENCY in the selection of an Energy Service Company (ESCO) consistent with the requirements of RCW 39.35A for local governments; or 39.35C for state agencies and school districts.
2. Assist in identifying potential energy/utility conservation measures and estimated cost savings.
3. Negotiate scope of work and fee for ESCO audit of the facility(s).
4. Assist in identifying appropriate project funding sources and assist with obtaining project funding.
5. Assist in negotiating the technical, financial and legal issues associated with the ESCO's Energy Services Proposal.
6. Review and recommend approval of ESCO energy/utility audits and Energy Services Proposals.
7. Provide assistance during the design, construction and commissioning processes.
8. Review and recommend approval of the ESCO's invoice vouchers for payment.
9. Assist with final project acceptance.
10. Provide other services as required to complete a successful energy performance contract.

## ATTACHMENT B - Fee Schedule

2019-21 Interagency Reimbursement Costs  
for Project Management Fees to Administer Energy/Utility Conservation Projects

<u>TOTAL PROJECT VALUE</u>	<u>PROJECT MANAGEMENT FEE</u>	<u>TERMINATION</u>
5,000,001.....6,000,000.....	\$68,800.....	25,700
4,000,001.....5,000,000.....	67,700.....	25,400
3,000,001.....4,000,000.....	66,700.....	25,000
2,000,001.....3,000,000.....	62,500.....	23,400
1,500,001.....2,000,000.....	58,300.....	21,800
1,000,001.....1,500,000.....	51,600.....	19,300
900,001. ... 1,000,000.....	43,800.....	16,400
800,001.....900,000.....	41,300.....	15,400
700,001.....800,000.....	38,300.....	14,400
600,001.....700,000.....	36,500.....	13,700
500,001.....600,000.....	33,800.....	12,600
400,001.....500,000.....	30,200.....	11,300
300,001.....400,000.....	25,800.....	9,700
200,001.....300,000.....	20,700.....	7,700
100,001.....200,000.....	14,400.....	5,400
50,001.....100,000.....	7,800.....	3,500
20,001.....50,000.....	4,200.....	2,000

The project management fee on projects over \$6,000,000 is 1.15% of the project cost. The maximum DES termination fee is \$25,700.

1. These fees cover project management services for energy/utility conservation projects managed by DES's Energy Program.
2. Termination fees cover the selection and project management costs associated with managing the ESCO's investment grade audit and energy service proposal. No termination fee will be charged unless the CLIENT AGENCY decides not to proceed to construction based on an energy services proposal that identifies projects that met the CLIENT AGENCY'S cost effectiveness criteria.
3. If the project meets the CLIENT AGENCY's cost effectiveness criteria and the CLIENT AGENCY decides not to move forward with a project, then the CLIENT AGENCY will be invoiced per Attachment B Termination or \$25,700.00 whichever is less. If the CLIENT AGENCY decides to proceed with the project then the Agreement will be amended per Attachment B for Project Management Fee.
4. If the audit fails to produce a project that meets the CLIENT AGENCY's established Cost Effectiveness Criteria, then there is no cost to the CLIENT AGENCY and no further obligation by the CLIENT AGENCY.

## **ATTACHMENT C – SCOPE OF WORK**

Energy/Utility Conservation Projects

### **MEASUREMENT & VERIFICATION SERVICES**

Statewide Energy Performance Contracting Program

If requested DES will provide the following measurement and verification services following the Notice of Commencement of Energy Savings by the ESCO for the specific Client Agency project:

1. Review the ESCO's annual Measurement and Verification (M&V) report for completeness and accuracy. Review any ESCO guarantee compared to reported results and resolve differences, if needed. Review and recommend approval of any ESCO invoice vouchers for payment by the Client Agency.
2. Where necessary, review Client Agency facility operations including any changes in operating hours, changes in square footage, additional energy consuming equipment and negotiate changes in baseline energy use with the ESCO and the Client Agency that may impact achieved energy savings.
3. Attend a meeting or meetings with the Client Agency and the ESCO to review and discuss the annual M&V report.

# April 2021

April 2021							May 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3							1
4	5	6	7	8	9	10	2	3	4	5	6	7	8
11	12	13	14	15	16	17	9	10	11	12	13	14	15
18	19	20	21	22	23	24	16	17	18	19	20	21	22
25	26	27	28	29	30		23	24	25	26	27	28	29
							30	31					

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Mar 28	29	30	31	Apr 1	2	3
4	5 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Nelson (Microsoft Teams Meeting/Kevin's	6 8:00am Judy to EHQ 10:30am GM Forum Live Event (Nelson) (Login details are provided below) - Randalynn Hovland	7 8:00am Dale and Nelson to EHQ	8 8:30am Tom to EHQ	9	10
11	12	13 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	14 8:00am WPUDA Meetings (Judy) (Virtual - Log-in information to come) - Commission Meetings	15 8:00am WPUDA Meetings (Judy) (Virtual - Log-in 10:00am 1:1 GM/Commissioners - Kevin/Dale (Microsoft	16 8:00am WPUDA Meetings (Judy) (Virtual - Log-in information to come) - Commission Meetings	17
18	19	20	21	22	23	24
25	26	27 8:00am Nelson OUT - Randalynn Hovland 9:30am Commission Meeting (Microsoft 12:00pm Lunch with County	28	29	30	May 1

# May 2021

May 2021							June 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30			
30	31												

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Apr 25	26	27	28	29	30	May 1
2	3	4 10:30am GM Forum Live Event (Login details are provided below) - Randalynn Hovland	5	6	7	8
9	10	11 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	12 1:00pm WPUDA Telecom Workshop 1:30pm 2021 Recreation Season Coordination	13 8:00am WPUDA Telecom Workshop (Virtual - Log-in information to come)	14	15
16	17	18	19	20	21 8:30am Grant PUD / Grant County Joint Commissioner Crescent Bar Tour	22
23	24	25 9:30am Commission Meeting (Microsoft 12:00pm Grant PUD / 12:00pm Lunch with	26	27	28	29
30	31 8:00am HOLIDAY - Commission Meetings	Jun 1	2	3	4	5

# June 2021

June 2021							July 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5			1	2	3	4	5
6	7	8	9	10	11	12	4	5	6	7	8	9	10
13	14	15	16	17	18	19	11	12	13	14	15	16	17
20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30				25	26	27	28	29	30	31

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 30	31	<b>Jun 1</b> 10:30am GM Forum Live Event (Login details are provided below) - 12:00pm 1:1 GM/Commissioners Lunch with	2	3	4	5
6	7	<b>8</b> 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	9	10	<b>11</b> 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Larry (Microsoft Teams Meeting/Kevin's	12
13	14	15	<b>16</b> 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Judy (Microsoft Teams Meeting/Kevin's	17	18	19
20	21	<b>22</b> 9:30am Commission Meeting (Microsoft Teams) - Melissa 12:00pm Lunch with County Commissioners (tbd)	<b>23</b> 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Nelson (Microsoft Teams Meeting/Kevin's	24	25	26
27	28	29	<b>30</b> 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Dale (Microsoft Teams Meeting/Kevin's	Jul 1	2	3