

**CITY OF ELLENSBURG
AGENDA
Council Conference
Thursday, December 16, 2021
3:30 PM - Utility Advisory Committee**

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES

- 3.A Approve minutes - November 18th, 2021 regular meeting minutes
[UAC Minutes 11-18-21.docx](#)

4. APPROVAL OF CONSENT AGENDA Consent items have been distributed to committee members in advance for study and will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Agenda at the request of a committee member or at the request of a member of the public with concurrence of a committee member.

- 4.A [Bid Call 2021-13 Illinois Well Facility
RH2 Recommendation to Award.pdf](#)

- 4.B [Amendment #2 Memorandum Of Understanding \(MOU\) between City of Ellensburg, Bureau of
Reclamation and Twin City Foods
R18MU13708 Amd 002 Final.pdf](#)

- 4.C [Interlocal Cooperation Agreement with NoaNet
Interlocal Agreement with NoaNet December 2021](#)

5. CORRESPONDENCE AND CITIZEN COMMENTS ON NON-AGENDA ITEMS Time is set aside each meeting to allow citizens to address the Utility Advisory Committee on city utility issues that are not on the agenda. Please limit remarks to three minutes. The Committee will not take action when the issue is first raised, but may place the issue on a future agenda. Citizen comment on items on the agenda is also welcome. Please let the chair know you wish to speak and then wait to be recognized.

6. TELECOMMUNICATIONS UTILITY DISCUSSION ITEMS

- 6.A Telecommunications Issues and Updates
[UAC December 2021 - Telecom Issues & Updates.docx](#)

7. ELECTRIC, NATURAL GAS, WATER, WASTEWATER, STORMWATER UTILITY DISCUSSION ITEMS

- 7.A Past Due Utility Accounts
Information will be provided at meeting.

- 7.B [Natural Gas Rate Stabilization](#)

8. INFORMATIONAL ITEMS

- 8.A [Dolarway Substation Improvements Information Update](#)
[3682 Dolarway Sub Improvements -Estimate 2021-12-08.pdf](#)
[3682 Dolarway Sub Improvements -Schedule 2021-12-08.pdf](#)
- 8.B [PHMSA Grant Program](#)
[BILLS-117hr3684enr.pdf](#)
- 8.C [Public Works & Utilities Issues and Updates](#)
[UAC December 2021 Public Works & Utilities Issues Update.docx](#)

9. NEXT MEETING

- 9.A January 18th, 2022 at 3:30 pm

10. ADJOURNMENT



CITY OF ELLENSBURG

Utility Advisory Committee

Date of Meeting

November 18, 2021

Time of Meeting

3:30 PM

Place of Meeting

Council Conference & remotely via Zoom

Nancy Lillquist, Chairperson, term expires May 31, 2022

Ed Barry, Vice Chairperson, term expires May 31, 2023

Nancy Goodloe, City Council, term expires May 31, 2024

Gary Gleason, CWU, term expires May 31, 2022

Bryan Clark, KITTCOM, term expires May 31, 2023

Jim Goeben, Telecommunications Utility customer, term expires May 31, 2023

Nate Sitton, City Utility Customer, term expires May 31, 2023

1. CALL TO ORDER

Chair Lillquist called the meeting to order at 3:30 pm.

2. ROLL CALL

Members present: Nancy Lillquist, Chair; Ed Barry, Vice Chair; Nancy Goodloe, City Council; Nate Sitton, City Utility Customer; Bryan Clark, KITTCOM. Gary Gleason was absent.

Also present: Ryan Lyyski, Public Works & Utilities Director; Darin Yusi, Gas Engineer; Kim Bowie, Operations Analyst; Buddy Stanavich, Power & Gas Manager; Nicole Klauss, Public Information Officer; Heidi Behrends Cerniwey, City Manager; Jon Morrow, Stormwater Manager; Julie Coppock, Rate Analyst; Paul Meyer, Electrical Engineer; Meghan Anderson; David Dunbar; approximately 2 other attendees. Sylvia Shriner; Barry Brunson; approximately 1 other virtual attendees.

3. APPROVAL OF MINUTES

3.A. Approve minutes - October 21st, 2021 regular meeting minutes

Chair Lillquist moved to amend the minutes to correct the final motion on item 7.A. to reflect she was restating Nate Sitton's motion as amended. Ed Barry moved to approve the minutes as amended. Goodloe seconded. All in favor; **motion approved.**

4. APPROVAL OF CONSENT AGENDA

None

5. CORRESPONDENCE AND CITIZEN COMMENTS ON NON-AGENDA ITEMS

Meghan Anderson spoke regarding lowering energy consumption at Crestview Terrace apartments by making a transition from electric baseboard heat to electric heat pumps. Nancy

Lillquist informed Meghan Anderson the City does offer rebates for heat pumps through its electric utility.

Dave Dunbar spoke regarding continuing incentives for gas appliance upgrades.

6. TELECOMMUNICATIONS UTILITY DISCUSSION ITEMS

None

7. ELECTRIC, NATURAL GAS, WATER, WASTEWATER, STORMWATER UTILITY DISCUSSION ITEMS

7.A. EPA Natural Gas STAR Program and Methane Challenge Enrollment

Ed Barry move the Committee to allow the City's Natural Gas Division to enroll in a partnership with the EPA through their Natural Gas STAR program. Sitton seconded. All in favor; **motion approved.**

7.B. Clean Energy Transformation Act (CETA) - Clean Energy Implementation Plan (CEIP)

The Committee agreed the responses from the online survey should be included in the CEIP.

Goodloe move the Committee forward the recommended Clean Energy Implementation Plan to Council for consideration and adoption. Sitton seconded. All in favor; **motion approved.**

7.C. Natural Gas Rate Stabilization Fund Discussion

Ryan Lyyski gave an overview of how money for the rate stabilization fund was acquired in 2019 and the decision from UAC on how to utilize funds. Staff will continue to work on a process/policy to distribute funds and return to the UAC for guidance.

8. INFORMATIONAL ITEMS

8.A. Reecer Creek Levee System O&M Plan.

Jon Morrow gave an update on the Reecer Creek Levee System O&M Plan that went to council November 15, 2021.

8.B. Past Due Utility Accounts

Staff shared 1,803 utility accounts are past due totaling \$901,885.

8.C. Public Works & Utilities Issues and Updates

Staff gave updates for water, sewer, gas, electric and storm water. Nancy Lillquist informed the Committee the City Manager has included \$120,000 in the 2022 budget for the energy strategy consultant.

9. NEXT MEETING

9.A. December 16th, 2021 at 3:30 pm

10. ADJOURNMENT

With no further discussion, the meeting adjourned at 5:00 pm.

Kim Bowie

Recording Secretary

Drafted: 11/19/2021

Approved:



AGENDA REPORT

Meeting Date: December 16, 2021

Agenda Subject: Bid Call 2021-13 Illinois Well Facility

Submitted by: Hunter Slyfield Public Works & Utilities

Recommended Action or Motion: Forward a favorable recommendation to Council to award bid call 2021-13, to Pacific Civil & Infrastructure Inc. in the amount of \$3,822,988.59, the lowest responsive and responsible bidder.

Background/Summary: Bids were received on Tuesday December 7th, 2021 for the above-mentioned project. Pacific Civil & Infrastructure Inc. was the lowest responsive and responsible bidder in the amount of \$3,822,988.59.

The previous drilling of the Illinois Well was completed in December of 2019. This project will construct the Illinois Wellhouse, outfit the newly constructed municipal water well and install water main to tie into the existing water distribution system. The project also includes construction of natural gas main and future signal conduit.

Previous Council Action: September 16, 2019 Regular Council Meeting - Council authorized the City Manager to execute a Professional Services Agreement with RH2 Engineering in the amount of \$349,803.00 to perform the 2020 Water System Plan Update and design of the Illinois Well Outfitting.

December 16, 2019 Regular Council Meeting – Council Accepted Bid Call 2018-39 Illinois Well Development as complete

December 7, 2020 Regular Council Meeting - Council authorized the City Manager to execute Contract Amendment 1 to the Professional Services Agreement with RH2 Engineering in the amount of \$127,450.00 to perform additional professional engineering design services for the improvements.

Analysis:

The project was advertised and bids were received as follows:

Pacific Civil & Infrastructure Inc.:
\$3,822,988.59

Belsaas & Smith Construction Inc.:
\$3,865,711.74

POW Contracting:
\$4,079,899.15

Strider Construction Co. Inc.:
\$4,797,963.38

Engineer's Estimate:
\$3,987,878.18

The low bid submitted by Pacific Civil & Infrastructure Inc. is below the engineer's estimate. The low bid price was increased by \$43.32 to account for a minor math discrepancy in the totaling of unit prices. A bidding error was also discovered with Belsaas & Smith's Bid Item A16 requiring the bid item amount to be increased from \$5,500 to the required minimum of \$10,000. These two changes had no impact on the overall outcome of the bids.

Financial Impact:

The total project is estimated to cost \$3,822,988.59. All funds were budgeted for 2021 and will need to be carried forward to 2022. Schedule "A" is estimated to cost \$3,141,328.14 and will be funded with a Water Utility bond while Schedule "B" is

estimated to cost \$620,559.00 and will be funded through the Water Fund. Schedule "C" is estimated to cost \$46,731.45 and will be funded through the Gas Fund. Schedule "D" is estimated to cost \$14,370.00 and will be funded through the Arterial Street Fund.

Attachments:

[RH2 Recommendation to Award.pdf](#)



RH2 ENGINEERING
East Wenatchee

300 Simon Street SE, Suite 5
East Wenatchee, WA 98802
1.800.720.8052 / rh2.com

December 8, 2021

City of Ellensburg Public Works & Utilities
Attn: Derek Mayo
501 N. Anderson St.
Ellensburg, WA 98926

Sent via: Email

Subject: Evaluation of Bids and Recommendation for Award for the Illinois Well Facility Project

Dear Mr. Mayo:

This letter presents our recommendation of award and summarizes our review of the four (4) proposals received on December 7, 2021, for the Illinois Well Facility Project.

The proposals for the Illinois Well Facility project were received by the City of Ellensburg (City) and opened as advertised on Tuesday, December 7, 2021, at 3:00 PM, at City Hall. Of the four proposals received, Pacific Civil & Infrastructure (PCI) submitted the low bid at \$3,822,988.59. A summary of the bid totals is provided below:

1. Pacific Civil & Infrastructure	\$3,822,988.59
2. Belsaas & Smith Construction, Inc.	\$3,865,711.74
Engineer's Estimate	\$3,987,878.18
3. POW Contracting	\$4,079,899.15
4. Strider Construction Co. Inc.	\$4,797,963.38

In the City's review of the lowest proposal, a minor math discrepancy in the totaling of extended unit costs was found, which resulted in a minor total bid increase of \$43.32. The corrected total bid is listed above, and the discrepancy did not substantially affect the bid result.

A detailed bid tabulation prepared by the City is attached for your reference. A review of the bid results shows that PCI's low bid was approximately 4.1 percent lower than the engineer's estimate of \$3,987,878.18. The second lowest bid, from Belsaas & Smith Construction, Inc., was approximately 3.1 percent lower than the engineer's estimate. The average of the bids received was approximately \$4,141,640.

RH2 Engineering Inc. (RH2) has focused our review of the bid submissions of the two lowest bids, specifically the bidder's experience requirements. The low bidder, PCI, was found to be in compliance with these reviewed requirements. Additionally, RH2 has spoken with two references provided by PCI in their submittal of qualifications and only positive feedback was received. RH2 also internally checked with two additional clients who also used the contractor recently and found their experiences also to be positive. Based on our review, we recommend that the City award the contract to Pacific Civil & Infrastructure.

If you have any questions or would like to discuss anything further regarding this recommendation or the bid results, please contact me at (509) 886-6762 or dpopoff@rh2.com. Thank you for the opportunity to assist you with this project.

Sincerely,



Don Popoff, P.E.

Project Manager

DGP/jrb

Enclosures or Attachments:

Illinois Well Facility Bid Tabulation



Signed: 12/08/2021



AGENDA REPORT

Meeting Date:	December 16, 2021
Agenda Subject:	Amendment #2 Memorandum Of Understanding (MOU) between City of Ellensburg, Bureau of Reclamation and Twin City Foods
Submitted by:	Ryan Lyyski Public Works & Utilities
Recommended Action or Motion:	Provide favorable recommendation to City Council authorizing Public Works and Utilities Director to execute Amendment #2 to MOU between City of Ellensburg, Bureau of Reclamation and Twin City Foods
Background/Summary:	The City of Ellensburg, United States Bureau of Reclamation and Twin City Foods have been cooperating and working within the bounds of an MOU facilitating the exchange of lands owned by the City of Ellensburg's Sewer Utility for lands owned by the Bureau of Reclamation (former Schaaque property). Exhibits A, B, C, D, E and F were previously included in MOU and Amendment #1 and are still part of this agreement (not included in packet).
Previous Council Action:	Original MOU signed July 3, 2018. Amendment #1 to MOU signed July 7, 2020
Analysis:	The City and Bureau of Reclamation are close to being able to completing the land exchange; however, the MOU completion date needs to be extended. The Bureau of Reclamation is completing final paperwork and is hopeful that land exchange can take place early in 2022. The attached MOU extends date to December 31, 2022. Staff recommends UAC forward favorable recommendation to City Council authorizing Public Works and Utilities Director to execute Amendment #2 to the MOU.
Financial Impact:	None
Attachments:	R18MU13708 Amd 002 Final.pdf

AMENDMENT 002

**To
MEMORANDUM OF UNDERSTANDING
Between**

**Twin City Foods, Inc.
And**

**City of Ellensburg
And**

**Bureau of Reclamation
Columbia-Pacific Northwest Region
Columbia-Cascades Area Office**

**For
Schaake Habitat Improvement Project Land Exchange and Relocation**

The following amendment to Memorandum of Understanding (MOU) R18MU13708 is entered into by the United States of America (United States) by and through Department of the Interior, Bureau of Reclamation, Columbia-Pacific Northwest Region, Columbia-Cascades Area Office (Reclamation), Twin City Foods, Inc. (TCF) and the City of Ellensburg (City), to define their respective roles related to the Schaake Habitat Improvement Project Land Exchange and Relocation.

The following amendments to MOU R18MU13708 are agreed to by the City, TCF and Reclamation to complete the land exchange:

1. The original MOU was signed on July 03, 2018 with a term ending December 31, 2021. Amendment 001 to this MOU was signed on July 07, 2020 which updated the milestones. Reclamation requests that this MOU be extended through December 31, 2022.
2. It is hereby understood that TCF maintains and continues all operations on existing fields within parcels 258733, 228733 and 028733 as shown on the attached Schaake Land Exchange Map (Exhibit A), until the following have been completed:
 - a) Schaake Land Exchange Agreement (Exhibit B) and the Confirmation Deed (Exhibit C) are fully executed by the City and Reclamation. (complete).

- b) Relocation eligibility under the Uniform Act is established upon the full execution of the land exchange agreement by the City and Reclamation. (complete)
 - c) Reclamation and contracted Relocation Specialist administer all Relocation Assistance necessary to support the move as mandated by the Uniform Relocation Act, 49 CFR part 24. See attached Exhibit D - Relocation Entitlement Letter. (*Note: additional relocation assistance, by regulatory definition, will continue to be administered subsequent to the move.*)
 - d) Relocation activities are completed including:
 - I. TCF submits permit application to Washington State Department of Ecology (Ecology) within 3 months of the date of this amendment.
 - II. TCF installs necessary monitoring wells per guidance from Ecology and begins monitoring these wells within 3-6 months of the date of this amendment.
 - e) Reclamation issues Right of Entry for TCF to continue to use all fields included in the exchange until new fields are adequately established for use under the Ecology permit. (To be issued at closing of land exchange 2022)
 - f) Field preparation is completed by TCF (2021/2022)
 - g) TCF begins operations on new fields (Anticipated Fall, 2022 provided crop is fully established)
3. Supporting documentation:
- Exhibit A: Schaake Land Exchange Map
 - Exhibit B: Schaake Land Exchange Agreement
 - Exhibit C: Confirmation Deed
 - Exhibit D: Relocation Entitlement Letter
 - Exhibit E: Irrigation Equipment Relocation Estimate
 - Exhibit F: Irrigation Equipment Relocation Map
 - Exhibit G: Irrigation Equipment Request for Proposals
4. Except as specifically set forth herein, all other provisions of MOU R18MU13708 shall remain in effect.

IN WITNESS WHEREOF, the Parties hereto have executed this modification as of the last date written below.

Talmadge Oxford
Columbia-Cascades Area Manager
Bureau of Reclamation

(Date included in digital signature)
Date

Ryan Lyyski
Public Works Director
City of Ellensburg

Date

Grant Craig
Ellensburg Division Manager
TCF, Inc.

Date

~~ End of Document ~~



AGENDA REPORT

Meeting Date:	December 16, 2021
Agenda Subject:	Interlocal Cooperation Agreement with NoaNet
Submitted by:	Ben Faubion Information Technology
Recommended Action or Motion:	Forward a favorable recommendation to City Council to authorize the Mayor to sign the Interlocal Cooperation Agreement with NoaNet.
Background/Summary:	On June 15, 2015 the City and NoaNet entered into a Master Services Agreement for wholesale telecommunications services. On December 4, 2017 the City entered into a Interlocal Cooperation Agreement with NoaNet for cooperative services to support telecommunications services. November 18, 2018 the City exercised its right to extend the Interlocal Cooperation Agreement for Cooperative Services to support Telecommunications services. April 6, 2020 the City approved Amendment 1 to the Interlocal Cooperation Agreement to support the City's Pilot Project. In July 2021 the City signed a Scope and Proposal with NoaNet for Broadband Feasibility Services consisting of Broadband mapping to identify served, underserved, and barriers to broadband access. The current Interlocal Agreement expires December 31, 2021.
Previous Council Action:	Approval of the current Interlocal Agreement and amendments as indicated above.
Analysis:	Attached is a proposed Interlocal Agreement with NoaNet allowing them to continue providing assistance with broadband planning, network operations, network planning, construction management, network engineering, and any other services of need that NoaNet provides described in the scopes of work outlined in the attachment Exhibits A, B, and C. The Agreement is for a two-year term expiring December 31, 2023.
Financial Impact:	The Interlocal Cooperation Agreement with NoaNet is intended to stay within existing budget and previously approved costs. No fiscal increase or impact is expected at this time.

Attachments:

[Interlocal Agreement with NoaNet December 2021](#)

INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement ("Agreement") is made and entered into effective the ____ day of _____, 2021 between the City of Ellensburg ("City") and Northwest Open Access Network ("NOANET"). The City and NOANET are sometimes referred to herein collectively as "Parties".

RECITALS

WHEREAS, the Washington Interlocal Cooperation Act, Chapter 39.34 of the Revised Code of Washington ("RCW"), permits public entities to cooperate with one another on the basis of mutual advantage to make the most efficient use of their powers, thereby providing services and facilities in a manner that accords best with geographic, economic, population, and other factors influencing the needs and development of local communities, and allows public agencies to enter into agreements with one another for joint cooperative action; and

WHEREAS, NOANET is a Washington nonprofit mutual cooperation formed by Public Utility Districts in the State of Washington with the mission to bring high-speed telecommunications services to unserved and underserved communities; and

WHEREAS, the City has the authority to construct, purchase, acquire, develop, finance, lease, license, handle, provide, add to, contract for, interconnect, alter, improve, repair, operate, and maintain any telecommunications facilities within or without the City's limits; and

WHEREAS, the City wishes to obtain the services of NOANET for Broadband Planning, Network Operations Services, ; and

WHEREAS, NOANET desires to assist the City with all programs possible to support the city's telecommunications efforts.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties hereby agree as follows:

1. **Purpose and Scope.** The purpose and scope of this Agreement is to provide for NOANET's assistance with broadband planning, network operations, network planning, construction management, network engineering and any other services of need that NOANET provides and the City deems needed as more fully described in the attached Scopes of Work (the "Services"), attached hereto and incorporated herein as Exhibits A, B and C, as well as establishing the related obligations of the Parties.

2. **Services.** NOANET shall provide the City with the services described in the Scope of Work Tasks (the "Services"). The City shall cooperate with and provide such information as may be necessary to aid NOANET's performance of the Services.

3. **Period of Performance.** Performance of the Services shall commence upon mutual execution of this Agreement by the Parties, and the Services shall be completed on or before December 31, 2023, unless terminated sooner or extended, as provided herein.

4. **Compensation.** The City shall pay NOANET for the Services on a time and materials basis according to the fee schedule identified in the Scope of Work with a not to exceed amount described therein.

5. **Billing and Payment Procedures.** NOANET shall submit monthly invoices to the City during the term of the agreement and upon acceptance by the City of all the Services. Each invoice will indicate the time and materials that are the basis for the charge(s) on the invoice. The City shall pay the amount invoiced and due within thirty (30) days after billing.

6. **Property Ownership and Disposition.** The Parties shall retain their respective ownership of all of their respective properties. This Agreement does not contemplate joint ownership of property and, therefore, does not contain provisions regarding disposition of property owned by either Party.

7. **Indemnity.** Subject to the limitation of liability provisions set forth in Section 8 below, each Party shall, at its sole expense, indemnify, defend, save, and hold harmless the other Party, its officers, agents, members, and employees from all actual or potential claims or losses, including attorneys' fees and costs, and damages or claims for damages to property or persons, suffered by anyone whomsoever to the extent caused by any negligent or willful act of or omission of the indemnifying Party, its officers, agents, employees, or subcontractors, excluding damages caused by the negligence of the indemnified Party, its officers, agents, employees, or subcontractors.

This indemnification includes, without limitation, any liability for injury to the person or property of either Party, its agents, officers, employees, or invitees. Both Parties specifically waive any immunity provided by Title 51 RCW, Washington's Industrial Insurance Act. THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

8. **Limitation on Liability.** Notwithstanding any other provision of this Agreement, neither Party shall be liable to the other Party for any consequential, incidental, indirect, liquidated, or special damages or lost revenue or lost profits arising out of this Agreement or the performance or nonperformance of any provision of this Agreement.

9. **Relationship of the Parties.** This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties, or to impose any partnership obligation or liability upon either Party. No agent, employee, or representative of a Party shall be deemed to be an agent, employee, or representative of the other Party.

10. **Party Representatives and Notices.** The representative for each Party shall be responsible for and shall be the contact person for all communications relating to the performance of this Agreement. All notices, requests, demands and other communications given by one Party to the other Party in connection with this Agreement will be in writing and will

be deemed to have been duly given (a) on the date of successful transmission of the entire notice in the case of e-mail transmission; (b) when delivered personally or delivered by a recognized courier service that provides a receipt of delivery; or (c) three (3) days after being deposited as certified or registered mail, postage prepaid, into the United States mail, to the Party representative at the addresses or email addresses identified below

The City's representative under this Agreement shall be:

Ben Faubion, IT & Telecom Manager
501 N. Anderson St., Ellensburg, WA 98926
Telephone: 509-899-5841
Email: faubionb@ci.ellensburg.wa.us

NOANET's representative under this Agreement shall be:

Chris Walker, Senior Executive Director, Infrastructure Strategy
422 W Riverside, Ave. Suite 408, Spokane, WA 99201
Telephone: 208.699.1031
Email: cwalker@noanet.net

11. **Termination.** Except as otherwise provided in this Agreement, either Party may terminate this Agreement upon thirty (30) days written notice. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

12. **Confidentiality.** If the receiving Party receives a request from a third party for materials provided by the other Party that are marked Confidential, the receiving Party shall promptly notify the disclosing Party in writing of such request, and if the receiving Party in good faith believes it is obligated to disclose the requested Confidential Information, the disclosing Party shall be given prompt opportunity to seek judicial protection of such Confidential Information. If, in the absence of receiving notice of a protective order or waiver within ten (10) business days of the date of sending the notice of the request, the receiving Party is required to disclose any Confidential Information after applying all relevant exemptions from disclosure allowed under law, the receiving Party may make such disclosure.

13. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Washington. Each Party hereto, in its performance of this Agreement, agrees to comply with all applicable local, state, and federal laws and ordinances. The Kittitas County Superior Court shall be the sole proper venue for any and all suits brought to enforce or interpret the provisions of this Agreement.

14. **Assignment and No Third Party Rights.** Neither Party may assign its rights or delegate its duties under this Agreement. This Agreement shall not be construed to create rights in or grant remedies to any third party as a beneficiary of this Agreement.

15. **Entire Agreement; Amendments.** This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings among the Parties with respect thereto. This Agreement may be amended only by an agreement in writing signed by the Parties.

16. **Mutual Negotiation and Construction.** This Agreement and each of the terms and provisions hereof are deemed to have been explicitly negotiated between, and mutually drafted by, the Parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly construed for or against either Party.

17. **Headings.** The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section.

18. **Severability.** Should any part, term, or provision of this Agreement be determined to be invalid, the remainder of this Agreement shall not be affected, and the same shall continue in full force and effect.

19. **Survivability.** All provisions of this Agreement regarding indemnification, representations, warranties, confidentiality, and any other provisions that by their nature are intended to survive termination of this Agreement shall survive after its termination or expiration.

20. **Authorization.** Each Party hereby represents and warrants to the other that it is duly authorized to enter into and carry out the terms of this Agreement.

21. **Counterparts.** This Agreement may be executed in counterparts, which together shall constitute a single agreement.

22. **Filing.** This Agreement shall be filed with the Kittitas County Auditor, or, alternatively, listed by subject on each or either party's web site or other electronically retrievable public source pursuant to RCW 39.34.040.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

By: _____
Mayor, City of Ellensburg

By: _____
Craig Nelsen
Chief Executive Officer, NoaNet

Attest: _____
City Clerk

EXHIBIT “A” SCOPE OF WORK BROADBAND FEASIBILITY STUDY

Approach and Proposed Schedule

Broadband access to local communities is an incredible investment and a significant initiative that requires long- term commitment and capital contribution. NoaNet’s Community Broadband Solutions program is well positioned to help the City of Ellensburg evaluate the feasibility and build upon the work already being done by the city with their downtown pilot and the CenterFuse study to formulate a strategic direction of broadband network expansion effort.

Through conducting a demand aggregation study to determine areas that are served and unserved, documenting existing services, affordability of existing services, and where there is high demand and need for additional investment, as well as infrastructure gaps that could potentially be bridged through strategic deployment efforts.

Following the determination of overall need and demand, in coordination with other area stakeholders, private ISPs and public organizations, current and planned efforts will be mapped and any additional areas of need will be identified.

Demand Aggregation and Current Broadband Landscape:

- Lead a team of stakeholders in a collaborative manner to understand the current broadband landscape and efforts underway,
- document the current broadband demand, affordability, and where gaps exist through the Demand Aggregation platform,
- identify service and market conditions, including infrastructure already deployed in the community
- evaluate gaps in backbone and potential areas to develop into shovel ready project(s) for future grant funding,
- explore ways to support digital literacy improvements,
- and impacts on commercial, healthcare, work-from home and education sectors, as well as how population movement will impact the UGA.
- Explore potential partnerships that could benefit broadband access in the area.

Through every step of this process, NoaNet will remain engaged with city leadership to ensure smooth communication, understanding and support for the project. In addition to a comprehensive understanding of the current landscape of broadband services and mapping all known planned deployments, NoaNet will also work with the city on developing an ongoing vision for future network expansion with all available collaborators.

The relationships NoaNet have formed in every county in Washington State over the past 20 years position us to share two decades broadband experience and trust with publicly owned wholesale broadband districts; sharing best practices, lessons learned, and business operations strategies to help the city form a viable strategic plan.

The Road to Broadband is a challenging one but partnering with NoaNet will provide you more than a reference study. We will remain an engaged and viable partner for executing on the data found. This is a significant strength and differentiator that NoaNet brings to the table to work with your team

to address not only your broadband planning efforts but can remain a key partner in your continued deployment. We are not primarily a consulting firm that pumps out long documents without real-life experience- we are a public benefit broadband network provider in your state and in your community, who leverages our knowledge to help our neighbors plan for broadband deployments that will help their community thrive.



The Survey

The COS service Zones platform comes with built-in survey functionality, but also uses IP address lookup to determine what providers the survey takers are using today. The survey will give information on what they are currently paying, what advertised speeds they are subscribing to and how satisfied they are with the speed, reliability and price of their current connections.

In the survey the responder will be presented with several proposed broadband service packages with pricing, tailored for their customer type (e.g. residential or business). The customer is then asked to choose the offer they would be most likely to sign up to and also how likely they would be to sign up.

The respondents' choice of service package and their likeliness to sign up, paired with what they are currently paying for their service and how they feel about their provider will be used to identify the correct price point for highest likelihood to success. Up-take statistics from other COS Service Zones projects across the US will also be used as an indication on what could be expected at specific price levels. This is important because when we survey the residents and businesses in the State of Washington we need to know if they are served or not, but we also need to understand their appetite for service levels and what costs are appropriate for the area.

The survey also gives the opportunity for everyone to speak their mind on what they would be looking for in a broadband a network build-out and if they would be willing to support the effort by signing up as a neighborhood "Champion". This will be an effective mechanism to build Broadband Action

Committees and garner community support.

The Speed Test

COS System has a speed testing system that is incorporated into the survey. Respondents are automatically asked to take the speed test after completing the survey. This data will then be tied to the geographical location which enables the COS platform to build heatmaps of where speeds are high or low. It will also highlight where the FCC broadband definition of 25/3 Mbit/s is met or not. It can also overlay the results of the test by census block group id. The key features of the COS Speed Test Platform compared to other commercially available offerings is that it is trying to simulate the speed at actual use.

In the COS Speed test local neutral test nodes will be placed in the network close to where the speed test takers are. Often speed test are designed to feel where the customer is coming from and then sends them to a test node that will present a favorable result. In the example below a person subscribing to an "up to" 250 Mbit plan with Xfinity (Comcast) in Blacksburg, VA will by speedtest.net (provided by Ookla) will be testing against a Comcast server in Richmond, VA and not the closest server. In other cases, the speed test server could be placed in a totally wrong location, even another country, which could present a result that is worse than the actual case.

In addition to using neutral local test nodes, the COS Speed Test is based on the transfer of actual data to perform the test. The customer's client is actually performing the work online that includes receiving and sending data, trying to simulate a real use case. This will give the most accurate description on the experienced speed for the end user. To make a comparison, some speed tests are designed to show good results in the test scenario, just like Volkswagen, in the well-known "Diesel gate" scandal had custom built software controlling engine settings when it could feel the car was in a lab testing environment to show better results than during real life use.

The Reasoning Behind this Approach:

NoaNet feels there are some recognizable and identifiable issues that have prevented broadband deployment in many areas of the Kittitas County. Although the following analysis may not be all inclusive, with further discussion and review, we feel if the city works with NoaNet as its strategic partner we can work together to identify and resolve many of these challenges through our innovative Road to Broadband approach to community broadband studies.

A major issue that plagues rural broadband development nationwide is lack of funding, and a major reason for lack of funding are the FCC mapping conclusions in rural areas. This program has created an unfair and unclear representation of unserved and underserved areas within our local communities, including your area. We feel it is imperative that we utilize consumer-focused studies to analyze the broadband landscape within the proposed service area to determine if the needs for residential and commercial use of broadband are being met adequately and affordably with feedback from the end-users, not the national telecom companies.

NoaNet will implement a demand aggregation tool to map data of unserved and underserved households and businesses, the speeds they are receiving per provider, as well as develop an understanding of current network capacities through end-user speed-test data. This tool is customizable, and we can tailor the questions asked to specifically meet the needs of broadband funding opportunities. This tool will help the city understand what the consumer values from their provider, cost of services thresholds the market will support, and gain invaluable feedback directly from the community as to what they are experiencing with their home and business Internet services.

In order to spread the word about this demand aggregation effort- we utilize Broadband Champions, the local engaged stakeholders, to help encourage folks to participate. We have found that it is much more effective for friends to ask friends and colleagues to take the survey than an outsider consultant. This collaborative study and operationalization of data collected will give the city the data necessary to offset the inaccurate data claiming areas are served and support the locally known fact that there are service needs. We have had funding opportunities challenged, and the data collected through this tool was able to refute claims and secure funding because it was from the customer and on a house-by-house level. Mapping and operationalizing this data will allow the area leadership to identify areas most in need and apply for federal and state funding to support broadband infrastructure deployment.

Second, broadband deployment is expensive and currently the financial capital necessary to construct infrastructure necessary to deliver. NoaNet staff will work with area stakeholders to identify existing infrastructure, map needed GIS data to identify areas that would benefit from additional infrastructure investment based on the demand aggregation results, and data obtained from public and private entities on current and planned development.

Third, utilizing the information obtained through the demand aggregation study, local market analysis, and the information collected by CenterFuse's previously completed study, we will create visualizations of the end-user reported use data, speed test data, opinions of current services available, and even reported cost-of-services thresholds and desired Internet-based services reported by the community. We will also map the current broadband infrastructure in the project area, current ISP service territories, backhaul routes and other data deemed necessary to execute on a successful broadband deployment project. This will prepare the city to not only execute on this defined

deployment area but prepare for continued expansion as needed in the future.

Each of these requirements will be studied as part of our proposed scope of work. We will deliver a report on best practices to accomplish each important activity of broadband deployment that will include examples of other communities who have successfully deployed a community broadband network, and the feasibility of the city taking each approach. Our goal is not for the city have a document that lets them know that they need broadband infrastructure investment, that's a waste of time and money. We will create a Road to Broadband that will help this partnership determine a path forward for how to solve the gaps that exist and make the decisions needed to bring those plans to fruition to benefit the public of Kittitas County.

Project Team

This project will require coordinated efforts from staff from NoaNet's Community Outreach, Construction (Outside Plant), GIS and Engineering teams who will all work in coordination with stakeholders. There will be no sub-contractors utilized for this scope of work.

Below is a brief description of the team's role within NoaNet, and the associated staff therein, and a brief description of their previous experience and educational background to highlight what unique skills that will be leveraged to serve the scope of your project.

Project Management

Your project's main point of contact at NoaNet is your project manager. This person will oversee every aspect of the project, ensuring seamless communications, timely deliverables, budget management, and will give you a single point of contact if anyone in your organization has a question or request. Chris Walker will be the designated project manager for this proposed scope.

Associated Staff:

Chris Walker, Telecommunications Director



Chris has been with NoaNet since 2001 and after years managing our Network Operations Center and Network Engineering teams, he currently serves as the Telecommunications Director chartered to oversee network growth and expansion, strategic planning, capital development of outside plants, GIS, community outreach, professional services and competitive procurement. He was the executive director for the NoaNet Broadband Technology Opportunity Program (BTOP) construction buildout and sets the architectural direction of the network facilities throughout the state. Chris's vision for the State of Washington is to encourage public and private partnerships and investment to establish connected communities throughout all of our rural and tribal areas. Chris and his team focus their efforts entirely in Washington State, ensuring our public benefit activities are focused and efficient to benefit our communities with broadband access.

Demand Aggregation, Marketing and Community Outreach

The NoaNet Community Outreach and Demand Aggregation team works in coordination with our Network Coordinated Services platform and combines years of experience in assisting public agencies, local governments, municipal networks, and future network operators in the development of world class telecommunications and broadband service delivery solutions to support economic development in our local communities. We develop broadband planning studies through the evaluation of the local economic conditions to ensure a viable broadband business solution is developed before the agency begins any further development of infrastructure.

Associated Staff:

Claire Ward, Marketing and Communications Manager



Claire has been with NoaNet since 2015 in community outreach, communications development, and marketing strategy capacities. She has been instrumental in outreach strategy development, community engagement and municipal network marketing support services, as well as launching and managing our Demand Aggregation platform. Prior to NoaNet, Claire worked for various coffee franchises at management levels to develop training and marketing sales strategies as well as facilitate general operations. She holds a Bachelor of Science from Washington State University, a Master of Arts in

Counseling Psychology from The Seattle School and has continued her education in Marketing Strategy at the University of Washington.

Outside Plant, Construction and GIS

NoaNet's Outside Plant team is structured through internal, prime and sub-contracting relationships to create innovative solutions, practical designs, and expert implementations with precise project coordination. This includes the capabilities to evaluate and provide insight into existing facilities, to design and implement a new network, and know current and future technology trends to plan for today's and tomorrow's subscriber needs. For this project proposal, NoaNet will leverage our internal staff only.

NoaNet's Engineering, Operations, OSP and GIS/CAD are intertwined in many projects for new fiber build outs. NoaNet has completed over a thousand miles of underground and overhead EF&I fiber installations, over 300 FTTP and statewide /regional fiber network builds for various projects including both entirely new fiber networks and new fiber builds to connect existing fiber segments to form new fiber networks. These deployments have incorporated many services from voice, high-speed data, LTE, and RF or IPTV video.

Associated Staff:

Rob Goede, OSP Manager

Rob joined the NoaNet team in 2020 as their Outside Plant Manager based in Spokane, WA. Rob manages all areas of outside plant design and engineering standards along with quality control and all outside plant operations throughout the company. Rob has 20+ years' experience in telecommunications starting his career with Lucent technologies, Grande Communications then moving to Qwest

/CenturyLink Communications for the past 15 years. Rob has many years' experience in outside plant construction, splicing and engineering,

design layout both aerial and underground along with operations to include easements, joint use, permitting, right of way for both state and local entities. Rob has detailed knowledge with fiber builds to include cell, MDU, SFH and fiber to the business. Rob previously served in the United States Marine Corps.

Stephanie Austin, OSP Project Manager

Stephanie joined the NoaNet team in August 2011 with 10+ years in the telecommunication industry as a Network Planning and Traffic Engineer. As an Outside Plant Project Manager, Stephanie ensures projects are delivered with the highest quality, within budget by organizing, managing and utilizing all available resources for the project, and tracking project tasks against the detailed project plan and providing detailed progress reports. Stephanie also possesses experience with Contract Management and Compliance. She takes pride in ensuring all work is done in compliance with the contract requirements and the Washington State RCWs.

Nick Ulrich, GIS Administrator

Nick joined NoaNet in 2016 as a GIS Technician. Nick was hired on to maintain the OSP Insight fiber optic data management for NoaNet, along with handling of any other GIS or mapping related requirements. He is a trained FTTx design technician and helps with fiber construction plans, automated GPS pole data gathering, and rights of way permitting. Prior to NoaNet, he graduated from Eastern Washington University and has experience working in the utility/construction field.

Network Engineering

The NoaNet Network Engineering team, in coordination with our Network Coordinated Services platform, combines industry leaders and managers in Engineering and Consulting who have produced, designed and engineered hundreds of telecommunications facilities, long haul, middle mile, local loop, and lateral extension projects and networks in the state of Washington. This highly capable team delivers robust facility and engineering solutions to further deploy wholesale telecommunications needs across the state.

Associated Staff:

John Smith, Chief Technology Officer

John brings with him over 25 years of experience in telecommunications and business management. Prior to joining NoaNet, John led one of the largest publicly owned Fiber-To-The- Premises (FTTP) buildouts in the country. The FTTP network included the delivery of Internet, Video and Phone services to primarily rural communities. He has worked in a diversity of areas including network engineering, outside plant engineering, application planning and development, regulatory compliance, IT, SCADA and business process management. John received his B.S. in Electrical Engineering from Florida State University.

David Black, Senior Network and Optical Engineer

David has been with NoaNet since incorporation in 2000 and worked on the network design before NoaNet incorporated. David has been involved with the design, implementation, turn up, and operations of almost every technology used on the network. Currently David is responsible for the maintenance, reliability, upgrades, and customer experience on all services both external and internal customers on the DWDM and other optical platforms. David also looks at how new technologies will impact and improve NoaNet's network services. Prior to NoaNet David worked for two engineering consulting companies, US West (now Century Link) and served in the US Marine Corps in various management and leadership roles working in Air Traffic Control communications. He has a Bachelor of Science Degree in Electrical Engineering.

Greg Berry, Senior Network Engineer

Greg has been with NoaNet since 2013 and his responsibilities at NoaNet include project management, MPLS network architecture, microwave systems design, and network automation. Prior to NoaNet, Greg worked in Alaska on public safety communication networks where he integrated technologies to create a statewide highly available mission critical two-way radio system. Greg has a bachelor's degree in Electrical Engineering from University of Alaska Fairbanks and has over 10 years of telecommunications experience.

City of Ellensburg Broadband Strategic Planning Project Timeline

Task	Notes	Initiate	Complete	Hours allotted
Project Kickoff Meeting with Stakeholders (On Site)	Review Strategic Plan Objectives Assign Roles and Responsibilities Develop Workplan and Timeline	8/2021	8/2021	COM- 12 PD-8
Champion Development	Discovery Kickoff Champion Session (Virtual) Develop Demand Aggregation Portal Backend/Survey	8/2021	9/2021	COM-5
Demand Aggregation Go Live (Budgeted at 2 months)	Launch Marketing Campaign Develop Mailers/Other Outreach Strategy Social Media Outreach Phone/Email/Social support as needed Host monthly virtual group sessions with champions and community leaders Min. Once a week update with City staff (virtual)	9/2021	11/2021	COM-40 PD-3
Perform Local Market Analysis	Review Existing Infrastructure and Map data collected Identify GAP areas that could benefit from backbone investment	9/2021	10/2021	PD-3 GIS-8
Analyze Demand Aggregation Data and Formulate Conclusions	Identify areas of high need	12/2021	12/2021	GIS-5 PD-5 COM-5
Model Broadband Infrastructure Expansion Projects in Pilot Area	Physical Plant and Network Evaluation on site Fiber Optic Buildout to support DA Data Business Case Evaluation and Planning *If DA Supports these steps	2/2022	3/2022	No Time Allotted No Time Allotted
Recommend Action Plan	Analyze and Interpret Survey Data Project Findings Analysis Paper Presentation of Conclusions <i>Draft Presentation</i> <i>Final Presentation- On site</i>	1/2022	1/2022	COM-25 PD-16
Facilitate Adoption of Metrics and Follow-up	Review Strategic Plan Objectives for further Broadband Development Keep up to date on current funding opportunities aligned with project objectives	Ongoing	Ongoing	COM PD

Anticipated Costs

Rates	Hourly	Allotted	Total
Community Outreach Manager (COM)	\$130		87 \$11,310
Engineering & GIS (GIS)	\$160		13 \$2,080
Project Director (PD)	\$195		35 \$6,825

Total Staff: \$20,215

Other Costs	Rate	Allotted
Monthly Portal	\$2,000	\$4,000
Portal Setup	\$5,000.00	\$5,000
Airfare	at cost	\$0
Car Rental	at cost	\$0
Per Diem	\$82	\$492
Hotel	at cost	\$800
Misc. Shipping, Consumables, etc.	at cost	\$2,000

Total Reimburables: \$12,292

TOTAL: \$32,507

EXHIBIT "B"
SCOPE OF WORK
NETWORK DEVELOPMENT SERVICES

1. **Purpose and Scope.** The purpose and scope of this Exhibit B is to permit the City to use the contract executed between NoaNet and a Contractor for design and construction of fiber optic facilities and to specify the terms and conditions under which the City and NoaNet will undertake any network extension within the city limits and UGA.

2. **City Obligations.** During the term of this Amendment, the City agrees to continue to provide NoaNet the services set forth in the original Interlocal Cooperative Agreement effective December 4, 2017 and those items outlined in the Scope of Work Exhibit A to that Agreement. The City agrees to provide NoaNet a monthly report on subscribers of the Project Area.

3. **NoaNet Obligations.** During the term of this Amendment, NoaNet agrees to provide the City the services set forth in the original Agreement, and further agrees to provide planning and design services for fiber optic network development.

In order to support the Passive Optical Network (PON) system will provide the following network management systems and project management services in exchange for the compensation schedule listed to be paid for by the City:

1. PON Engineering, Furnish, and Install: NoaNet will provide the Engineering, Furnish, and Install of the PON Access Management System. This system provides a complete element management solution for configuration, maintenance, and troubleshooting of core, distribution and optical network terminals. This system will be managed by NoaNet, and configuration maintenance and upkeep by Network Operations Center (NOC) Analysts.

2. PON Server Support Service: Access Management System: NoaNet will provide two redundant virtual servers to support the PON Access Management System, and operation and maintain the OS required for installation and all subsequent licenses and software subscription.

4. **Compensation.** As compensation for the services provided City and NoaNet agree to compensate each other for any and all expenses associated with Exhibit B . Any changes in compensation set forth in Exhibit B shall be mutually agreed to in writing.

Role	Cost Per Hour
Community Outreach / Project Manager	\$135
OSP, GIS, Engineer Tech	\$160
Director	\$205
Travel	\$0.85/mile
Per Diem	\$92
Airfare/Hotel/Car Rental	At cost

Any work requested by the City in addition of this SOW or any additional work resulting from factors outside the control of NoaNet will be documented and approved by the City in a written amendment to this scope of work.

5. **Termination Due to Change in Facilities or Funding.** If the facilities or funds upon which either Party relied to establish this Scope of Work are withdrawn, reduced, or limited, or if additional or modified conditions are placed on such facilities or funding, either Party may terminate this Scope of Work by providing at least thirty (30) calendar days' written notice to the other Party. The termination shall be effective on the date specified in the notice of termination.

Either party may terminate this Scope of Work for any reason by providing sixty (60) calendar days' written notice to the other Party. If either Party fails to comply with the terms and conditions of this Scope of Work, the other Party may pursue such remedies as are legally available, including, but not limited to, the immediate termination of this Scope of Work.

EXHIBIT “C”
SCOPE OF WORK
NETWORK OPERATIONS SERVICES

1. **Purpose and Scope.** The purpose and scope of this Exhibit C is to permit the City to use NoaNet its selected Contractor for Network Operations Management of fiber optic facilities and to specify the terms and conditions under which the City and NoaNet will undertake any network operations extensions within the city limits and UGA.

2. **City Obligations.** During the term of this Amendment, the City agrees to continue to provide NoaNet the services set forth in the original Interlocal Cooperative Agreement. The City agrees to provide NoaNet a monthly report on subscribers of the Pilot Project Area.

3. **NoaNet Obligations.** During the term of this Amendment, NoaNet agrees to provide the City the services set forth in the original Agreement, and further agrees to provide network operations support services.

In order to support the Passive Optical Network (PON) system and management of the Pilot Project NoaNet will provide the following network management systems and project management services in exchange for the compensation schedule listed to be paid for by the City:

1. PON Engineering, Furnish, and Install: NoaNet will provide the Engineering, Furnish, and Install of the PON Access Management System. This system provides a complete element management solution for configuration, maintenance, and troubleshooting of core, distribution and optical network terminals. This system will be managed by NoaNet, and configuration maintenance and upkeep by Network Operations Center (NOC) Analysts.

2. PON Server Support Service: Access Management System: NoaNet will provide two redundant virtual servers to support the PON Access Management System, and operation and maintain the OS required for installation and all subsequent licenses and software subscription.

NoaNet will provide to the City Network Coordinated Services (NCS) Support for Next Business Day Services as outlined below:

- Live call taking 7x24x365 with access through a toll-free number;
- Supply and operate technical support tools to perform network management;
- Manage and maintain network and system software products;
- Quality test and implement network support software;

- Backup and restore operational systems;
- Supply trained operations staff to provide and maintain operations standards and procedures;
- Trouble ticket access for network problem reporting, ticket status and shared information;
- Provisioning support for new subscribers.

3. **Smart Hands Support.** The NoaNet Field Operations, Engineering, and Outside Plant teams provide for technician and engineering dispatch services for emergency and scheduled infrastructure and equipment repairs, testing, and installation. A dispatch service allows for a technician to attend to an issue or perform a task that relates to any equipment, cable, or facilities directly related to the services associated with the Network Operations Center and Engineering Services solution.

4. **Compensation.** As compensation for the services provided pursuant to paragraph 2 and 3, the City and NoaNet agree to compensate each other for any and all expenses associated with Exhibit A to Amendment 1. Any changes in compensation set forth in Exhibit A to Amendment 1 shall be mutually agreed to in writing.

City will provide to NoaNet \$25.00 monthly for every subscriber of the Fiber Internet Product. Any additional devices the City requires included in the NCS Support System will be invoiced per the following Schedule:

	Set-up	Monthly
Network Operations and Maintenance		
Management Fee		\$1,500
Core/Distribution Node		\$76
Carrier Edge		\$30
Business Gateway		\$6
Residential Gateway		\$2.50

Any work requested by the City in addition of this SOW or any additional work resulting from factors outside the control of NoaNet will be documented and approved by the City in a written amendment to this scope of work.

At the time of this SOW, the quantities of devices are as follows:

Title	Type	Qty
Core Node	Nokia PON (1) Juniper Router (1) Cisco Aggregation Switch (1)	3
Carrier Edge		0
Business Gateway	Calix ONT (5) Nokia ONT (13)	18
Residential Gateway		

Title	Notes	Price
Next Business Day (NBD) Dispatch	Includes first two hours, additional hours at \$90.00	\$270.00
4-hour Response Dispatch	Includes first two hours, additional hours at \$90.00	\$375.00
4-hour Response Dispatch, After Hours, Unit	Includes first two hours, additional hours at \$150.00	\$560.00

6. **Termination Due to Change in Facilities or Funding.** If the facilities or funds upon which either Party relied to establish this Scope of Work are withdrawn, reduced, or limited, or if additional or modified conditions are placed on such facilities or funding, either Party may terminate this Scope of Work by providing at least thirty (30) calendar days' written notice to the other Party. The termination shall be effective on the date specified in the notice of termination.

Either party may terminate this Scope of Work by providing sixty (60) calendar days' written notice to the other Party. If either Party fails to comply with the terms and conditions of this Scope of Work, the other Party may pursue such remedies as are legally available, including, but not limited to, the immediate termination of this Scope of Work.

Ellensburg Utility Advisory Committee
Telecommunication Issues and Updates
December 16, 2021

- The City Telecom Utility Broadband Feasibility Study is ongoing and expected to be completed February 2022. NoaNet provided a status update to Council on November 15th.
- NoaNet will be working on the Data, Maps, and Financials through December. Although a lot of work has been done by NoaNet with support from City staff, the drafts aren't expected to be ready until Mid to late January 2022.
- City Telecom Utility and NoaNet are working with Kittitas County and PUD to collaborate and work together on our Broadband Feasibility studies.
- KITTCOM signed a five-year renewal for Telecommunications Utility provided Internet Services.
- City staff attended ISP meetings as part of the collaborative broadband feasibility studies being conducted by the City of Ellensburg, Kittitas County, and PUD district 2-1.
- NoaNet Interlocal Agreement is going to Council on December 20th.



AGENDA REPORT

Meeting Date:	December 16, 2021
Agenda Subject:	Natural Gas Rate Stabilization
Submitted by:	Buddy Stanavich Public Works & Utilities
Recommended Action or Motion:	Staff recommends authorizing the Power & Gas Manager to utilize the rate stabilization reserve fund in the event market prices drive the Purchased Gas Cost Adjustments (PGCA) to extreme levels.
Background/Summary:	Agenda Attached
Previous Council Action:	N/A
Analysis:	N/A
Financial Impact:	N/A
Attachments:	NG Rate Stabilization Agenda Report.pdf NG Rate Stabilization - Presentation.pdf



AGENDA REPORT

DATE: December 16, 2021
To: Utility Advisory Committee
THRU: Ryan Lyyski, Public Works & Utilities Director
FROM: Buddy Stanavich, Power & Gas Manager
RE: NATURAL GAS RATE STABILIZATION

SUMMARY: Energy prices are volatile and can affect end use gas rates very differently depending on a wide range of factors. The goal is to keep the Purchased Gas Cost Adjustments (PGCA) as flat as possible and there are a multitude of factors that drive the PGCA up or down in the short-term. Having the flexibility to utilize the rate stabilization fund to smooth the PGCA would greatly benefit our customers and provide financial security to the utility.

BACKGROUND: During the extreme cold event in the middle of February 2021 that occurred through the Midwest south through Texas, the city was able to sell off fixed natural gas contracts and storage reserves in the Rocky Mountain basin and back fill with lower cost gas from the North. This amounted in a credit to the gas utility of \$2,283,981, \$2,533,590 in net proceeds less \$249,609 in combined City and State utility taxes.

The Utility Advisory Committee considered three options for proceeds to be returned to gas utility customers.

- 1) Provide direct refund payments/credits to gas utility customers:

-\$2,283,981	2021 - NATURAL GAS REVENUE DISTRIBUTION OPTIONS				
	\$\$/Customer (Estimated)				
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	CWU	MUNICIPAL
	-\$284	-\$930	-\$34,863	-\$349,509	-\$29,077

- 2) Place the funding in Gas Division reserves to reduce future upward rate pressure by financing capital/maintenance projects and return the remaining to gas utility customers:

-\$2,283,981	2021 - NATURAL GAS REVENUE DISTRIBUTION OPTIONS				
	\$\$/Customer (Estimated)				
Xfer to Capital/Maint.	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	CWU	MUNICIPAL
\$500,000	-\$222	-\$726	-\$27,231	-\$272,996	-\$22,712

\$1,000,000	-\$160	-\$523	-\$19,599	-\$196,483	-\$16,346
\$1,500,000	-\$97	-\$319	-\$11,967	-\$119,970	-\$9,981

- 3) Establish a rate stabilization account to be used to minimize future rate impacts from a future extreme weather event or other increases in costs to our customers.

Option three (3) was selected:

*“Barry moved the committee make a favorable recommendation to City Council for proceeds to be returned to gas utility customers by dedicating half of the proceeds into stabilizing rates to prevent potential rate increases and half into a reserve to finance future capital Gas projects. Gleason seconded. All in favor; **motion approved.**”*

FISCAL IMPACT: Not greater than \$1,141,991, the amount in the rate stabilization reserve fund.

RECOMMENDATION: Staff recommends authorizing the Power & Gas Manager to utilize the rate stabilization reserve fund in the event market prices drive the Purchased Gas Cost Adjustments (PGCA) to extreme levels.

Natural Gas Rate Stabilization

DECEMBER 16, 2021

UTILITY ADVISORY COMMITTEE



Pricing (Supply & Demand)

➤ Pipeline Constraints –

- The ability to purchase from the cheapest basin may not always be possible if too much gas is flowing the same direction.

➤ Market Events –

- Force Majeure (Pipeline Incidents, Compressor Failures, Underground Storage limitations)

➤ Extreme Cold Weather - Regionally, Nationally, and Globally (Exports)

➤ Power Generation

➤ Storage

Early March 2019 Market Event

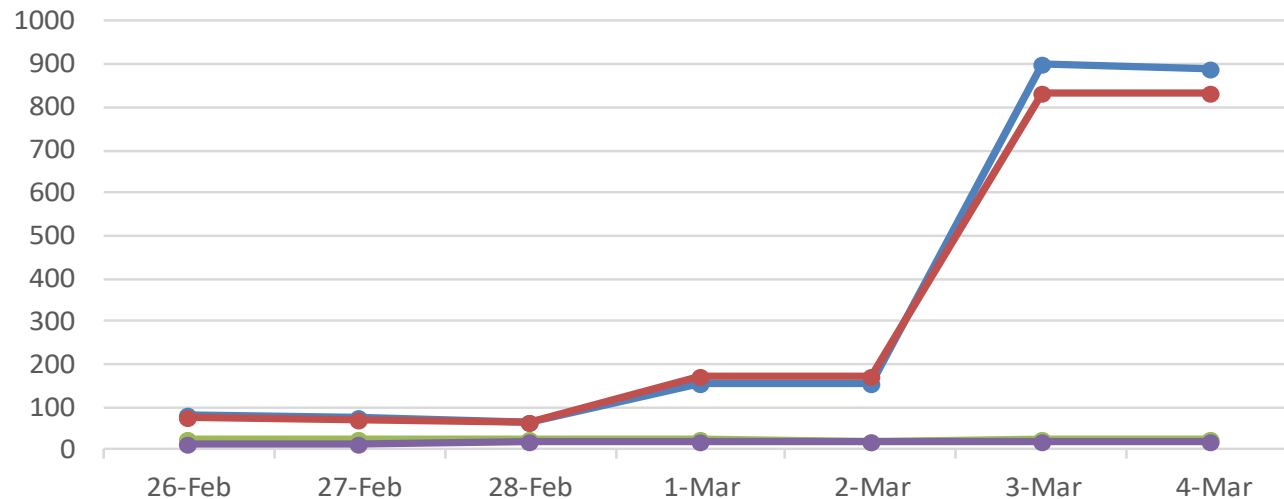
A collision of events (perfect storm) led to a spike in market prices in early March:

- NW loads were peaking due to cold weather
- Canada was not exporting power to U.S. due to high loads in Canada (extremely cold weather)
- Low water flows on Columbia River due to freezing temperatures
- No power available from California because the DC intertie was down for maintenance
- No wind generation due to high pressure system that brought cold temperatures
- Constrained natural gas flows from BC due to lingering effects of the October Enbridge incident
- Scaled back withdrawals from Jackson Prairie gas storage facility due to compressor problems

Last two on list resulted in very high running costs for natural gas-fired generation projects

- BPA put out a call for conservation and gave a “must run” order to Columbia Generating Station
- Mid-C hourly prices hit \$1,000/MWh price cap for first time since the energy crisis (2000)
- Market prices significantly greater than same period in CY18:

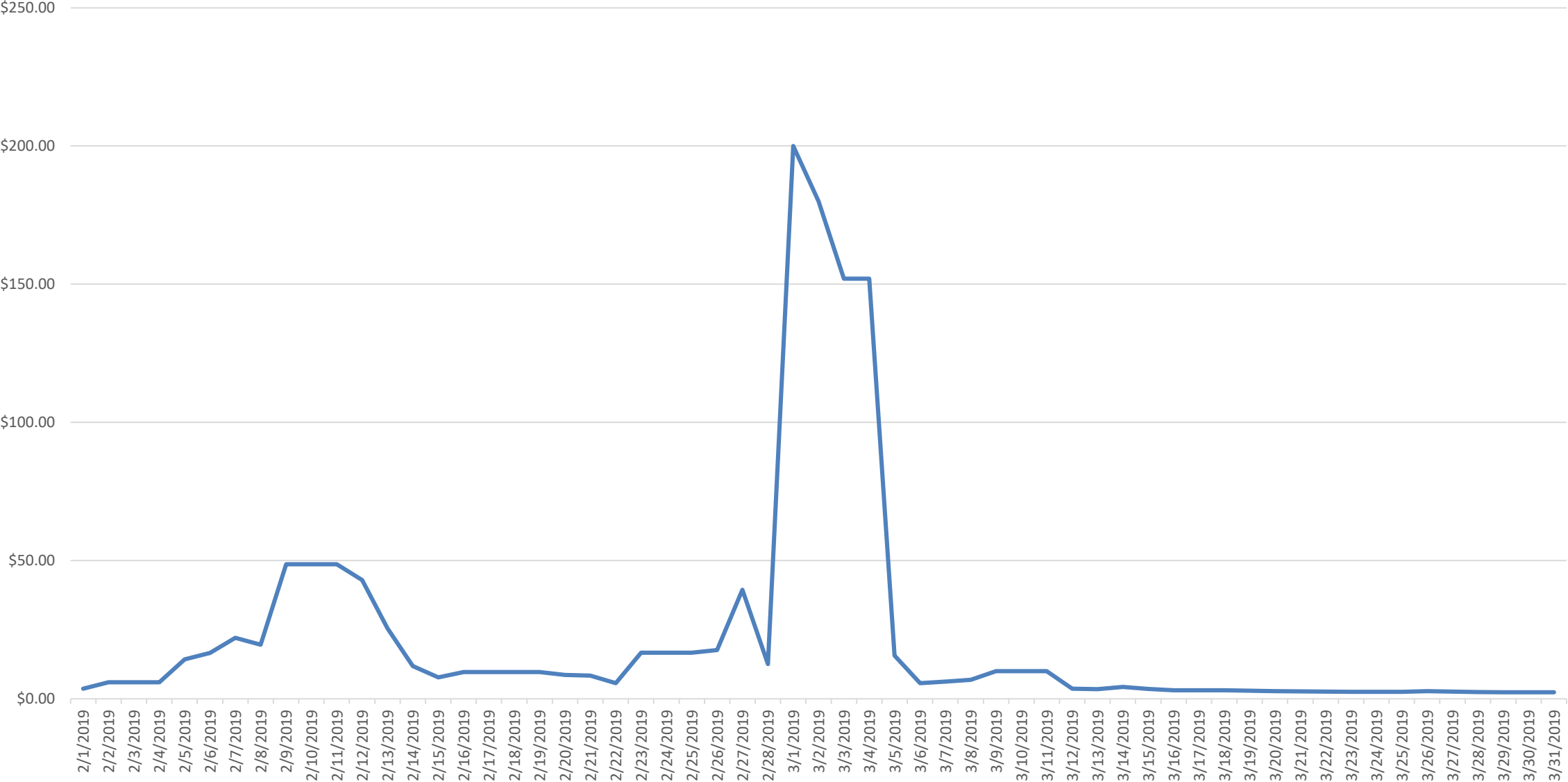
Feb 26 - Mar 4 Mid-C Market Prices: CY19 vs. CY18 (\$/MWh)



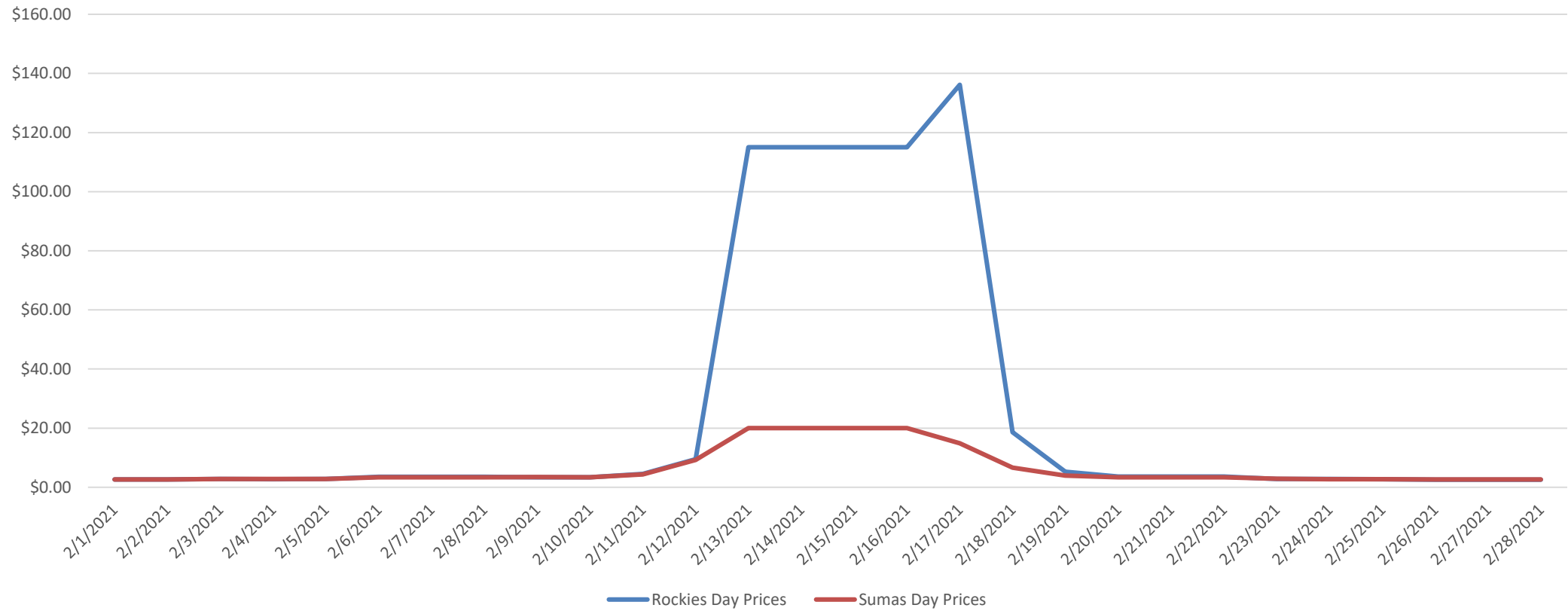
Sumas gas prices also hit record highs

- \$200/MMBtu was the highest single trade on Friday (March 1)
- \$180/MMBtu for Saturday only deliveries (March 2)
- \$152/MMBtu for Saturday-Monday deliveries (March 2-4)

Sumas Day Prices

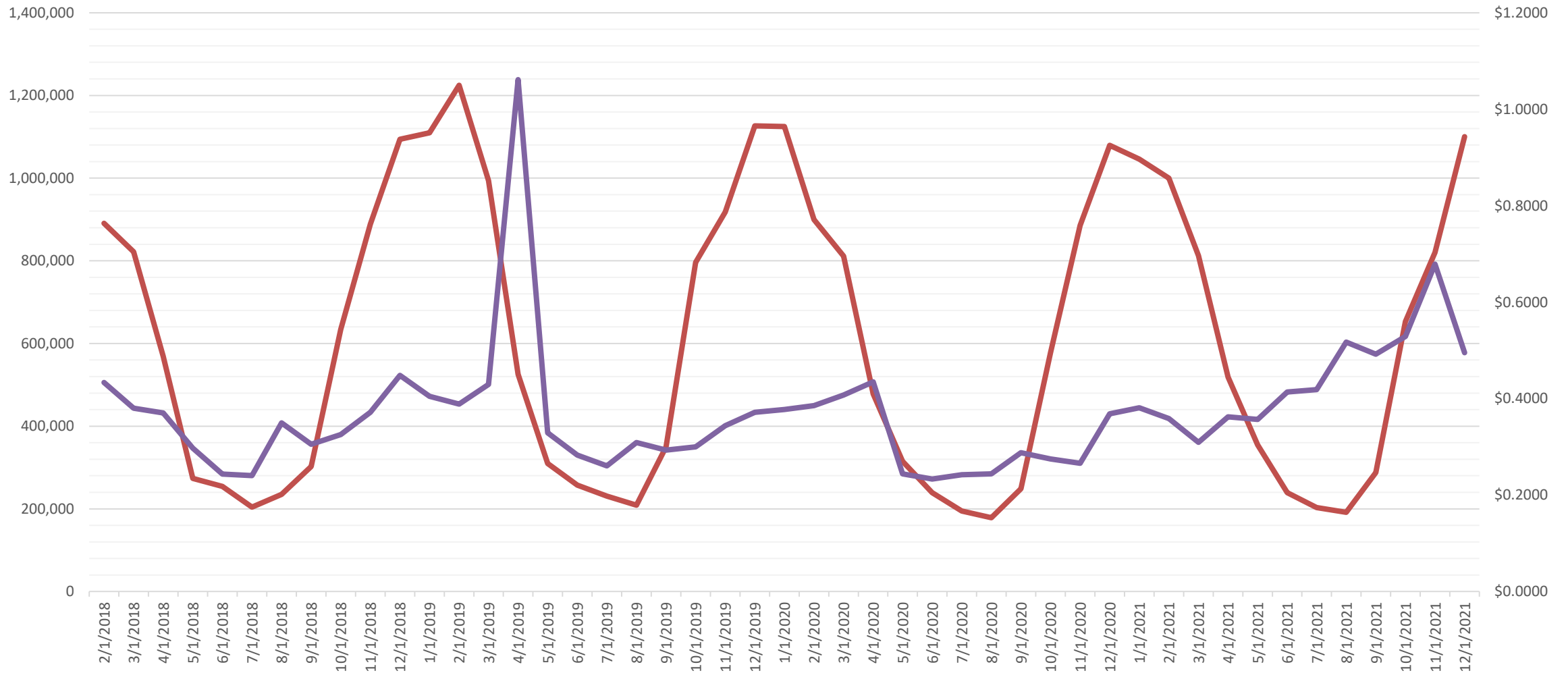


“Texas Event” - February 2021

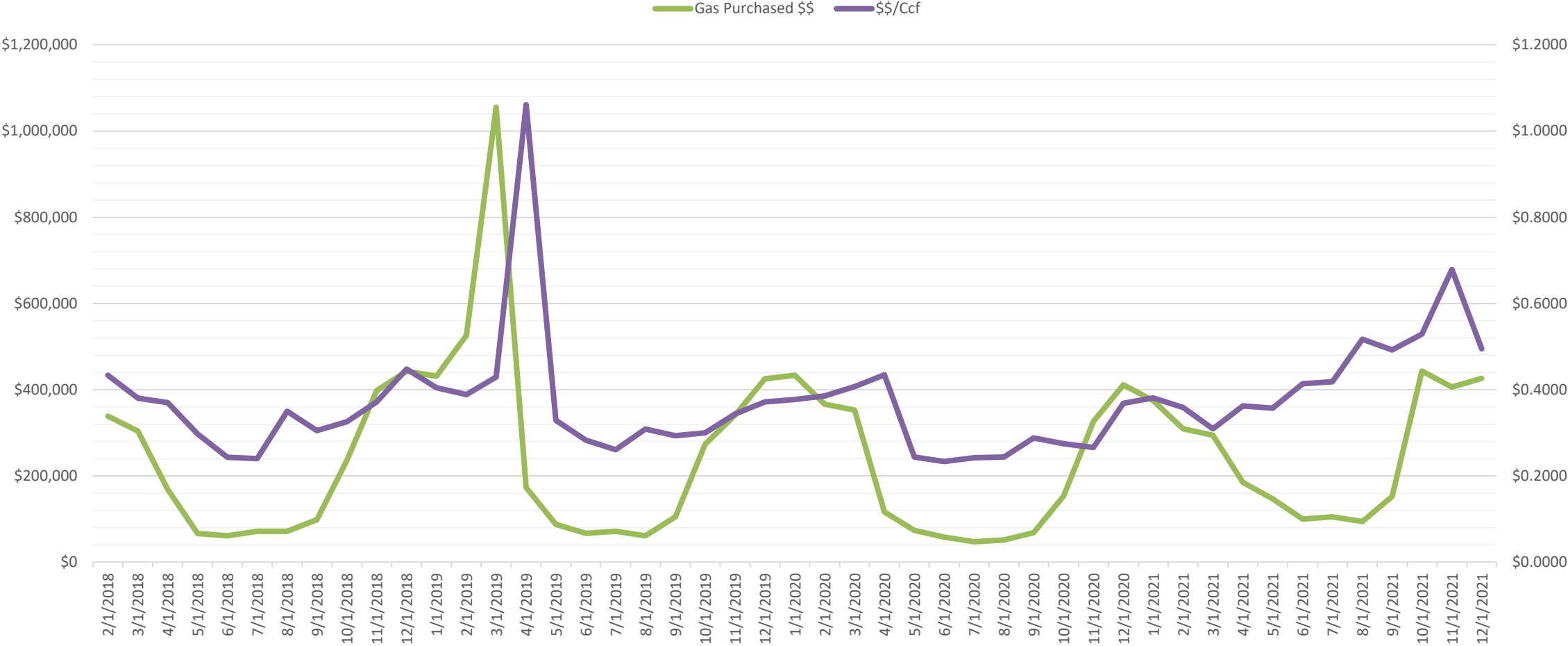


\$\$/Ccf vs. Volume Purchased

Ccf \$\$/Ccf



\$\$/Ccf vs. Gas Purchased



Natural Gas Rate Stabilization Fund



\$1,141,991

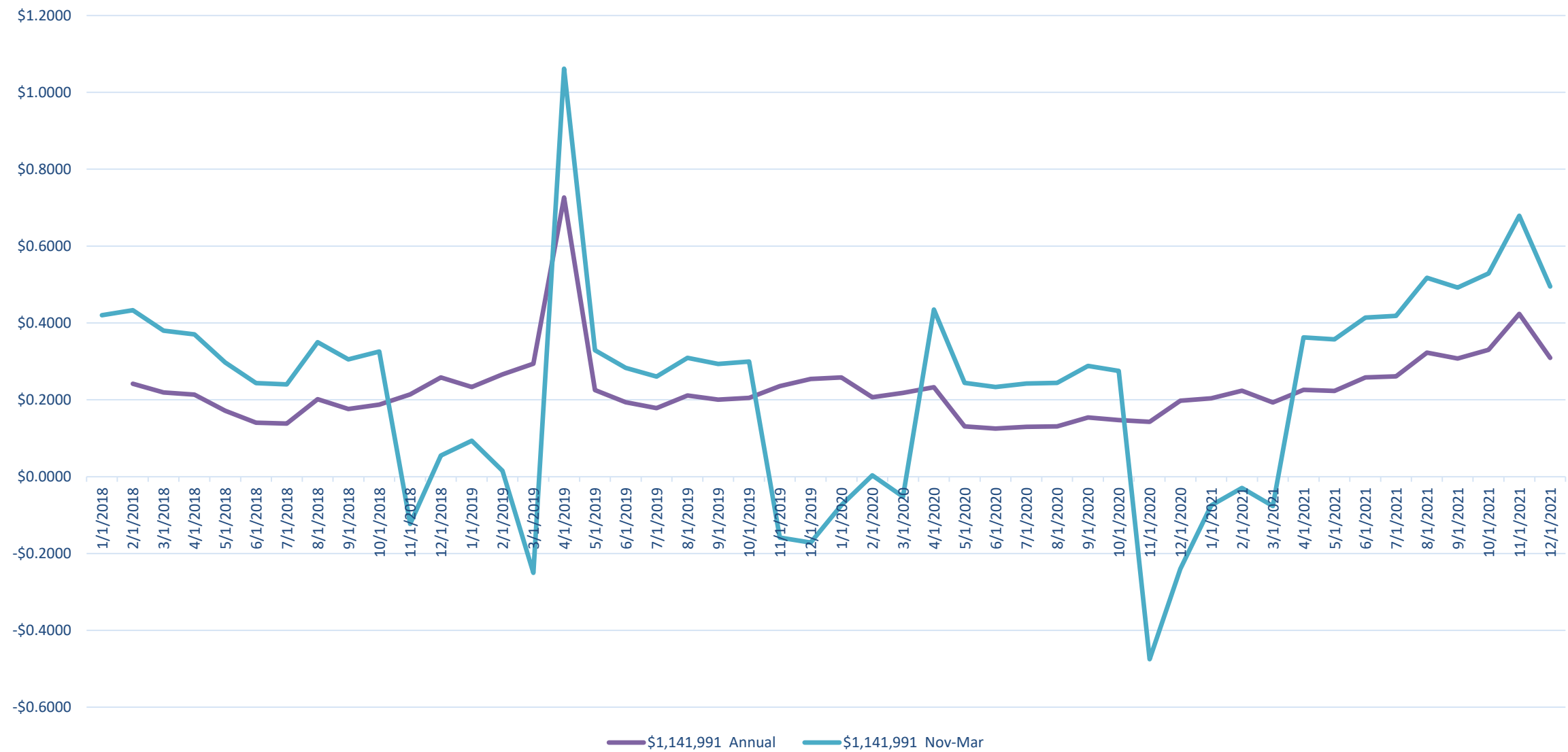


\$1,141,991

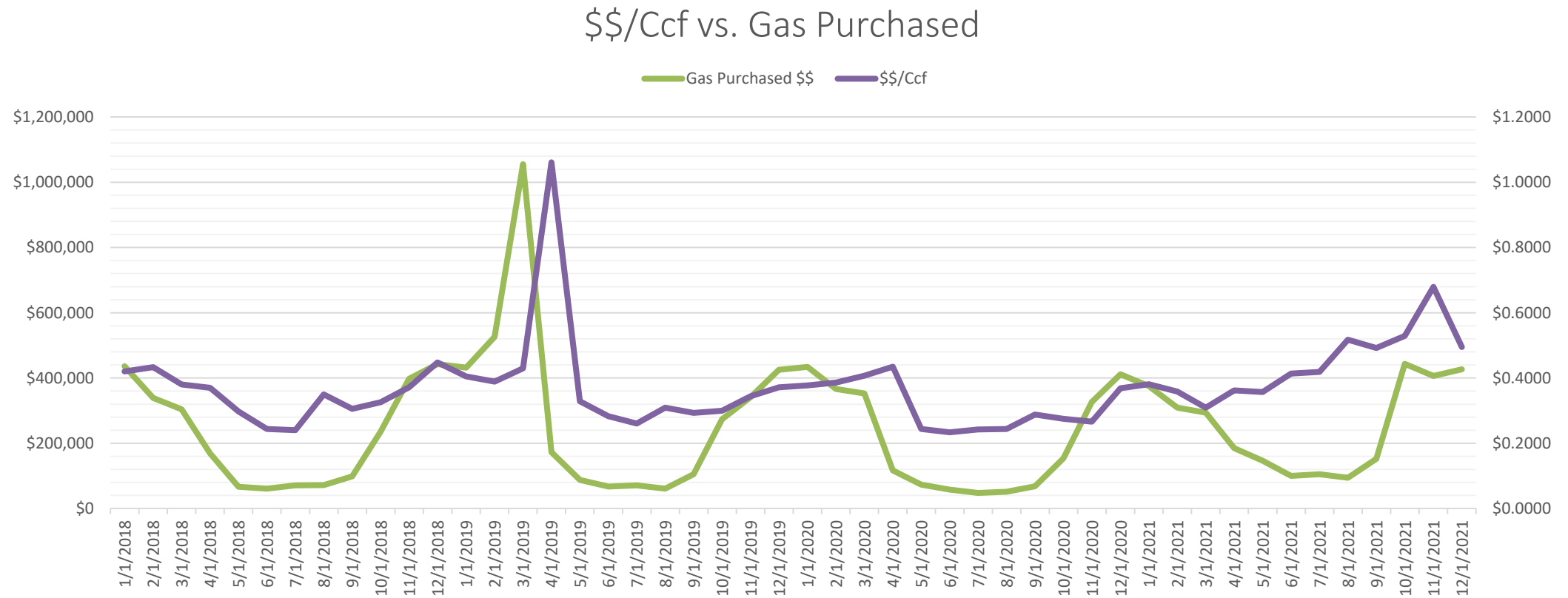


\$2,283,981

Rate Stabilization spread Annually vs. Winter Heating Season

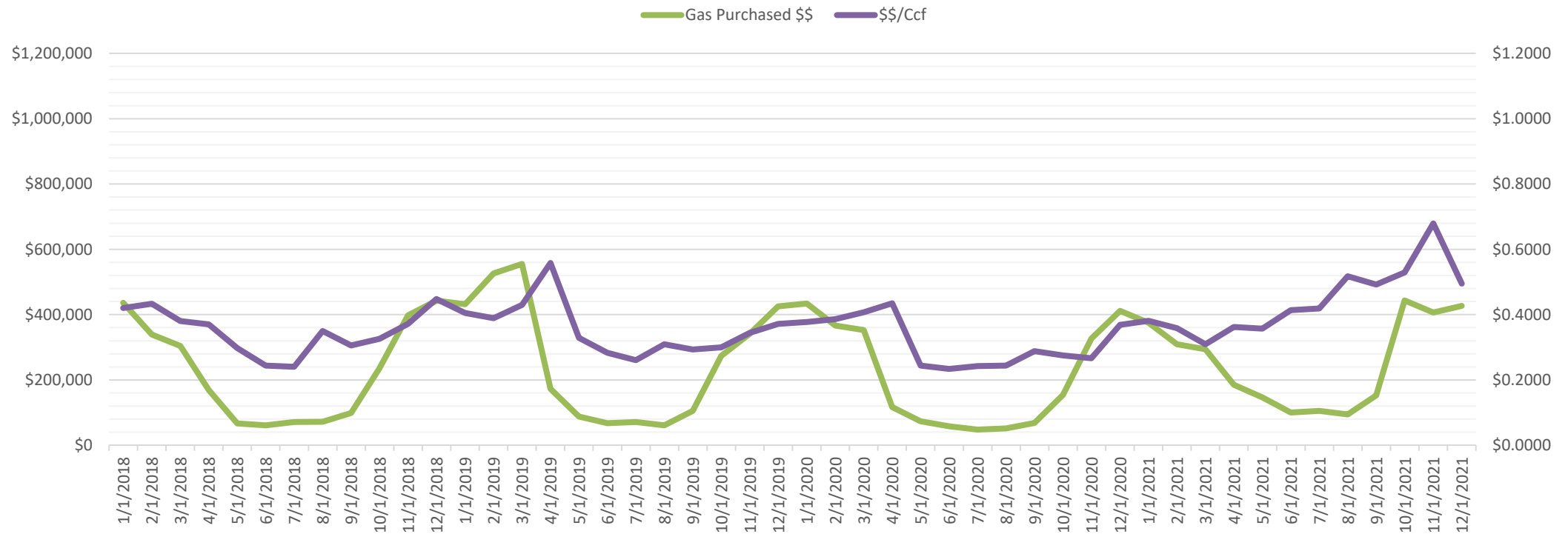


(\$0.00) Credit to April 2019 Gas Rates



(\$500,000) Credit to April 2019 Gas Rates

\$\$/Ccf vs. Gas Purchased



74 - Ccf Residential Consumption

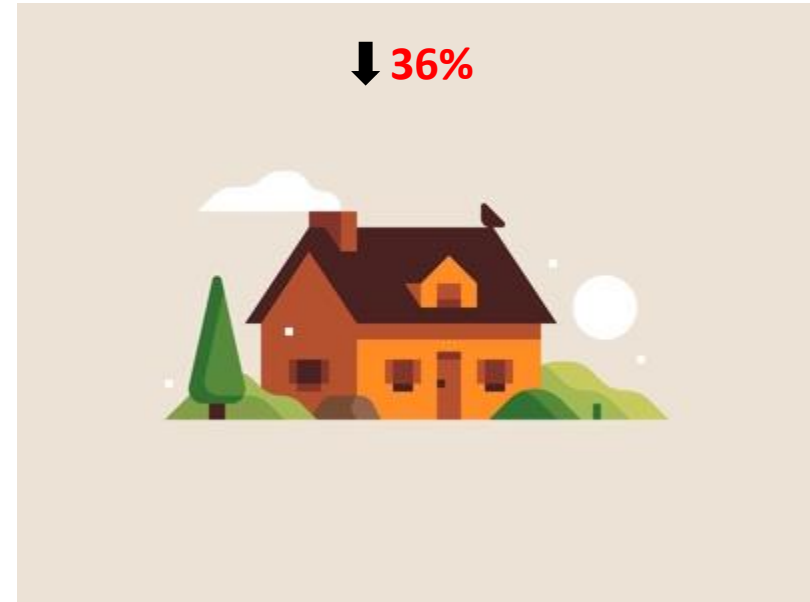
(\$0.00) Credit to April 2019 Gas Rates

\$125/Mo.

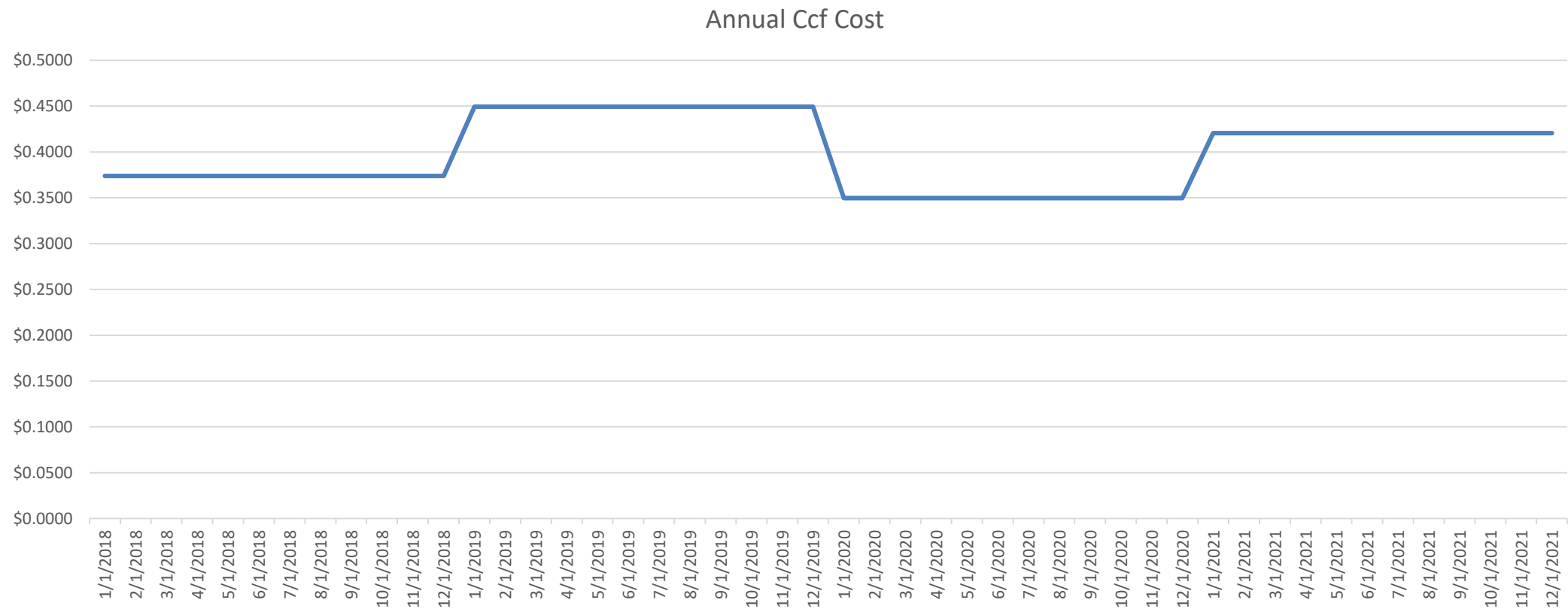


(\$500,000) Credit to April 2019 Gas Rates

\$78/Mo.



Annual Purchased Gas Cost Adjustment





AGENDA REPORT

Meeting Date:	December 16, 2021
Agenda Subject:	Dolarway Substation Improvements Information Update
Submitted by:	Paul Meyer Public Works & Utilities
Recommended Action or Motion:	None For Information Only
Background/Summary:	As a continuing effort to improve electric utility reliability for our current and future customers, the Electric Division has begun engineering and planning to replace and relocate the Dolarway D1 transformer. The D1 transformer was manufactured in 1959, has reached its end of life, and is currently the oldest substation transformer in our system. The transformer is owned by the City but located on land within the adjacent BPA Ellensburg substation. After the City completes this project the BPA land lease can be terminated. The Electric Utility System Plan recommended that the City remove the D1 transformer from service from the BPA Ellensburg substation, and purchase a new transformer that would be installed at the City's adjacent Dolarway Substation.
Previous Council Action:	Previous informational update - UAC 02-18-2021 Award Agreement for professional Services to D'Hittle - UAC 08-16-2021 Award Agreement for professional Services to D'Hittle - C.C. 09-07-2021
Analysis:	See attached for updated schedule and budget
Financial Impact:	The original engineering estimate for this project is \$2,458,800. The estimate has been updated with costs and scope provided by our consultant, the current estimated project cost is \$2,858,544. This is an increase of approximately \$400,000 or 16%. This is due to current market conditions and added scope. The Light Department has included in the 2021 - 2022 budget \$2,473,404 for this project. The City Light Utility has adequate funds to accommodate the additional costs. Refer to attached estimate for additional information.

The project was originally scheduled to be completed Late of 2022 or early of 2023. The project is now scheduled to be completed early of 2024. This is also due to current market conditions specifically the 90 week lead time required for the substation power transformer currently out to bid. Refer to attached schedule for additional information.

Attachments:

[3682 Dolarway Sub Improvements -Estimate 2021-12-08.pdf](#)

[3682 Dolarway Sub Improvements -Schedule 2021-12-08.pdf](#)

Energy Services Department

DATE: Dec. 8th, 2021
PROJECT: Dolarway (D1) Substation Improvement Project
RE: Utility Advisory Committee



501 N. Anderson Street, Ellensburg, WA 98926
 Energy Services Department – 509-962-7124

Item	Description	Estimated Cost
1	Dolarway D1 Substation Consultant Design and Fees	\$250,000
	actual costs	
2	Equipment Cost	\$1,404,652
	XFMR Equipment Cost	\$881,000
	Circuit Switcher Equipment Cost	\$95,800
	Circuit Breaker Equipment Cost	\$31,500
	Relay Rack	\$196,412
	Manual Disconnect Switches (12.47kV)	\$42,000
	Steel Structures and Bussing	\$157,940
3	Labor Costs D1 Installation	\$638,647
	Site Prep, Foundation Work, Excavation, Etc.	\$259,647
	Equipment Installation	\$61,000
	Control Wiring	\$188,000
	Demolition Work (Old XFMR, Steel Structures, Soil Re-Conditioning)	\$130,000
4	Substation Commissioning	\$100,000
5	BPA Fees and Design	\$125,000
	BPA Pre-Design Fees	\$50,000
	BPA Construction Fees	\$75,000
6	Contingency	\$340,245
	Contingency 15%	\$340,245
Current Project Estimate		\$2,858,544
Initial Project Estimate		\$2,458,800
Difference		\$399,744
		16% +

Added scope not in original estimate

1. Replace Brown Glass Insulators
2. Replace all buss knife and gang operates switches
3. Replace existing copper bussing with aluminum
4. Replace all recloser controllers



AGENDA REPORT

Meeting Date: December 16, 2021

Agenda Subject: PHMSA Grant Program

Submitted by: Darin Yusi Public Works & Utilities

Recommended Action or Motion: Information Only

Background/Summary: H.R. 3684, known as the "Infrastructure Investment and Jobs Act", was signed by President Biden on November 15th, 2021. Page 1015 of the Act outlines a Grant Program administered through the Pipeline and Hazardous Materials Safety Administration (PHMSA) for Natural Gas Distribution Infrastructure Safety and Modernization.

The Grant Program includes 1 billion dollars spread out over 5 years (200 Million per year) for municipal or community owned utilities. The funds are made available for the repair, rehabilitation, or replacement of natural gas distribution pipelines and portions thereof or to acquire equipment to reduce incidents and fatalities and avoid economic losses.

There are four specific areas that will be considered for the awarding of grant funds:

1. The risk profile of the existing pipeline system operated by the applicant, including the presence of pipe prone to leakage
2. The potential of the project for creating jobs
3. The potential for benefiting disadvantaged rural and urban communities
4. Economic impact or growth

Any funds awarded through this program will remain available for 10 years.

A copy of Page 1015 of H.R. 3684 is attached to this agenda report.

Previous Council Action: N/A

Analysis:

Staff attended a webinar put on by the American Public Gas Association (APGA) that provided a basic understanding of the Grant Program. The APGA will be keeping its members informed as more information becomes available. A notice of funding opportunity shall be issued no later than 180 days from the funds being available. Staff will begin looking into the criteria for award and determine if there are projects within our system that will align with the Grant Program.

Financial Impact:

N/A

Attachments:

[BILLS-117hr3684enr.pdf](#)

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

NATURAL GAS DISTRIBUTION INFRASTRUCTURE SAFETY AND
MODERNIZATION GRANT PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Natural Gas Distribution Infrastructure Safety and Modernization Grant Program”, \$1,000,000,000, to remain available until expended for the Secretary of Transportation to make competitive grants for the modernization of natural gas distribution pipelines: *Provided*, That \$200,000,000, to remain available until September 30, 2032, shall be made available for fiscal year 2022, \$200,000,000, to remain available until September 30, 2033, shall be made available for fiscal year 2023, \$200,000,000, to remain available until September 30, 2034, shall be made available for fiscal year 2024, \$200,000,000, to remain available until September 30, 2035, shall be made available for fiscal year 2025, and \$200,000,000, to remain available until September 30, 2036, shall be made available for fiscal year 2026: *Provided further*, That grants from funds made available under this heading in this Act shall be available to a municipality or community owned utility (not including for-profit entities) to repair, rehabilitate, or replace its natural gas distribution pipeline system or portions thereof or to acquire equipment to (1) reduce incidents and fatalities and (2) avoid economic losses: *Provided further*, That in making grants from funds made available under this heading in this Act, the Secretary shall establish procedures for awarding grants that take into consideration the following: (1) the risk profile of the existing pipeline system operated by the applicant, including the presence of pipe prone to leakage; (2) the potential of the project for creating jobs; (3) the potential for benefiting disadvantaged rural and urban communities; and (4) economic impact or growth: *Provided further*, That the Secretary shall not award more than 12.5 percent of the funds available under this heading to a single municipality or community-owned utility: *Provided further*, That the Secretary shall issue a notice of funding opportunity not later than 180 days after each date upon which funds are made available under the first proviso: *Provided further*, That the Secretary shall make awards not later than 270 days after issuing the notices of funding opportunity required under the preceding proviso: *Provided further*, That not more than 2 percent of the amounts made available in each fiscal year shall be available to pay the administrative costs of carrying out the grant program under this heading in this Act: *Provided further*, That one-half of one percent of the amounts transferred pursuant to the authority in this section in each of fiscal years 2022 through 2026 shall be transferred to the Office of Inspector General of the Department of Transportation for oversight of funding provided to the Department of Transportation in this Act: *Provided further*, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 4112(a) of H. Con. Res. 71 (115th Congress), the concurrent resolution on the budget for fiscal year 2018, and to section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Ellensburg Utility Advisory Committee
Public Works & Utilities Issues and Updates
December 16, 2021

Consent Items

Agenda Reports for items approved by the City Council since our last meeting are attached.

All Utilities

- The Bull Road Utilities Project continues to progress nicely. All utilities have been installed in the Bull Road and Berry Road sections with the road fully restored. The contractor is nearing completion of the last stretch of utilities between I-90 and Berry Road. This work was scheduled last, after the Bull Ditch Irrigation Canal was off. Final utility tie in, completions of the utility looping will be completed this month. The contractor will complete the project this coming spring, once asphalt is available to pave the easement area south of I-90.
- COSA Update - Staff is responding to a preliminary data request to allow FCS Group to begin updating the information required for the Comprehensive Multi-Utility Rate Study Update.

Sewer

- Collection crews continue to work on the fall jet list, inspections, and system maintenance.
- Wastewater Treatment Facility staff are still awaiting the arrival of the new HVAC unit that is to be installed on the Administration building that services the lab. This unit is set to arrive any day now. This is part of the WWTF Roof and HVAC Replacement Project
- Staff are working on widening the access road that surrounds the lagoon to make it safer and easier to navigate.
- The Bureau of Reclamation's Schaake Project is nearing completion. As the UAC is aware, the City committed to a land exchange with the Bureau under a Memorandum of Understanding. The land exchange is getting closer; however, the MOU is set to expire in December. The MOU amendment will be on Council's December 20 agenda for approval. The land exchange is currently anticipated early in 2022. The MOU amendment is included in this agenda packet.
- Staff have continued negotiations with Kennedy Jenks, who was selected to complete our General Sewer System update and Aeration Replacement design last month. We anticipate having a consultant agreement before UAC at the January meeting.

Water

- Water pumped for November 2021 was 71,160,248 compared to November 2020 which was 63,679,416.
- Staff is working with RH2 on the Emergency Response Plan (ERP) for the City of Ellensburg water system. America's Water Infrastructure Act (AWIA) amended Section 1433 of the Safe Drinking Water Act. This section requires community (drinking) water systems (CWS) serving more than 3,300 people to conduct risk and resilience assessments (RRAs), prepare or revise emergency response plans (ERPs), and certify to the U.S. Environmental Protection Agency (EPA) that this work has been completed. Staff certified the RRA earlier this year and will need to complete and certify ERP before December 31st.
- Crews are continuing to repair leaks discovered during Phase 2 of the annual leak survey. All of the remaining leaks to be repaired are small in nature.

- The City of Ellensburg Water Division continues to operate with one operational pump at the Vuecrest Booster Station while waiting for the delivery of a replacement pump. The delay in receiving the new pump was anticipated and the emergency use of Brooklane Well is still an option if it becomes necessary in the interim.
- Because supply chain issues continue to be a problem for all divisions at the City of Ellensburg, the Water Division continues to look ahead to try and order parts and supplies much earlier than in the past.
- Crews are continuing to perform meter maintenance, hydrant maintenance, and rebuilding services in need of upgrade.
- A hot tap was performed for a new fire service at Lincoln Elementary School remodel.
- Staff has received verbal notification of receipt of a \$300,000 Dept. of Ecology grant for the design and permitting of a pilot test for Aquifer Storage and Recharge (ASR). The concept of the pilot test would be to pump shallow water from our City Wells site and inject this water into the deeper aquifer that all of our other municipal wells pump from. We are hopeful to have a contract with Ecology and a consultant agreement contract available by the time of the meeting, but we are still awaiting contract language from Ecology at this time.
- Staff submitted our draft Water System Plan (WSP) Update to the Dept. of Health (DOH) late this past summer and anticipate having DOH comments shortly. With this, we anticipate presenting the updated WSP to UAC early 2022.

Storm

- Gordon Crane retired from many years of service to the city. The Utility is looking to backfill that position as it supports a large part of the Storm Utility.
- Staff is working on the annual stormwater management plan, which accompanies the annual report to Ecology in March.
- Gateway II design and permitting is moving along nicely.
- Planning grant coordination meetings are scheduled for the Brookelane Wilson re-alignment project in December.

Electric

- Council recently approved \$120,000 amendment for the 2022 budget for the City to develop a Sustainability Plan and update the City's Energy Strategy. More information to come in 2022.
- We are advertising for two vacant Journeyman Lineman position.
- Meter department has been focusing on corrections to meter audits.
- Crews are focusing on overhead and underground maintenance work.
- Staff has provided approval of the temporary construction occupancy for the new elementary school. Several punch list items remain to be completed prior to final approval.
- Staff, with the aid of D. Hittle & Associates, has advertised for bid the substation power transformer for the Dolarway Substation project, bids are due 3:00 p.m. January 6th.
- Staff is planning on advertising for additional material bids for the Dolarway Substation (15kV Circuit Breaker, 115kV Circuit Switcher) in the near future.
- Aubrey Silvey Enterprises Inc. is on site performing substation maintenance at the Helena Ave Substation work is scheduled to be completed by Friday December 10th. Helena Substation is currently de-energized for maintenance and the crew is scheduled to re-energize and put the station back into service Monday December 13th.
- Staff advertised Bid Call 2021-12 15kV Medium Voltage Underground Distribution Cable and received two bids. City Council awarded the bid to Anixter Inc. the lowest responsive bidder at the Nov 15th meeting. Anixter's bid was for \$112,740.30 and is above the Engineers Estimate of \$88,700, by approximately 21%. This increase is expected due to recent market conditions. These materials are

essential to the operations of the Electrical Utility and must be purchased. Adequate budget exists to accommodate the additional cost.

- Staff is working with the local communication companies for the relocation of existing communication facilities related to the Gateway Project.
- The installation of the duct and vault system for the Bull Rd. project is ongoing.

Gas

- Staff was requested to look into RCW 70A.65.130 (portion of the Climate Commitment Act) at the November meeting and determine if the RCW has an effect on the City's current rebate system. In review of the RCW, this affects customers connected after July 25, 2021 and whether those customers can receive revenue. In reading the law, the revenues discussed are the revenues coming from auctioning of greenhouse gas allowances. Staff understands that the auction process and allowances will be part of the rule making process as the CCA continues to be developed.
- Crews performed scheduled monthly pipeline patrol tasks including odorant reads. Crews installed new PE services at customer's request and started on annual commercial meter maintenance. Crews are also completing annual operator qualification written tests and preparing for annual welding re-certifications.
- Staff and crew reviewed O&M Section 15 – Emergency Procedures and Reporting Requirements as part of our annual review of our Operations and Maintenance Manual.
- A recent natural gas purchase commitment was made to Shell Energy North America. The purchase commitment is for 1000 MMBtu/day at \$3.85/MMBtu for the month of March 2022. The total value of the contract purchase is \$119,350.
- Staff advertised Bid Call 2021-07 Walnut Street Rectifier & Deep Well Anodes – Relocation & Replacement on Wednesday, December 8th. Bids will be opened on December 29, 2021.
- Our annual safety newsletter is being included with utility bills and has been placed on the city's website.
- Staff continues to review material inventory and projected needs in anticipation of supply chain issues.
- Chet Weekes will take his apprenticeship exam in December and staff will perform a final JATC review of Chet Weekes OJT and training hours to determine his graduation out of the Gas Mainfitter Apprenticeship.
- A review of Kody Graham's experience and training hours will be reviewed to determine how much credit he is given when he enters the Gas Mainfitter Apprenticeship in January, 2022.