CITY COUNCIL AGENDA

June 15, 2026

Ellensburg City Council welcomes and encourages public participation in their public meetings. Meetings are broadcast on Charter/Spectrum Channel 191 and available to livestream on Ellensburg Community Television at ectv2.com or on YouTube at ECTV Ellensburg. Members of the public may attend City Council meetings either in person in the City Council Chambers, 501 N Anderson Street, Ellensburg, WA 98926 or by registering to attend remotely via video conference.

To attend the City Council meeting virtually register here:
https://us02web.zoom.us/webinar/register/WN_f70b9cxxRmW7HEXnCUIXlQ

Accessibility
The City of Ellensburg strives to make our services, programs, and activities readily accessible.

- Closed Captioning is available to Zoom viewers. To enable closed captioning, you will need to click on the “CC” button at the bottom of your Zoom screen and then select either “Show Subtitle” or “View Full Transcript."
- Members of the public who do not speak English or who have limited proficiency may request an interpreter if they wish to participate in public meetings.
- The City will provide reasonable accommodation for members of the public with disabilities.

The City of Ellensburg strives to make our services, programs, and activities readily accessible and usable by individuals with disabilities. Reasonable accommodations will be made upon request. Please furnish the ADA Coordinator with your request in sufficient time for the City to provide a reasonable accommodation. A Request for Accommodation form may be obtained on the first floor of City Hall or by calling the City of Ellensburg ADA Coordinator at (509) 962-7222 or email ADAcoordinator@ci.ellensburg.wa.us

COUNCIL MEETING

GUIDELINES FOR PUBLIC PARTICIPATION

All City Council meetings are broadcast on Charter/Spectrum Channel 191 and available to livestream on Ellensburg Community Television at www.ectv2.com or on YouTube at ECTV Ellensburg. You may also attend by phone, only, and listen to the meeting by following the registration instructions under "Procedure for Remote Participation During Meeting" below. Once you register, you will be sent a meeting invitation with a phone number for the meeting.

Public comment on Non-Agenda Issues (Item No. 7) is limited to a combined total of thirty (30) minutes unless Council votes to extend the time. Testimony or comments will be accepted in the following manner:

SUBMISSION OF WRITTEN COMMENTS

- **Written comments submitted in advance of meeting**
  Submit written comments by mail to Beth Leader, City Clerk, Ellensburg City Hall, 501 N. Anderson St., Ellensburg, WA 98926, or via email to: cityclerk@ellensburgwa.gov. Comments received by 5 p.m. on the meeting date will be compiled, sent to the City Council and entered into the record.

- **Comments for public hearings**
  Written comments must be received by the City Clerk by 5 p.m. on the meeting date. Comments can either be mailed to Beth Leader, City Clerk, Ellensburg City Hall, 501 N. Anderson St., Ellensburg, WA 98926, or sent via email to: cityclerk@ellensburgwa.gov. Comments received by 5 p.m. on the meeting date will be compiled, sent to the City Council and entered into the record.

PROCEDURE FOR REMOTE PARTICIPATION DURING MEETING

1. ***Advance registration is required to provide public comment or hearing testimony via remote meeting attendance. Once registered, you will receive an email with the meeting link and phone number (for those who wish to call into the meeting).***
   a) Anyone wishing to provide public comment on ***Non-Agenda Issues*** (Item No. 7 on the Agenda) must: 1. Register via the Zoom link by no later than 24 hours prior to the meeting; and 2. Provide a description in the Zoom registration form of the topic upon which they wish to speak with sufficient detail to allow the Mayor to determine whether it pertains to City business or a matter over which Council has control.
   b) Anyone wishing to speak on ***all other Agenda items*** where it specifically states "Public Comment Opportunity" must register prior to 7 p.m. the day of the meeting.
2. Join the meeting early, as you may need to download the app in advance to participate. Once you've joined the meeting, your camera and microphone will be muted until you are recognized by the Mayor to speak.
3. Please note that there may be several items on the City Council Agenda that will precede the agenda item you wish to address.
4. The Mayor will identify the agenda item and ask if anyone wishes to speak on the matter.
5. If you wish to speak on an agenda item, you must:
   a) Wait to be called upon by the Mayor using your name, e-mail, or phone number used to log in to the teleconference.
   b) Raise your "virtual hand" in the corner of Zoom application on the computer screen or press *9 on your phone. Raising your hand signals the moderator that you wish to speak.
6. Please state your name, whether you live in the City of Ellensburg, Kittitas County or elsewhere, and whether you are representing only yourself or others.

PROCEDURE FOR IN-PERSON PARTICIPATION (COUNCIL CHAMBERS)

- When recognized, approach the microphone provided on the right side of the room.
- Please state your name, whether you live in the City of Ellensburg, Kittitas County or elsewhere, and whether you are representing only yourself or others.
- Each speaker's comments are to be limited to 3 MINUTES.
- Submit any written comments to the City Clerk.
- Speakers may not identify themselves as candidates for elective public office or make any statements which assist or discuss the campaign of a candidate for elective office or discuss or campaign for or against a ballot proposition (unless the ballot proposition is being considered as part of the City Council agenda item).

PUBLIC COMMENT RULES FOR ALL MEETING PARTICIPANTS

1. Each speaker's comments are to be limited to 3 MINUTES.
2. Speakers are cautioned not to engage in conduct that disrupts, disturbs or otherwise impedes the orderly conduct of the Council meeting.
3. Speakers may not identify themselves as candidates for elective public office or make any statements which assist or discuss the campaign of a candidate for elective office or discuss or campaign for or against a ballot proposition (unless the ballot proposition is being considered as part of the City Council agenda item).
4. Speakers providing comments on Item 7, Non-Agenda Issues, may only address the Council on matters which concern the City's business or over which the Council has control, and must announce the topic upon which they wish to speak before making their comments.

Please note: City Council Rules provide that no action will be taken by the Council at the meeting at which a subject is first introduced during the citizen comment period (Item 7 on the Agenda). Council may consider an item at a future meeting, thus you may wish to concisely state your concern and request placement of your matter on a future agenda. Staff will follow up with speakers as necessary.

CONSENT AGENDA

Members of the audience may request items be removed from the consent agenda by asking for recognition and making the request during Agenda Approval. Items will not be removed from the consent agenda unless your request is confirmed by a councilmember.

AGENDA ITEMS

If you wish to have an item placed on a Council agenda, a written request should be delivered to the City Manager's Office prior to noon on the Monday preceding the Council meeting. Assistance will be provided in preparing a request if you wish to contact the City Clerk at (509) 925-8614.

PUBLIC HEARINGS

City Council accepts testimony or comments in person or via remote testimony on a particular subject schedule for Public Hearing. Council will consider all testimony, respond to any questions, and take action after the public hearing is closed. Testimony or comments will be accepted in the following manner:

1. When recognized,
   If attending in the Council Chambers, approach the microphone provided on the right side of the room.
   If attending remotely, raise your "virtual hand" in the corner of Zoom application on the computer screen or press *9 on your phone.
2. Please state your name, address, and whether you are representing only yourself or others.
3. Please limit your comments to 5 MINUTES.
4. Submit written comments to the City Clerk.

CITY OF ELLENSBURG
CITY COUNCIL AGENDA
Council Chambers
501 North Anderson Street
Ellensburg, WA 98926
And remotely via Zoom
Monday, June 15, 2026
7:00 PM - Regular Meeting

Pledge of Allegiance

1. Call to Order and Roll Call

2. Proclamations (No Public Comment)

2.A Juneteenth Day of Observance 7

3. Awards and Recognitions

4. Approval of Agenda (No Public Comment)

5. Consent Agenda (No Public Comment)
Items listed below have been distributed to Councilmembers 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 Councilmember or at the request of a member of the public with concurrence of a Councilmember. Requests to remove items should be made under Item 4 Approval of Agenda.

5.A Approve Minutes of June 1, 2026 Regular Meeting 8

5.B Approve Minutes of June 1, 2026 Study Session 13

5.C Acknowledge Minutes of Boards and Commissions 14

5.D ETAC Resignation - Deja Blanchard 21

5.E Asset Management Agreement and Base Contracts for Sale and Purchase of Natural Gas 22

5.F 2025 City of Ellensburg Annual Financial Statement Report 87

5.G Award Bid Call No. 2026-02 Feeder 7 Construction & Feeder 1 Line Extension to Magnum Power LLC 129

5.H Award Bid Call 2026-06 for the 2026 Residential Sidewalk Repair Program 131

5.I Floodplains by Design - Floodplain Protection Land Acquisition Grant Award Acceptance – Public Works Project Numbers 24-058 / 26-076 133

5.J New Voice over IP Telephone Services Provider 187

5.K Approve June 15, 2026 Voucher Listing 213

6. Petitions, Protests, and Communications

6.A Civil Service Commission Appointment - Charlie Divine (Public Comment Opportunity) 214

6.B Programs update from Habitat for Humanity Seattle - King and Kittitas Counties (Public Comment Opportunity)

6.C 2026 Summer Water Conservation Campaign Presentation (Public Comment Opportunity) 218

7. Public Comment on Non-agenda Items

8. Business Requiring Public Hearings

8.A Public Hearing (Legislative) - Review of Ordinance 4990, June 2026 Development Regulations Amendments (First Reading) (Public Comment Opportunity) 228

8.B Public Hearing (Legislative) to consider a Resolution adopting the City's Six-Year Transportation Improvement Plan (TIP) 2027-2032 and provide an annual 'Complete Streets and Traffic Safety Update' (Public Comment Opportunity)309

9. Introduction and Adoption of Ordinances and Resolutions

9.A Ordinance 4989 (Second Reading) - Amending the Ellensburg City Code Regarding the Fee Schedule for Public Records Requests (Public Comment Opportunity) 314

9.B Resolution 2026-09 Adopting a Body Worn Camera Footage Redaction Fee Policy (Public Comment Opportunity) 319

9.C Resolution 2026-10 Adopting a Fee Schedule for Public Records Requests (Public Comment Opportunity) 326

9.D Resolution 2026-13 Ellensburg City Council Commitment to Community (Public Comment Opportunity) 331

9.E Resolution 2026-14 Ellensburg City Council Strategic Vision 2026-2031 (Public Comment Opportunity) 334

9.F Resolution 2026-15 (Joint Resolution with Kittitas County) Authorizing Funding for Opoid Abatement RFPs (Public Comment Opportunity) 341

10. Unfinished Business

10.A Discussion of Walkway Easements Between Catherine Cottages and Radio Road (Public Comment Opportunity) 350

11. New Business

11.A Professional Services Contracts between the City of Ellensburg and HopeSource for Transit Services (Public Comment Opportunity) 363

11.B Bonneville Power Administration Provider of Choice Above-CHWM Election (Public Comment Opportunity) 490

11.C Notice of Intent to Commence Annexation Proceedings for Parcels 066733, 056733, 916733, 636733, 626733, 936733, 266733, 116733, and 326733, Located Adjacent to South Locust Street and Seattle Avenue. (Public Comment Opportunity) 602

12. Miscellaneous

12.A Manager's Report (No Public Comment) 611

12.B Councilmembers' Reports (No Public Comment)

13. Executive Session

13.A Per RCW 42.30.110(1)(i), To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

14. Adjournment

City of Ellensburg

PROCLAMATION

A Proclamation on Juneteenth Day of Observance 2026

WHEREAS, Juneteenth became the latest official federal holiday in the United States in 2021; and

WHEREAS, over 2 years after President Abraham Lincoln declared all enslaved persons free, Union Army troops marched to Galveston, Texas, to enforce the Emancipation Proclamation and free the last enslaved Black Americans in this country; and

WHEREAS, these newly-freed men, women and children celebrated their long-overdue emancipation on June 19, 1865, establishing what continues to be an annual day of celebration for all Americans; and

WHEREAS, Juneteenth is a day to celebrate the power and resilience of Black Americans who have endured generations of oppression in their ongoing journey toward equal justice, equal dignity, equal rights, and equal opportunity in America; and

WHEREAS, we commemorate Juneteenth: a chance to celebrate human freedom, reflect on the grievous and ongoing legacy of slavery, rededicate ourselves to rooting out systemic racism, honor the rich history of the Black community in Ellensburg; and

WHEREAS, a city-wide coalition consisting of the Kittitas County Historical Museum, the CWU Library and associated campus programs, the Ellensburg Downtown Association, and representatives from the City Council and the Access, Advocacy, Equity, and Engagement Commission have collaborated and planned a city-wide Juneteenth Celebration on June 19 for residents and visitors of our City.

NOW, THEREFORE, BE IT RESOLVED that the Mayor of the City of Ellensburg, does hereby proclaim June 19, 2026 as Juneteenth Day of Observance and urges city and county residents to attend this important county-wide celebration.

Signed this 15th day of June, 2026.

Rich Elliott, Mayor

Attest: Beth Leader
City Clerk

CITY OF ELLENSBURG **Minutes of City Council, Regular Meeting**
Date of Meeting **June 1, 2026**
Time of Meeting **7:00 PM**
Place of Meeting **Council Chambers**
501 North Anderson Street
Ellensburg, WA 98926
And remotely via Zoom

Pledge of Allegiance
The Pledge of Allegiance was led by Councilmember Beauchamp

1. Call to Order and Roll Call
Roll Call Present: Sarah Beauchamp, Rich Elliott, Nancy Goodloe, Nancy Lillquist, David Miller, Delano Palmer

Absent: Joshua Thompson

Councilmember Palmer moved to approve an excused absence for Councilmember Thompson. **Motion Approved 6-0**

Others present in person: City Manager Behrends Cerniwey, City Attorney Horner, City Clerk Leader, HR Director Young, Arts & Economic Development Manager Vandenberg, Public Works Director Lyyski, City Engineer Mayo, Assistant Public Works Director Helgeson, Facilities & Fleet Manager Slyfield, Accountant III Del Prete, Parks & Recreation Director Case, Assistant Planner Pedersen, Public Information Officer Klauss, Assistant Finance Director Bassett, Community Development Director Carlson and approximately fifteen members of the public

Others present remotely via Zoom: three members of the public

2. Proclamations

2.A LGBTQ+ Pride Month
Councilmember Goodloe read the proclamation.

3. Awards and Recognitions

4. Approval of Agenda
Councilmember Miller moved to change the order of items 11A and 11B, so the Legislative Update would be before the Annexation Notice.

Councilmember Lillquist moved to approve the Agenda as amended. **Motion Approved 6-0**

5. Consent Agenda

5.A Approve Minutes of May 18, 2026 Regular Meeting

5.B Approve Minutes of May 18, 2026 Study Session

5.C Acknowledge Minutes of Boards and Commissions

5.D Annual Traffic Impact Fee Report

5.E Project Acceptance - WWTP Fiber Construction Project

5.F Utility Vehicle Purchasing Authority

5.G Professional Services Agreement with Brookhouse Professional Services LLC for Ellensburg's Utility Improvement Initiative

5.H KVFR Interlocal Agreement-Amendment No 1

5.I Access, Advocacy, Equity, & Engagement (AAEE) Commission Spending Plan

5.J Extension Letter to Conditionally Selected Developer of the Ellensburg Fieldhouse Project

5.K Approve Voucher Listing for June 1, 2026

Councilmember Goodloe moved to approve the Consent Agenda as presented. **Motion Approved 6-0**

6. Petitions, Protests, and Communications

6.A Arts Commission Reappointment - Jeffrey Snedeker (Public Comment Opportunity)
Kelle Vandenberg, Arts & Economic Development Manager, presented information concerning the recommendation for reappointment of Jeffrey Snedeker. Mr. Snedeker spoke regarding his reappointment.

Councilmember Palmer moved to approve the reappointment of Jeffrey Snedeker to the Arts Commission. **Motion Approved 6-0**

6.B AAEE Commission Reappointment of Phil Backlund and Appointments of Kathryn Martell and C. Lorena Medina-Dirksen (Public Comment Opportunity)
Nicole Klaus, Public Information Officer, presented information regarding the recommendation from the AAEE Commission.

Phil Backlund, C. Lorena Medina-Dirksen and Kathryn Martell spoke regarding their interest in serving on the commission.

Councilmember Goodloe moved to approve the reappointment of Phil Backlund and the appointment of Kathryn Martell and C. Lorena Medina-Dirksen to the AAEE Commission. **Motion Approved 6-0**

7. Public Comment on Non-agenda Items
Public comment was heard by the following citizen:
Pat Kelleher

8. Business Requiring Public Hearings

9. Introduction and Adoption of Ordinances and Resolutions

9.A Ordinance 4987 (Second Reading) - Amending the 2025/2026 Biennial Budget (Public Comment Opportunity)
Emily Del Prete, Accountant III, presented information in the staff report.

Public comment on the topic was heard from the following citizen:
Pat Kelleher

Staff will respond to the question by Mr. Kelleher.

Councilmember Lillquist move to conduct second reading and adoption of Ordinance 4987, amending the 2025/2026 Biennial Budget. **Motion Approved 6-0**

9.B Ordinance 4988 (Second Reading) - Water and Sewer Utility Rates and Plant Investment Fees 2026-2028 (Public Comment Opportunity)
Ryan Lyyski, Public Works Director, presented information in the staff report.

Councilmember Palmer moved to conduct second reading and adoption of Ordinance 4988, adjusting water and sewer rates and plant investment fees. **Motion Approved 6-0**

9.C Ordinance 4989 (First Reading) - Amending the Ellensburg City Code Regarding the Fee Schedule for Public Records Requests (Public Comment Opportunity)
Chris Horner, City Attorney, presented information in the staff report. Council asked questions of staff.

Public comment on the topic was heard from the following citizen:
Pat Kelleher

Councilmember Palmer moved to conduct first reading of Ordinance 4989 amending Ellensburg City Code regarding the process for adopting a fee schedule for public records requests. **Motion Approved 6-0**

9.D Resolution 2026-11 Accepting Donation for Swim Lessons
Brad Case, Parks & Recreation Director, presented information in the staff report.

Councilmember Miller moved to adopt Resolution 2026-11, accepting the donation of $7,500.00 to sponsor Level 2 swimming lessons for the 2026

summer season and waive the fees that will be offset by the donation. **Motion Approved 6-0**

Mayor Elliott requested staff review for presentation of a potential change to the city code on a future agenda regarding approval of donations over $1,000.

10. Unfinished Business

10.A Kittitas Valley Memorial Pool & Fitness Center Consultant Proposal
Hunter Slyfield, Facilities and Fleet Manager, presented information in the staff report.

Public comment on the topic was heard from the following citizens:
Pat Kelleher
William Coleman spoke on behalf of Candice Comfort

Councilmember Palmer moved to authorize staff to move forward with Task 1 - Condition Assessment of Existing Facility. **Motion Approved 6-0**

11. New Business

11.A 2026 State Legislative Session Update by Josh Weiss (Public Comment Opportunity)
Heidi Behrends Cerniwey, City Manager, introduced Josh Weiss with Columbia Policy Advisors. Mr. Weiss presented information concerning the 2026 State Legislative Session.

Public comment on the topic was heard from the following citizen:
Pat Kelleher

The report was for information only.

11.B Notice of Intent to Commence Annexation Proceedings for parcels 016833 (200 S. Elliott St.) and 026833 (107 S Dennis St.). (Public Comment Opportunity)
Chace Pedersen, Associate Planner, presented information in the staff report.

Public comment on the topic was heard from the following citizens:
Bill Hinkle, representing Prophet Elijah Church
Jim Diamond

Councilmember Goodloe moved to approve the intent to commence annexation proceedings; set the annexation boundary to include parcels 016833 and 026833 as shown on the map (Exhibit 6); direct for simultaneous adoption of Light Industrial (I-L) zoning and require the assumption of all existing city indebtedness by the area to be annexed. **Motion Approved 6-0**

12. Miscellaneous

12.A Manager's Report (No Public Comment)
Heidi Behrends Cerniwey, City Manager, presented information in the report. Additional items included reminder of the Juneteenth Celebration event and included on the dais was the suggested language edit for the Grant Application process. Council consensus was to add the suggested language to the public announcement.

There was a request for the Mayor's signature on a letter, which was included on the dais, for support of grant funding for KEEN.

Councilmember Goodloe moved to approve the Mayor's signature on the letter of support for KEEN for the Veteran's program. **Motion Approved 6-0**

12.B Councilmembers' Reports (No Public Comment)

- Councilmember Palmer attended the Yakima Basin Fish and Wildlife board meeting
- Councilmember Miller attended the Comprehensive Health MMU ribbon cutting, LEOFF Board and Planning Commission meetings. He recognized Planning Commissioner George Bottcher for his years of service with the City.
- Councilmember Lillquist attended the Environmental Commission meeting and reported on Bike Month events. She requested an excused absence for the June 15, 2026 meeting

Councilmember Palmer moved to approve an excused absence for Councilmember Lillquist at the June 15, 2026 meeting. **Motion Approved 6-0**

- Councilmember Goodloe attended the West Ellensburg Park playground equipment ribbon cutting and Affordable Housing Commission meeting
- Councilmember Beauchamp attended the West Ellensburg Park playground equipment ribbon cutting and LEOFF board meeting
- Mayor Elliott attended Developmental Disabilities Advisory Board meeting, visited the Comprehensive Heath MMU van, spoke about the meeting invitation received concerning a passenger rail service, and had a Tree City USA announcement for the City Public Information Officer.

13. Executive Session

14. Adjournment
Meeting adjourned at 8:47 pm

_____
Mayor

ATTEST: _____
City Clerk

CITY OF ELLENSBURG — **Minutes of City Council, Study Session**

Date of Meeting — **June 1, 2026**

Time of Meeting — **6:00 PM**

Place of Meeting — **Council Chambers**
501 North Anderson Street
Ellensburg, WA 98926
And remotely via Zoom

Study Session (No Public Comment)
Councilmembers Present: Sarah Beauchamp, Rich Elliott, Nancy Goodloe, Nancy Lillquist, David Miller, Delano Palmer

Councilmember Absent: Joshua Thompson

Others present in person: City Manager Behrends Cerniwey, City Attorney Horner, City Clerk Leader, EPD Crime Analyst Carr, HR Director Young and approximately one member of the public

Others present remotely via Zoom: No members of the public

A 2026 Community Survey Results
Heidi Behrends Cerniwey, City Manager, introduced the item and Dr. Eliann Carr, EPD Crime Analyst, presented survey results and answered questions from Council.

14. Adjournment
Meeting adjourned 6:51 pm

_____
Mayor

ATTEST: _____
City Clerk

CITY OF ELLENSBURG **Minutes of Affordable Housing Commission Meeting**
Date of Meeting **May 6, 2026**
Time of Meeting **4:30 PM**
Place of Meeting **Council Chambers 501 North Anderson Street**
Ellensburg, WA 98926
And remotely via Zoom

1. Call to Order and Roll Call

Present: Dan Witkowski, Courtney Garzone, Delano Palmer, Sarah Syverson, and John Perrie
Not present: Kim Funtson
Also present: Heidi Behrends Cerniwey, City Manager; Kelle Vandenberg, Arts & Economic Development Manager; Dan Carlson, Community Development Director; Lily Frey, Housing Program Manager; Denise Tlatelpa, Planning Technician; and one member of the public.

Chair Garzone called the meeting to order at 4:30 p.m. Councilmember Palmer moved to excuse Commissioner Funtson's absence. Motion passed 5-0.

2. Approval of Agenda

Councilmember Palmer moved to approve the agenda as presented. Motion passed 5-0.

3. Approval of Minutes

3.A. April 15th, 2026 Regular Meeting minutes
Councilmember Palmer moved to approve the meeting minutes as presented. Motion passed 5-0.

4. Public Comments

None.

5. New Business

5.A. Discuss 2026 notice of funding availability (NOFA) options
Frey presented options for 2026 and 2027 notice of funding availability. As of March 2026, the unallocated fund balance was about $637,000, with about $800,000 in revenue budgeted annually. A housing development/capital expenditure NOFA will not be re-issued until 2027.

Commissioners discussed tradeoffs of annual or open-ended funding cycles seeking to maximize opportunities to support priority projects and suggested investment opportunities to support the fund balance (current practice). Commissioners requested more information on the state/federal funding cycles for project development to align a potential City funding cycle.

Commissioners also discussed housing services funding in 2026 considering providing flexible support for housing services projects versus building a larger fund balance capital projects. Commissioners suggested preparing a NOFA with a $150,000 limit for housing services in 2026, which will be reviewed at a future meeting.

6. Unfinished Business

6.A. Review housing element feedback and proposed edits (Public Comment Opportunity)

Frey summarized in process revisions to the housing element based on feedback from the Planning Commission and Affordable Housing Commission. Based on AHC feedback, staff have added language on data limitations and margins of error to the Racially Disparate Impact (RDI) memo draft.

Based on Planning Commission feedback, staff have reworded housing element goals and policies around collaboration opportunities with Central Washington University (CWU), added a workforce housing policy and program, and have some general feedback items to incorporate to ensure topics is covered in one element if removed from another and policies are clear and actionable. Frey also discussed several program feedback ideas from the Planning Commission. Affordable Housing Commissioners agreed with pursuing edits based on Planning Commission feedback.

Kelle Vandenberg made public comment noting current City technical assistance through partnerships, such as the possibilities tour of development opportunities in the downtown area.

Frey also provided a brief overview of the housing survey data analyzed to date that may be incorporated in the housing element.

7. Staff Update/ Discussion Items

7.A. Planning for the second comprehensive plan open house – July 22, 2026
Frey noted the planned date and asked about known conflicts on that date with other events. Commissioners Palmer, Garzone, and Witkowski volunteered to participate in the event.

7.B. Housing project updates
Frey announced that the Willow Street Project agreement documents and the Catherine Cottages design will be presented to City Council on May 18. Additionally, the Odd Fellows Lodge Project has received State funding.

8. Commission Representative Update

Commissioner Garzone announced that Kittitas County Health Network and partners are hosting a public Community Connect event on June 24, 2026 that includes housing and other services.

9. Adjournment

Chair Garzone adjourned the meeting at 5:24 p.m.

CITY OF ELLENSBURG **Minutes of Lodging Tax Advisory Committee, Regular Meeting**
Date of Meeting **April 1, 2026**
Time of Meeting **2:00 PM**
Place of Meeting **Council Conference Room 501 North Anderson Street**
Ellensburg, WA 98926
And remotely via Zoom

1. Call to Order and Roll Call

1.A Roll Call Present: Carmen Wiggins, Steve Townsend, Lacie Dawson, Arlo Evasick, Chair, Sarah Beauchamp
Absent: Arlo Evasick

Guests: Matt Anderson, Kittitas County Chamber of Commerce, Amy McGuffin, Kittitas County Chamber of Commerce, Teresa Chanes, Ellensburg Downtown Association, Brad Case, Parks & Recreation Director, Ryan Lyyski, Heidi Behrends-Cerniwey, City Manager

2. Public Comment

No public comment was given.

3. Approval of Agenda

3.A Approval of April 1, 2026, Lodging Tax Advisory Committee meeting agenda

Motion: Move to approve April 1, 2026, LTAC meeting agenda as presented.
By: Steve Townsend
Seconded by: Carmen Wiggins
All in Favor:
Opposed: None
Abstained: None
Motion carries

4. Approval of Minutes

4.A Approval of March 4, 2026, Lodging Tax Advisory Committee Special Meeting minutes as presented.

Motion: Move to approve March 4, 2026, Lodging Tax Advisory Committee meeting minutes as presented.
By: Steve Townsend
Seconded: Lacie Dawson
All in Favor: All in Favor
Opposed: None

Abstained: None
Motion Carries

5. Unfinished Business

5.A Downtown Receptacle Update—Staff Report

Staff gave brief update on status of order and feedback on the new can placed on 4th and Pearl Street.

6. New Business

6.A Tourism Related Internal Application from Ellensburg Downtown Association (EDA)

Teresa Chanes, Executive Director of the EDA presented the need for an additional $15,000 to support the PLACES conference. Reviewed post-event report from 2025 Gig Harbor.

Motion: Move to allocate and approve for recommendation to City Council the utilization of $15,000.00 from Lodging Tax Funds to support the Ellensburg Downtown Association for the PLACES Conference in October 2026.

By: Steve Townsend
Seconded: Lacie Dawson
All in Favor: All in Favor
Opposed: None
Abstained: None
Motion Carries

6.B Ellensburg Community Fieldhouse Update

Brad Case, Parks and Recreation Director, gave an overview of the Ellensburg Community Fieldhouse project.

7. Tourism Report

7.A Monthly Tourism Social Media Report from Kittitas County Chamber of Commerce

Amy McGuffin, CEO of the Kittitas County Chamber of Commerce gave the monthly social media tourism update for Ellensburg.

8. Budget Update

8.A Expenditure and Revenue Update

9. Adjournment 3:05 pm

Parks & Recreation Advisory Commission
Meeting Minutes – February 11, 2026

MEMBERS PRESENT:	Frana Milan, Marion Elliot (virtual), Charlie Smith, Casey Mace Firebaugh (virtual), Ron Parga
OTHERS PRESENT:	Parks & Recreation Director Case, Council Liaison Goodloe, 2 members of the public (virtual)
LOCATION:	Council Conference Room and Virtually

CALL TO ORDER – Meeting called to order at 5:35pm

MEETING MINUTES – Minutes from the January 14, 2026, meeting was approved.

INTRODUCTION OF NEW COUNCIL LIAISON NANCY GOODLOE

NEW BUSINESS

2025 Department Year in Review – Staff provided the Commission an overview of services, programs, and projects the department accomplished in 2025. A community member requested the removal of the tennis courts from the Mt. View Park master plan.

2026 Capital & Planning Projects – Staff provided the Commission with an update on the capital project development and planning scheduled for 2026. This list includes; installing a new playground at West Ellensburg Park; North Alder Street Park splash pad; replacement of the natatorium (sloped) roof at the Kittitas Valley Memorial Pool & Fitness Center; conclusion of the Park, Recreation, Open Space, and Sustainable Funding Plan; various outreach efforts to identify a path forward to address the need for an updated or new aquatic center.

UPCOMING MEETING ITEMS – Special meeting scheduled for February 25, 2026, at 5:30pm to review the draft plan of the Parks, Recreation, Open Space, and Sustainable Funding Plan.

STAFF REPORTS

1. Park restrooms and gates will open for the season on Friday, March 20, 2026. 2. The off leas dog park will be closed February 19-20, 2026, for maintenance; scope of work includes some minor fence repair, removing and replacing park surfacing, and filling in the low spots where water tends to pool, especially in the winter and spring. 3. Flood repair work at Irene Rinehart Riverfront Park will begin in three weeks. Work will include woody debris removal and adding material in the areas where the flooding scoured out the trails. 4. City staff will be doing an analysis of downtown trees using Survey 123 to record tree condition and site suitability in order to put together a schedule for tree replacements. 5. Staff has been talking with fire prevention specialist from KVFR to explore ways to reduce fire danger at Irene Rinehart Riverfront Park. In the summer of 2024, there were a series of arson fires that took place in the park, fortunately there was minimal damage. 6. The city will be utilizing a new budget process for the 2027/28 biennial budget.

Meeting adjourned at 7:00pm.

Parks & Recreation Advisory Commission
Special Meeting – February 25, 2026

MEMBERS PRESENT:	Frana Milan, Marion Elliot (virtual), Charlie Smith, Ron Parga, Nikki Pollock, Devin Shea
OTHERS PRESENT:	Parks & Recreation Director Case, Council Liaison Goodloe, Cindy Mendoza, MIG, 1 member of the public
LOCATION:	Council Conference Room and Virtually

CALL TO ORDER – Meeting called to order at 5:30pm

Citizen Comment on Non-Agenda Items – none

PARK PLAN PRESENTATION – MIG reviewed the final draft plan of the Park, Recreation, Open Space and Sustainable Funding plan with the Commission and recommended approval of the plan. All in favor.

Meeting adjourned at 7:00pm.

From:	Betsy Dunbar
To:	Gretchen Delaford
Subject:	ETAC Member Resignation
Date:	Friday, June 5, 2026 11:53:23 AM
Attachments:	Outlook-jwyq31cg.png Outlook-ybpfiotn.png

Gretchen,

On May 26, 2026, Deja Blanchard resigned from her position on the Ellensburg Transportation Advisory Committee.

I was informed of her resignation by CWDR.

Kind Regards,

Betsy Dunbar
Transit Manager | **City of Ellensburg**
Ph. (509) 925-8680
dunbarb@ellensburgwa.gov
www.centraltransit.org

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Asset Management Agreement and Base Contracts for Sale and Purchase of Natural Gas
Submitted by:	Nichole Baker, Energy Resources Manager
Department:	Energy Services

Suggested Motion/Action:
Move to authorize the City Manager to sign the Asset Management Agreement (as attached or in substantially similar form) and Base Contracts for Sale and Purchase of Natural Gas with Tenaska Marketing Ventures and Tenaska Gas Storage, LLC.

Background/Summary:
The City issued RFP R26-05 on March 23, 2026, to procure natural gas supply and asset management services beginning July 1, 2026, following the pending expiration of its existing agreement with Shell Energy North America. The procurement is intended to ensure reliable, low-cost natural gas service for Ellensburg's municipal gas system, while improving transparency in the purchasing process and seeking additional value from the optimization of transportation, storage, and interruptible load assets. The contracts are necessary to ensure uninterrupted, reliable, and cost-effective service for the City's municipal gas utility.

Ellensburg operates a municipally owned natural gas utility that serves approximately 5,200 meters. Calendar year 2025 sales totaled 708,011 MMBtu, with a peak winter demand of 5,329 MMBtu per day. The City's 2026 projected annual load is approximately 700,000 MMBtu and is highly weather-sensitive, reflecting a customer mix of roughly 34 percent residential, 33 percent commercial, 29 percent Central Washington University (CWU), and 4 percent industrial load.

The City holds long-term firm transportation contracts on Williams Northwest Pipeline totaling 7,750 MMBtu per day, with receipt points split between the Rockies and Sumas. In addition, the City maintains firm storage rights at Clay Basin and contracted LNG capacity at the Plymouth facility. The RFP reflects the City's interest in proposals that not only provide dependable gas supply and daily operational support, but also optimize transportation capacity, Clay Basin storage, Plymouth LNG storage, and interruptible load value beneficial to the utility. The City specifically invited vendors to propose revenue-sharing approaches, fixed annual release values, or other strategies that maximize value from surplus transportation and storage assets while preserving reliability.

Under the proposed arrangement, the selected vendor will be expected to provide core services including daily gas nominations, scheduling and balancing, monitoring and responding to Williams Northwest Pipeline notices and operational flow orders, financial tracking and reporting, support during force majeure events, optimization monitoring, and

preliminary monthly invoice estimates needed to support the City's retail rate-setting process. The City also expects the successful vendor to assist with gas supply procurement strategy, including timing of purchases, least-cost basin supply decisions, and remarketing of excess firm supply when necessary.

The attached Asset Management Agreement and Base Contracts for Sale and Purchase of Natural Gas have completed the contract procurement process and were presented to the Utility Advisory Committee on May 21, 2026 (and received a favorable recommendation). The Asset Management Agreement has an initial term of five years.

Ellensburg City Code 9.80.200(A), *"The energy services director or his/her designee will analyze proposals and recommend entering into one or more base supply agreement(s) and a natural gas asset management services agreement with a credit-worthy gas supplier. The base agreement(s) and natural gas management services agreement for gas supply will be reviewed by the utility advisory committee and approved by the city council."*

Previous Council Action:
On June 3, 2019, Council approved the Asset Management Agreement and Base Contract for Sale and Purchase of Natural Gas under the North American Energy Standards Board (NAESB) framework with Shell Energy North America.

Analysis:
The Asset Management proposal review was conducted by City staff using a structured best-value evaluation process of the four submitted proposals. The initial review confirmed that each proposer met baseline qualification and deliverability requirements before detailed comparison of cost and commercial terms. Proposals were then evaluated using common operating assumptions to normalize differences in pricing structure, including administrative fees, transaction costs, seasonal activity, and revenue-sharing provisions. This approach allowed the City to assess expected budget impact under likely operating conditions rather than relying solely on headline pricing. The review also considered overall commercial value, recognizing that the lowest apparent fee may not represent the strongest total value when shared revenues or other compensation are included. In addition, proposed contract terms and exceptions were identified separately to assess legal fit, implementation considerations, and risk. Overall, the process supports a recommendation based on comparative value, operational impact, and contractual suitability.

The Base Contracts are needed to give the City of Ellensburg and Tenaska Marketing Ventures a single, enforceable master agreement for ongoing natural gas purchases and sales under the North American Energy Standards Board (NAESB) framework, while modifying the standard form to better fit the City's operational, legal, and risk-management needs. The agreements allow transactions to be made efficiently through oral, electronic, and written confirmations; clarify that the contract, confirmations, and transactions operate as one integrated agreement; add Washington-specific consent language for call recordings; strengthen protections around credit support, non-performance, default, termination, damages, and setoff; and include public-entity provisions addressing force majeure and waiver of immunity-based defenses, so the City can transact in the gas market with clearer enforceability and stronger commercial protections.

Based on the evaluation, City staff recommends awarding the Asset Management Agreement and Base Contracts for Sale and Purchase of Natural Gas to Tenaska Marketing Ventures and Tenaska Gas Storage, LLC, as their proposal provided the best overall value to the City when considering qualifications, deliverability on Northwest Pipeline, pricing and revenue-sharing structure, and proposed contract terms.

Financial Impact:
Asset management services totaled $48,210 in 2025. Natural gas purchases totaled $2,614,430 in 2025.

Budget Adjustment: No

Attachments:
1. City of Ellensburg-TGS 2006 NAESB w Special Provisions (Execution 4-14-2026)
2. City of Ellensburg-TMV-NAESB w Special Provisions (Execution 4-13-2026)
3. Tenaska Asset Management Agreement-6-1-26

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: April 14, 2026

The parties to this Base Contract are the following:

PARTY A TENASKA GAS STORAGE, LLC	*PARTY NAME*	PARTY B CITY OF ELLENSBURG
14302 FNB Parkway Omaha, NE 68154-5212	*ADDRESS*	501 North Anderson St. Ellensburg, WA 98926
www.tenaska.com	*BUSINESS WEBSITE*	www.ci.ellensburg.wa.us
CT-066438	*CONTRACT NUMBER*	
00-430-3603	*D-U-N-S® NUMBER*	06-004-1985
☒ US FEDERAL: 47-0830247 ☐ OTHER:	*TAX ID NUMBERS*	☒ US FEDERAL: 91-600-1245 ☐ OTHER:
DELAWARE	*JURISDICTION OF ORGANIZATION*	
☐ Corporation ☒ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☐ Other:	*COMPANY TYPE*	☒ Corporation ☐ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☐ Other:
Tenaska Energy, Inc. and Tenaska Energy Holdings, LLC	*GUARANTOR (IF APPLICABLE)*	

CONTACT INFORMATION

14302 FNB Parkway, Omaha, NE 68154 *ATTN:* *TEL#:* 402-758-6100 *FAX#:* 402-758-6274 *EMAIL:*	▪ *COMMERCIAL*	*ATTN:* Buddy Stanavich, Energy Services Director *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* stanavichm@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154-5212 *ATTN:* VP, Gas Scheduling *TEL#:* 402-758-6234 *FAX#:* 402-758-6274 *EMAIL:* pbarry@tenaska.com	▪ *SCHEDULING*	*ATTN:* Nichole Baker, Energy Resources Manager *TEL#:* 509-962-7271 *FAX#:* 509-925-8662 *EMAIL:* bakern@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154 *ATTN:* Senior Manager, Back Office Operations *TEL#:* 402-758-6172 *FAX#:* 402-758-6250 *EMAIL:* contractcomp@tenaska.com *Legal Contracts Fax: 402-758-8760;* *EMAIL: Legal-TMV@tenaska.com*	▪ *CONTRACT AND LEGAL NOTICES*	*ATTN:* Buddy Stanavich, Energy Services Director *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* stanavichm@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154-5212 *ATTN:* Vice President, Credit Risk *TEL#:* (402) 758-6178 *FAX#:* (402) 758-6290 *EMAIL:* Credit-TMV@Tenaska.com	▪ *CREDIT*	*ATTN:* Jerica Pascoe, Finance Director *TEL#:* 509-962-7205 *FAX#:* 509-925-7130 *EMAIL:* pascoej@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154 *TEL#:* 402-758-6172 *FAX#:* 402-758-6250 *ATTN:* Contract Compliance *EMAIL:* confirmations@tenaska.com	▪ *TRANSACTION CONFIRMATIONS*	*ATTN:* Nichole Baker, Energy Resources Manager *TEL#:* 509-962-7271 *FAX#:* 509-925-8662 *EMAIL:* bakern@ellensburgwa.gov

ACCOUNTING INFORMATION

14302 FNB Parkway, Omaha, NE 68154 *ATTN:* Vice President & Controller *TEL#:* (402) 758-6236 *FAX#:* (402) 758-6253 *EMAIL:* GasAccounting-TMV@tenaska.com	▪ *INVOICES* ▪ *PAYMENTS* ▪ *SETTLEMENTS*	*ATTN:* Buddy Stanavich, Energy Services Director *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* stanavichm@ellensburgwa.gov
BANK: U.S. Bank, Cincinnati, OH *ABA:* 042000013 *ACCT:* 130111671280 *OTHER DETAILS:*	*WIRE TRANSFER NUMBERS (IF APPLICABLE)*	*BANK:* US Bank *ABA:* 125000105 *ACCT:* 1 535 055 47 6868 *OTHER DETAILS:*
BANK: U.S. Bank, Cincinnati, OH *ABA:* 042000013 *ACCT:* 130111671280 *OTHER DETAILS:*	*ACH NUMBERS (IF APPLICABLE)*	*BANK:* *ABA:* *ACCT:* *OTHER DETAILS:*
ATTN: *ADDRESS:*	*CHECKS (IF APPLICABLE)*	*ATTN:* *ADDRESS:*

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Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure
☒ **Oral (default)**
OR
☐ Written

Section 2.7 Confirm Deadline
☒ **2 Business Days after receipt (default)**
OR
☐ _____ Business Days after receipt

Section 2.8 Confirming Party
☐ Seller (default)
OR
☐ Buyer
☒ **TENASKA GAS STORAGE, LLC**

Section 3.2 Performance Obligation
☐ Cover Standard (default)
OR
☒ **Spot Price Standard**

Note: The following Spot Price Publication applies to both of the immediately preceding.

Section 2.31 Spot Price Publication
☒ **Gas Daily Midpoint (default)**
OR
☐ _____

Section 6 Taxes
☒ **Buyer Pays At and After Delivery Point (default)**
OR
☐ Seller Pays Before and At Delivery Point

Section 7.2 Payment Date
☒ **25th Day** of Month following Month of delivery (default)
OR
☐ Day of Month following Month of delivery

Section 7.2 Method of Payment
☒ **Wire transfer (default)**
☒ Automated Clearinghouse Credit (ACH)
☐ Check

Section 7.7 Netting
☒ **Netting applies (default)**
OR
☐ Netting does not apply

Section 10.2 Additional Events of Default
☒ No Additional Events of Default (default)
☐ Indebtedness Cross Default
☐ Party A: _____
☐ Party B: _____
☐ Transactional Cross Default
Specified Transactions:
_____

Section 10.3.1 Early Termination Damages
☒ **Early Termination Damages Apply (default)**
OR
☐ Early Termination Damages Do Not Apply

Section 10.3.2 Other Agreement Setoffs
☒ **Other Agreement Setoffs Apply (default)**
☐ Bilateral (default)
☒ Triangular
OR
☐ Other Agreement Setoffs Do Not Apply

Section 15.5 Choice Of Law
WASHINGTON

Section 15.10 Confidentiality
☒ **Confidentiality applies (default)**
OR
☐ Confidentiality does not apply

☒ **Special Provisions** Number of sheets attached: _____nine (9)____ (to be determined)
☐ **Addendum(s):** _____

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

TENASKA GAS STORAGE, LLC	*PARTY NAME*	**CITY OF ELLENSBURG**
By:	*SIGNATURE*	By:
Mark A. McQuade	*PRINTED NAME*	Buddy Stanavich
Chief Compliance Officer and General Counsel	*TITLE*	Energy Services Director

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General Terms and Conditions
Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

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2.3. “Alternative Damages” shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.

2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.

2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.

2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.

2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.

2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.

2.13. "Credit Support Obligation(s)” shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.

2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.

2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.

2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.

2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.

2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party’s excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.

2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

2.21. “Guarantor” shall mean any entity that has provided a guaranty of the obligations of a party hereunder.

2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.23. “Indebtedness Cross Default” shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

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2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.31. "Spot Price " as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

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Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

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7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is

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not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and

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Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

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10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

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SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure,

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and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

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Letterhead/Logo	Date: _____, _____ Transaction Confirmation #: _____

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

SELLER:	**BUYER:**
_____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	_____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____

Contract Price: $_____/MMBtu or _____

Delivery Period: Begin: _____, ___ End: _____, ___

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):	**Firm (Variable Quantity):**	**Interruptible:**
_____ MMBtus/day ☐EFP	_____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of ☐Buyer or ☐ Seller	Up to _____ MMBtus/day

Delivery Point(s): _____
(If a pooling point is used, list a specific geographic and pipeline location):

Special Conditions:

Seller: _____	Buyer: _____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

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EXECUTION

SPECIAL PROVISIONS

These Special Provisions are part of, supplement, and amend the Base Contract by and between **Tenaska Gas Storage, LLC** and **City of Ellensburg**, dated April 14, 2026, and the General Terms and Conditions which are incorporated therein. In the event of any inconsistency between the Base Contract, the General Terms and Conditions and these Special Provisions, these Special Provisions shall govern. All capitalized terms used in these Special Provisions but not defined herein shall have the respective meanings ascribed to them in the Base Contract. Any reference to a Section in these Special Provisions refers to a Section of the Base Contract, amended as applicable by these Special Provisions. The headings and subheadings in these Special Provisions are used solely for convenience of reference and shall not be used to construe or interpret these Special Provisions.

SECTION 1 – PURPOSE AND PROCEDURES

1.2 (Oral Transaction Procedure): The fifth (5th) sentence shall be deleted in its entirety and replaced with the following: "Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction or EDI transmission by sending the other party a Transaction Confirmation by facsimile, or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral or EDI agreement of the parties. Any failure by the Confirming Party to send a Transaction Confirmation for any such transaction previously entered into shall not affect the enforceability of any such transaction nor shall such failure constitute or be deemed to constitute a breach of this Contract."

1.2 (Written Transaction Procedure): In the third (3rd) line, the word "EDI" **shall be deleted.**

1.3 Items (ii), (iii) and (iv) shall be deleted in their entirety and replaced with the following: "(ii) the agreement of the parties which may be evidenced by a recorded conversation or EDI, where the parties have selected the Oral Transaction Procedure of the Base Contract, and (iii) the Base Contract, the terms of the documents shall govern in the priority listed in this sentence. All transactions entered into by the parties pursuant to this Base Contract are entered into in reliance on the fact that the Base Contract, each Transaction Confirmation and each transaction entered into pursuant hereto constitute a single integrated agreement between the parties, and the parties would not otherwise have entered into the Base Contract or any transaction hereunder."

1.4 Section 1.4 shall be deleted in its entirety and replaced with the following: "1.4 The parties generally agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees. However, as required by Washington law, any party seeking to record the conversation must still obtain consent, which shall be obtained by announcing to all other parties engaged in the communication or conversation, in a reasonably effective manner, that such communication or conversation is about to be recorded, and such announcement must also be recorded. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract."

1.5 A new Section 1.5 shall be added as follows: "1.5 The parties hereby expressly waive all rights to, and expressly agree not to, contest any transaction entered into hereunder, or assert or otherwise raise any defenses or arguments related to any such transaction to the effect that such is not binding, valid or enforceable in accordance with its terms because either the employee(s) or representative(s) who entered into such transaction on behalf of a party, and who appeared to have the requisite authority to do so, did not, in fact, have such authority or because the provisions of certain applicable laws require such transaction to be in writing and/or executed by one or both parties."

SECTION 2 – DEFINITIONS

(a) "Base Contract": The definition of "Base Contract" shall be deleted in its entirety and replaced with the following: "Base Contract" shall mean collectively (i) the Base Contract executed by the parties to which these General Terms and Conditions are attached, (ii) these General Terms and Conditions which have been incorporated by reference with and into such Base Contract, and (iii) any Special Provisions and Addendum(s) identified in the Base Contract."

(b) "Cover Standard": The definition of "Cover Standard" shall be deleted in its entirety and replaced with the following: "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the Performing Party shall use commercially reasonable efforts to (i) if Buyer is the Performing Party, obtain Gas, or (ii) if Seller is the Performing Party, sell Gas, in either case, at a commercially reasonable price determined taking into account the relevant Delivery Point of the applicable transaction, the amount of notice provided by the Non-Performing Party, the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable, the quantities involved, and the anticipated length of failure by the Non-Performing Party.

(c) "EDI": The definition of "EDI" shall be deleted in its entirety and replaced with the following: ""EDI" shall mean an electronic data interchange between the parties."

(d) "Termination Option": The definition of "Termination Option" shall be deleted in its entirety.

(e) The following new definitions shall be added immediately following the definition of "Transporter(s)":

- "Affected Transaction" means a Firm transaction with a Delivery Period of at least 30 Days in respect of which there has occurred three (3) or more Failure Days in the Delivery Period.
- "Failure Day" means a Day on which the Non-Performing Party has failed to purchase and receive, or sell and deliver, as applicable, any portion of the Contract Quantity to be purchased and received or sold and delivered on such Day, which failure is not excused because of the Non-Performance (non-delivery or non-receipt, as applicable) of the Performing Party, or by Force Majeure.
- "Merger Event" means, with respect to a party, that such party consolidates or amalgamates with, or merges into or with, or transfers substantially all of its assets to another entity and (i) the resulting entity fails to assume all of the obligations of such party or other entity hereunder, or (ii) the benefits of any credit support provided pursuant to or related to this Contract fail to extend to the performance by such resulting, surviving or transferee entity of its obligations hereunder.
- "Non-Performance" means the failure by a party to purchase and receive (if the Buyer), or sell and deliver (if the Seller), Gas as required by any transaction under this Contract, which failure is not excused by (i) the non-performance (non-delivery or non-receipt, as applicable) of the other party; or (ii) Force Majeure.
- "Non-Performing Party" means a party in relation to which a Non-Performance has occurred.
- "Performing Party" means, if a Non-Performance has occurred, the party which is not the Non-Performing Party.

SECTION 3 – PERFORMANCE OBLIGATION

3.2 (Cover Standard):

- **In the first line, the first time the word** "The" **appears shall be deleted and replaced with the phrase** "Subject to Section 3.4, the"**.**
- **The phrase** "performing party" **shall be replaced with the phrase** "Performing Party" **each time it appears.**

3.2 (Spot Price Standard): In the first line, the first time the word "The" **appears shall be deleted and replaced with the phrase** "Subject to Section 3.4, the"**; and in the last sentence, the phrase** "performing party" **shall be replaced with the phrase** "Performing Party"**.**

3.4 Section 3.4 shall be deleted in its entirety and replaced with the following: "3.4 In addition to the rights set forth in Sections 3.2 and 3.3, unless otherwise specified on the applicable Transaction Confirmation, a Performing Party shall have the right ("Termination Right") to terminate, accelerate and liquidate an Affected Transaction by providing Notice to the Non-Performing Party designating an Early Termination Date, which date shall be between 1 and 5 Business Days following the most recent Non-Performance causing the Affected Transaction, but no earlier than the effective date of the Notice, on which date the Affected Transaction shall terminate. Following the exercise of its Termination Right, the Performing Party shall calculate the Net Settlement Amount pursuant to Section 10.3.2, but only in respect of the Affected Transaction, which amount shall be paid in accordance with Section 10.4, all as if an Early Termination Date had occurred, the Affected Transaction was the only transaction under this Base Contract, the Performing Party was the Non-Defaulting

Party and the Non-Performing Party was the Defaulting Party. The exercise of the Termination Right shall not be deemed to be an Event of Default or similar default with respect to the Affected Transaction, any other transactions entered into hereunder, or any other agreement between the parties. If the Performing Party fails to provide Notice to exercise its Termination Right within 5 Business Days of the occurrence of the last Non-Performance that gave rise to that Termination Right, the Termination Right shall expire, but without prejudice to any Termination Right that may subsequently arise upon the occurrence of a further Non-Performance in respect of that Transaction."

SECTION 7 – BILLING, PAYMENT, AND AUDIT

7.2 In the last sentence, the word "In" **shall be deleted and replaced with the phrase** "Subject to Section 7.3 and Section 10, in"**.**

7.3 The phrase "performing party" **shall be replaced with the phrase** "Performing Party" **each time it appears, and the phrase** "nonperforming party" **shall be replaced with the phrase** "Non-Performing Party" **each time it appears.**

7.4 Section 7.4 shall be deleted in its entirety and replaced with the following: "7.4 If the invoiced party, in good faith, disputes the amount of an invoice or any part thereof, then (i) for amounts due pursuant to Section 7.1, such invoiced party will pay such amount as it concedes to be correct and (ii) for amounts due pursuant to Section 7.3, such invoiced party must pay the entire amount of such invoice by the deadline set forth in Section 7.3. If the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section."

7.7 In the first sentence, the word "undisputed" **shall be deleted.**

SECTION 9 – NOTICES

9.1 The following phrase shall be added immediately following the word "addresses": "set forth on page 1 of the Base Contract or as otherwise"**.**

9.2 The following language shall be added immediately preceding the last period: "; provided, however, that any Notice delivered pursuant to Section 10.2, 10.3 or 10.4 via facsimile or electronic means shall also be delivered via overnight courier service, first class mail or hand delivery."

SECTION 10 - FINANCIAL RESPONSIBILITY

10.1 Section 10.1 shall be deleted in its entirety and replaced with the following: "10.1 If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y, or its Guarantor, if applicable), X may demand that Y deliver to X Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, cash collateral, a standby irrevocable letter of credit, a prepayment, guaranty or other mutually acceptable forms of security (including the issuer of any such security). Adequate Assurance of Performance shall not exceed the amount that would be owed to X as a Net Settlement Amount (as such term is defined in Section 10.3.2 hereof), as of the date X made the demand for Adequate Assurance of Performance from Y. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party. This Section 10.1 sets forth the entirety of the agreement of the parties regarding one party's right to request financial assurances from the other party, and each party expressly waives all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines."

10.2 Section 10.2 shall be deleted in its entirety and replaced with the following: "10.2 In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor (with respect to items (i) through (vi) below) shall:
(i) make an assignment or any general arrangement for the benefit of creditors;
(ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it;
(iii) otherwise become bankrupt or insolvent (however evidenced);
(iv) be unable to pay its debts as they fall due;
(v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets;
(vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract;
(vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party;
(viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due, provided that such amount is not the subject of a bona fide dispute pursuant to Section 7.4;
(ix) make any representation or warranty herein that was false or misleading in any material respect when made or when deemed made or repeated;
(x) fail to perform any material covenant or obligation set forth in this Contract (except to the extent constituting a separate Event of Default) if such failure is not remedied within three (3) Business Days after written notice;
(xi) be the subject of a Merger Event;
(xii) disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, this Contract or any transaction entered into pursuant to this Contract; or
(xiii) be the affected party with respect to any Additional Event of Default;

then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice (provided, however, that in no event shall any such withholding or suspension continue for longer than ten (10) Business Days with respect to any single transaction hereunder unless an Early Termination Date shall have been declared and Notice thereof provided pursuant to Section 10.3), and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder."

10.3.1 (Early Termination Damages Apply): The following shall be added at the end of this section: "In addition to all other amounts calculated hereunder but without duplication, the Defaulting Party shall reimburse the Non-Defaulting Party for reasonable out-of-pocket costs and expenses incurred by the Non-Defaulting Party in connection with terminating and liquidating the Terminated Transactions, including but not limited to: (a) costs and expenses associated with transportation, gathering, or storage of Gas incurred by the Non-Defaulting Party which cannot be avoided through the Non-Defaulting Party's reasonable efforts; (b) brokerage fees, unwinding costs, commissions and other similar costs and expenses incurred by the Non-Defaulting Party either in (i) terminating any Firm obligation, to the extent the Non-Defaulting Party has hedged such obligation, or (ii) entering into new arrangements that replace the Terminated Transactions that were hedged; and (c) attorneys' fees and court costs incurred by the Non-Defaulting Party in connection with enforcing its rights under this Contract."

10.3.2 (Other Agreement Setoffs Apply) (Bilateral Setoff Option): The last sentence shall be deleted in its entirety and replaced with the following: "Upon the designation of an Early Termination Date, the Non-Defaulting Party ("X") may, at its option and in its sole discretion, setoff (including by setoff, offset, combination of accounts, deduction, retention, counterclaim or withholding), against any amounts owed to the Defaulting Party ("Y"), in U.S. Dollars or any other currency by X under this Contract or any other agreements between X and Y, any amounts owed in U.S. Dollars or any other currency by Y to X under this Contract or any other agreements between X and Y. The obligations of Y and X under this Contract in respect of such amounts shall be deemed satisfied and discharged to the extent of any such setoff. X will give Y Notice of any setoff effectuated under this section but failure to give such Notice shall not affect the validity of the setoff. Nothing herein shall be effective to create a charge or other security interest. This setoff provision shall be in addition to but without duplication of, and not in limitation of, any other right or remedy available to the Non-Defaulting Party (including, without limitation, any right of setoff, offset,

combination of accounts, deduction, counterclaim, retention or withholding), whether arising under this Contract, any Guaranty, any other agreement, under applicable law, in equity, or otherwise."

10.3.2 (Other Agreement Setoffs Apply) (Triangular Setoff Option): The last sentence shall be deleted in its entirety and replaced with the following: "Upon the designation of an Early Termination Date, the Non-Defaulting Party ("X") may, at its option and in its sole discretion, setoff (including by setoff, offset, combination of accounts, deduction, retention, counterclaim or withholding), against any amounts owed to the Defaulting Party ("Y"), in U.S. Dollars or any other currency by X or any of X's Affiliates under this Contract or any other agreements between X or any of its Affiliates and Y, any amounts owed in U.S. Dollars or any other currency by Y to X or any of X's Affiliates under this Contract or any other agreements between X or any of its Affiliates and Y. The obligations of Y and X under this Contract in respect of such amounts shall be deemed satisfied and discharged to the extent of any such setoff. X will give Y Notice of any setoff effectuated under this section but failure to give such Notice shall not affect the validity of the setoff. Nothing herein shall be effective to create a charge or other security interest. This setoff provision shall be in addition to but without duplication of, and not in limitation of, any other right or remedy available to the Non-Defaulting Party (including, without limitation, any right of setoff, offset, combination of accounts, deduction, counterclaim, retention or withholding), whether arising under this Contract, any Guaranty, any other agreement, under applicable law, in equity, or otherwise."

10.3.4 A new section 10.3.4 shall be added as follows: "10.3.4 Upon the designation of an Early Termination Date, to the extent that the Non-Defaulting Party is then holding (a) Adequate Assurance of Performance pursuant to Section 10.1 hereof, and/or (b) any margin or other collateral in connection with any Credit Support Obligation relating to this Contract (collectively, the "Collateral"), such Non-Defaulting Party may, at its option and in its sole discretion, exercise any of the following rights and remedies:

(i) any right or remedy available to a secured party under the Uniform Commercial Code in effect in the state specified in the "Choice of Law" section of the Base Contract, or other applicable laws with respect to the Collateral held by or for the benefit of the Non-Defaulting Party or otherwise;

(ii) the right to set off any Collateral held by or for the benefit of the Non-Defaulting Party against and in satisfaction of any amount due and payable by the Defaulting Party in respect of any of its obligations to the Non-Defaulting Party or any of the Non-Defaulting Party's affiliates; and

(iii) the right to draw on any outstanding letter of credit of which it is the beneficiary and which has been provided to such party as Collateral."

10.4 The following shall be added to the end of Section 10.4: "If the Defaulting Party disputes the Non-Defaulting Party's calculation of the amount owed pursuant to this Section 10.4, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of Non-Defaulting Party's calculation thereof, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Defaulting Party owes an amount pursuant to this Section 10.4, the Defaulting Party must pay such amount by the deadline described above. Within three (3) Business Days following resolution of the dispute regarding such amount, any underpayments or overpayments shall be paid or refunded with accrued interest at the interest rate set forth in Section 7.5 for the period from the date of underpayment or overpayment until the date paid."

10.5 Section 10.5 shall be deleted in its entirety and replaced with the following: "10.5 The parties agree that (i) all transactions entered into under this Contract constitute a "forward contract" within the meaning of the United States Bankruptcy Code (the "Bankruptcy Code") or a "swap agreement" within the meaning of the Bankruptcy Code; (ii) each party hereto is a "forward contract merchant" within the meaning of the Bankruptcy Code; (iii) all payments made or to be made by one party to the other party pursuant to this Contract constitute "settlement payments" within the meaning of the Bankruptcy Code; (iv) all transfers of Adequate Assurance of Performance or Collateral by one party to the other party under this Contract constitute "margin payments" within the meaning of the Bankruptcy Code; and (v) this Contract constitutes a "master netting agreement" within the meaning of the Bankruptcy Code. Each party further agrees that, for purposes of this Contract, the other party is not a "utility" as such term is used in 11 U.S.C. Section 366 of the Bankruptcy Code, and each party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such party is a

debtor. In any such proceeding, each party further waives the right to assert that the other party is a provider of last resort."

10.8 A new section 10.8 shall be added as follows: "Notwithstanding any provision to the contrary contained in this Contract, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under this Section 10 until the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion (which may include an opinion of its counsel or in the event of a bankruptcy proceeding a non-appealable order), that all other obligations of any kind whatsoever of the Defaulting Party or any of its affiliates to make any payments to the Non-Defaulting Party or any of its affiliates under this Contract or any other agreements or instruments between such parties which are due and payable (or netted, set off, recouped, or the like) as of the Early Termination Date have been fully and finally performed and (ii) the Defaulting Party executes a release in a form reasonably satisfactory to the Non-Defaulting Party that acts as the final resolution of the transactions hereunder. To the extent that either party believes that bankruptcy court approval of the release is required, the Non-Defaulting Party may withhold payment until such time as appropriate court approval has been obtained and is final and non-appealable."

SECTION 11 – FORCE MAJEURE

11.2 Immediately preceding item (v), the word "and" **shall be deleted and the following shall be added immediately following item (v):** "; and (vi) cyberattacks or any other cyber event adversely impacting information systems or the information handled by such systems (whether of a party to this Contract or any other third party)."

11.3 Items (iv) and (v) shall be deleted in their entirety and replaced with the following: "(iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, if the reason provided by the Buyer's downstream purchaser for such loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder constitutes Force Majeure as defined in this Section 11; or (v) the loss or failure of Seller's Gas supply or depletion of reserves, except, in either case, if the reason provided by the Seller's upstream seller for such loss or failure of Seller's gas supply or depletion of reserves constitutes Force Majeure as defined in this Section 11."

11.7 A new Section 11.7 shall be added as follows: "11.7 Notwithstanding anything to the contrary herein, the parties agree that for any transaction entered into pursuant to this Contract in which the specified Delivery Point is a pooling point or hub, no event or circumstance that causes a party to fail to perform a Firm obligation shall constitute Force Majeure unless the applicable hub or pooling point operator for the applicable Delivery Point has also declared force majeure with respect to the same event or circumstance."

SECTION 15 – MISCELLANEOUS

15.1 Section 15.1 shall be deleted in its entirety and replaced with the following: "15.1 This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption for which the non-transferring party's prior written consent was not obtained, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder unless the parties expressly agree otherwise."

15.4 The following language shall be added to the end of Section 15.4: "This Base Contract replaces and supersedes any and all prior master agreements related to the purchase and sale of natural gas between the parties. Any effective transaction(s) entered into by the parties under such prior contracts shall remain in force and effect but shall be governed by the terms of this Base Contract as if originally entered into subject to the terms hereof."

15.8 The following language shall be added to the end of Section 15.8: "As of the date first mentioned on the Base Contract and the date of entering into each transaction hereunder, each party represents and warrants to the other party that:
(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all current valid and applicable state and federal regulatory authorizations, consents, or approvals required for it to legally perform its obligations under this Contract;
(c) this Contract, and each other document executed and delivered in accordance with this Contract constitutes its legally valid and binding obligations enforceable against it in accordance with their respective terms (subject to applicable bankruptcy, reorganization, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law);
(d) there are no proceedings similar to those described in Section 10.2 (i) through (v) pending or being contemplated by it or, to its knowledge, threatened against it;
(e) there is not pending or, to its knowledge, threatened against it any legal proceedings that could materially adversely affect its ability to perform its obligations under this Contract;
(f) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Contract;
(g) it is acting for its own account, has made its own independent decision to enter into this Contract and as to whether this Contract is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Contract;
(h) notwithstanding anything to the contrary in this Contract or any confidentiality agreement, nondisclosure agreement or similar agreement entered into between or among the parties and/or their respective Guarantors or Affiliates, any financial statements delivered pursuant to this Contract for the purpose of establishing or maintaining creditworthiness, including, without limitation, the creditworthiness of a party's Guarantor(s), (i) were prepared from the books and records of such party and/or its Guarantor(s), (ii) are in conformity with generally accepted accounting principles consistently applied, (iii) present fairly in all material respects the financial position of the party and/or its Guarantor(s) as of the dates set forth in such financial statements and the results of the party's and/or its Guarantor(s) operations, cash flow and the changes in financial position for the periods covered by such financial statements;
(i) with respect to each transaction hereunder that is an option, it is a producer, processor, commercial user of or merchant handling Gas, and it is entering into such transaction for purposes related to its business as such and the option contained in such transaction, if exercised, contains a binding obligation that results in the sale of a non-financial commodity for immediate or deferred shipment or delivery;
(j) it has entered into this Contract in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Gas referred to in any transaction hereunder to which it is a party and the material economic terms of each transaction are subject to individual negotiation by the parties; and
(k) it is an "eligible contract participant" as that term is defined in Section 1a(18) of the Commodity Exchange Act, as amended."

15.10 Section 15.10 shall be deleted in its entirety and replaced with the following: "To the extent permitted by law, unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party (a) any financial statements or other financial information of a party or such party's Guarantor(s) delivered pursuant to or in connection with this Contract or (b) the terms of this Contract and any transaction entered into hereunder or pursuant hereto to a third party (provided that the terms of a transaction may be disclosed to the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons have a need to know such information and shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) with respect to the terms of a transaction, to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction. With respect to terms provided in connection with any transaction, the obligations set forth in this Section 15.10 shall survive for a period of one (1) year following the expiration or termination of such transaction. With respect to terms provided in connection with this Contract, the obligations set forth in this Section 15.10 shall survive for a period of one (1) year following the expiration or

termination of this Contract. With respect to any financial statements provided pursuant to this Contract, the obligations set forth in this Section 15.10 shall survive for a period of five (5) years following the date that such financial information was provided."

15.13 A new section 15.13 shall be added as follows: "15.13 This Contract and any Transaction Confirmation may be executed by facsimile and executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument."

15.14 A new section 15.14 shall be added as follows: "15.14 The language used in this Base Contract is the product of both parties' efforts and each party hereby irrevocably waives the benefit of any rule of contract construction which disfavors the drafter of a contract or the drafter of specific language in a contract."

15.15 A new section 15.15 shall be added as follows: "15.15 **WAIVER OF JURY TRIAL. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS CONTRACT."**

15.16 A new section 15.16 shall be added as follows: "15.16 If at any time during the term of any transaction entered into hereunder, any governmental authority (federal, state or local) (i) imposes any Tax which was not in effect as of the commencement date of such transaction and that, in the sole judgment of the affected party, is unduly burdensome, or (ii) shall take any action or assert any jurisdiction whereby the sale, purchase, delivery, receipt, or use of Gas as contemplated hereunder will be subjected to terms, conditions, or restraints that in the sole judgment of the affected party are unduly burdensome, unacceptable, illegal or unenforceable (in either case, a "Regulatory Change"), then in such case, the parties shall attempt to mutually negotiate revisions to the affected transaction(s) to eliminate the adverse impact of the Regulatory Change on the party or parties hereto. If the parties are unable to successfully negotiate mutually agreeable revisions within thirty (30) days after the announcement of such Regulatory Change, then either party may terminate any affected transaction, without any continuing obligation or liability of either party to the other with respect to such transaction(s), by providing ten (10) days' written notice to the other party."

15.17 A new section 15.17 shall be added as follows: "15.17 In the event either party is a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof (a "Governmental Entity"), the following shall apply:

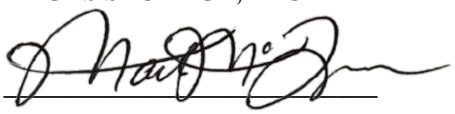
(a) The following sentence shall be added to the end of Section 11.3: "With respect to Governmental Entities, Force Majeure does not include any action taken by the Governmental Entity in its governmental capacity."

(b) Governmental Entity warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (i) suit, (ii) jurisdiction of court (including a court located outside the jurisdiction of its organization), (iii) relief by way of injunction, order for specific performance or recovery of property, (iv) attachment of assets, or (v) execution or enforcement of any judgment."

[Remainder of page intentionally left blank. Signature page follows.]

EXECUTION

THE PARTIES DO HEREBY REPRESENT AND WARRANT THAT THE GENERAL TERMS AND CONDITIONS OF THE BASE CONTRACT HAVE NOT BEEN MODIFIED, ALTERED, OR AMENDED IN ANY RESPECT EXCEPT FOR THESE SPECIAL PROVISIONS WHICH ARE ATTACHED TO AND MADE A PART OF THE BASE CONTRACT.

TENASKA GAS STORAGE, LLC	**CITY OF ELLENSBURG**
By: 	**By:** _____
Name: Mark McQuade	**Name:** _____
Title: Chief Compliance Officer and General Counsel	**Title:** _____

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: April 14, 2026

The parties to this Base Contract are the following:

PARTY A TENASKA MARKETING VENTURES	*PARTY NAME*	PARTY B CITY OF ELLENSBURG
14302 FNB Parkway Omaha, NE 68154-5212	*ADDRESS*	501 North Anderson St. Ellensburg, WA 98926
www.tenaska.com	*BUSINESS WEBSITE*	www.ci.ellensburg.wa.us
CT-067201	*CONTRACT NUMBER*	
62-424-0628	*D-U-N-S® NUMBER*	06-004-1985
☒ US FEDERAL: 47-0741451 ☐ OTHER:	*TAX ID NUMBERS*	☒ US FEDERAL: 91-600-1245 ☐ OTHER:
Nebraska	*JURISDICTION OF ORGANIZATION*	
☐ Corporation ☐ LLC ☐ Limited Partnership ☒ Partnership ☐ LLP ☐ Other:	*COMPANY TYPE*	☒ Corporation ☐ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☐ Other:
Tenaska Energy, Inc. and Tenaska Energy Holdings, LLC	*GUARANTOR (IF APPLICABLE)*	

CONTACT INFORMATION

14302 FNB Parkway, Omaha, NE 68154 *ATTN:* *TEL#:* 402-758-6100 *FAX#:* 402-758-6274 *EMAIL:*	▪ *COMMERCIAL*	*ATTN:* Buddy Stanavich, Energy Services Director *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* stanavichm@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154-5212 *ATTN:* VP, Gas Scheduling *TEL#:* 402-758-6234 *FAX#:* 402-758-6274 *EMAIL:* pbarry@tenaska.com	▪ *SCHEDULING*	*ATTN:* Nichole Baker, Energy Resources Manager *TEL#:* 509-962-7271 *FAX#:* 509-925-8662 *EMAIL:* bakern@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154 *ATTN:* Senior Manager, Back Office Operations *TEL#:* 402-758-6172 *FAX#:* 402-758-6250 *EMAIL:* contractcomp@tenaska.com *Legal Contracts Fax: 402-758-8760;* *EMAIL: Legal-TMV@tenaska.com*	▪ *CONTRACT AND LEGAL NOTICES*	*ATTN:* Buddy Stanavich, Energy Services Director *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* stanavichm@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154-5212 *ATTN:* Vice President, Credit Risk *TEL#:* (402) 758-6178 *FAX#:* (402) 758-6290 *EMAIL:* Credit-TMV@Tenaska.com	▪ *CREDIT*	*ATTN:* Jerica Pascoe, Finance Director *TEL#:* 509-962-7205 *FAX#:* 509-925-7130 *EMAIL:* pascoej@ellensburgwa.gov
14302 FNB Parkway, Omaha, NE 68154 *TEL#:* 402-758-6172 *FAX#:* 402-758-6250 *ATTN:* Contract Compliance *EMAIL:* confirmations@tenaska.com	▪ *TRANSACTION CONFIRMATIONS*	*ATTN:* Nichole Baker, Energy Resources Manager *TEL#:* 509-962-7271 *FAX#:* 509-925-8662 *EMAIL:* bakern@ellensburgwa.gov

ACCOUNTING INFORMATION

14302 FNB Parkway, Omaha, NE 68154 *ATTN:* Vice President & Controller *TEL#:* (402) 758-6236 *FAX#:* (402) 758-6253 *EMAIL:* GasAccounting-TMV@tenaska.com	▪ *INVOICES* ▪ *PAYMENTS* ▪ *SETTLEMENTS*	*ATTN:* Buddy Stanavich, Energy Services Director *TEL#:* 509-962-7225 *FAX#:* 509-925-8662 *EMAIL:* stanavichm@ellensburgwa.gov
BANK: U.S. Bank, Cincinnati, OH *ABA:* 042000013 *ACCT:* 130111671272 *OTHER DETAILS:*	*WIRE TRANSFER NUMBERS (IF APPLICABLE)*	*BANK:* US Bank *ABA:* 125000105 *ACCT:* 1 535 055 47 6868 *OTHER DETAILS:*
BANK: U.S. Bank, Cincinnati, OH *ABA:* 042000013 *ACCT:* 130111671272 *OTHER DETAILS:*	*ACH NUMBERS (IF APPLICABLE)*	*BANK:* *ABA:* *ACCT:* *OTHER DETAILS:*
ATTN: *ADDRESS:*	*CHECKS (IF APPLICABLE)*	*ATTN:* *ADDRESS:*

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Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure
☒ **Oral (default)**
OR
☐ Written

Section 2.7 Confirm Deadline
☒ **2 Business Days after receipt (default)**
OR
☐ _____ Business Days after receipt

Section 2.8 Confirming Party
☐ Seller (default)
OR
☐ Buyer
☒ **TENASKA MARKETING VENTURES**

Section 3.2 Performance Obligation
☐ Cover Standard (default)
OR
☒ **Spot Price Standard**

Note: The following Spot Price Publication applies to both of the immediately preceding.

Section 2.31 Spot Price Publication
☒ **Gas Daily Midpoint (default)**
OR
☐ _____

Section 6 Taxes
☒ **Buyer Pays At and After Delivery Point (default)**
OR
☐ Seller Pays Before and At Delivery Point

Section 7.2 Payment Date
☒ **25th Day** of Month following Month of delivery (default)
OR
☐ Day of Month following Month of delivery

Section 7.2 Method of Payment
☒ **Wire transfer (default)**
☒ Automated Clearinghouse Credit (ACH)
☐ Check

Section 7.7 Netting
☒ **Netting applies (default)**
OR
☐ Netting does not apply

Section 10.2 Additional Events of Default
☒ No Additional Events of Default (default)
☐ Indebtedness Cross Default
☐ Party A: _____
☐ Party B: _____
☐ Transactional Cross Default
Specified Transactions:
_____
_____
_____

Section 10.3.1 Early Termination Damages
☒ **Early Termination Damages Apply (default)**
OR
☐ Early Termination Damages Do Not Apply

Section 10.3.2 Other Agreement Setoffs
☒ **Other Agreement Setoffs Apply (default)**
☐ Bilateral (default)
☒ Triangular
OR
☐ Other Agreement Setoffs Do Not Apply

Section 15.5 Choice Of Law
WASHINGTON

Section 15.10 Confidentiality
☒ **Confidentiality applies (default)**
OR
☐ Confidentiality does not apply

☒ **Special Provisions** Number of sheets attached: _____nine (9)____ (to be determined)
☐ **Addendum(s):** _____

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

TENASKA MARKETING VENTURES **By: TMV Holdings, LLC-Its Managing Partner**	***PARTY NAME***	**CITY OF ELLENSBURG**
By: _____	***SIGNATURE***	By: _____
Mark A. McQuade	***PRINTED NAME***	Buddy Stanavich
Chief Compliance Officer and General Counsel	***TITLE***	Energy Services Director

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General Terms and Conditions
Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

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2.3. “Alternative Damages” shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.

2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.

2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.

2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.

2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.

2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.

2.13. "Credit Support Obligation(s)” shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.

2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.

2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.

2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.

2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.

2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party’s excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.

2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

2.21. “Guarantor” shall mean any entity that has provided a guaranty of the obligations of a party hereunder.

2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.23. “Indebtedness Cross Default” shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

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2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.31. "Spot Price " as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

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Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

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7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is

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not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and

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Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

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10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

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SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure,

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and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

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Letterhead/Logo	Date: _____, _____ Transaction Confirmation #: _____

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

SELLER:	**BUYER:**
_____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	_____ _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____

Contract Price: $_____/MMBtu or _____

Delivery Period: Begin: _____, ___ End: _____, ___

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):	**Firm (Variable Quantity):**	**Interruptible:**
_____ MMBtus/day ☐EFP	_____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of ☐Buyer or ☐ Seller	Up to _____ MMBtus/day

Delivery Point(s): _____
(If a pooling point is used, list a specific geographic and pipeline location):

Special Conditions:

Seller: _____	Buyer: _____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

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EXECUTION

SPECIAL PROVISIONS

These Special Provisions are part of, supplement, and amend the Base Contract by and between **Tenaska Marketing Ventures** and **City of Ellensburg**, dated April 14, 2026, and the General Terms and Conditions which are incorporated therein. In the event of any inconsistency between the Base Contract, the General Terms and Conditions and these Special Provisions, these Special Provisions shall govern. All capitalized terms used in these Special Provisions but not defined herein shall have the respective meanings ascribed to them in the Base Contract. Any reference to a Section in these Special Provisions refers to a Section of the Base Contract, amended as applicable by these Special Provisions. The headings and subheadings in these Special Provisions are used solely for convenience of reference and shall not be used to construe or interpret these Special Provisions.

SECTION 1 – PURPOSE AND PROCEDURES

1.2 (Oral Transaction Procedure): The fifth (5th) sentence shall be deleted in its entirety and replaced with the following: "Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction or EDI transmission by sending the other party a Transaction Confirmation by facsimile, or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral or EDI agreement of the parties. Any failure by the Confirming Party to send a Transaction Confirmation for any such transaction previously entered into shall not affect the enforceability of any such transaction nor shall such failure constitute or be deemed to constitute a breach of this Contract."

1.2 (Written Transaction Procedure): In the third (3rd) line, the word "EDI" **shall be deleted.**

1.3 Items (ii), (iii) and (iv) shall be deleted in their entirety and replaced with the following: "(ii) the agreement of the parties which may be evidenced by a recorded conversation or EDI, where the parties have selected the Oral Transaction Procedure of the Base Contract, and (iii) the Base Contract, the terms of the documents shall govern in the priority listed in this sentence. All transactions entered into by the parties pursuant to this Base Contract are entered into in reliance on the fact that the Base Contract, each Transaction Confirmation and each transaction entered into pursuant hereto constitute a single integrated agreement between the parties, and the parties would not otherwise have entered into the Base Contract or any transaction hereunder."

1.4 Section 1.4 shall be deleted in its entirety and replaced with the following: "1.4 The parties generally agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees. However, as required by Washington law, any party seeking to record the conversation must still obtain consent, which shall be obtained by announcing to all other parties engaged in the communication or conversation, in a reasonably effective manner, that such communication or conversation is about to be recorded, and such announcement must also be recorded. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract."

1.5 A new Section 1.5 shall be added as follows: "1.5 The parties hereby expressly waive all rights to, and expressly agree not to, contest any transaction entered into hereunder, or assert or otherwise raise any defenses or arguments related to any such transaction to the effect that such is not binding, valid or enforceable in accordance with its terms because either the employee(s) or representative(s) who entered into such transaction on behalf of a party, and who appeared to have the requisite authority to do so, did not, in fact, have such authority or because the provisions of certain applicable laws require such transaction to be in writing and/or executed by one or both parties."

SECTION 2 – DEFINITIONS

(a) "Base Contract": The definition of "Base Contract" shall be deleted in its entirety and replaced with the following: "Base Contract" shall mean collectively (i) the Base Contract executed by the parties to which these General Terms and Conditions are attached, (ii) these General Terms and Conditions which have been incorporated by reference with and into such Base Contract, and (iii) any Special Provisions and Addendum(s) identified in the Base Contract."

(b) "Cover Standard": The definition of "Cover Standard" shall be deleted in its entirety and replaced with the following: "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the Performing Party shall use commercially reasonable efforts to (i) if Buyer is the Performing Party, obtain Gas, or (ii) if Seller is the Performing Party, sell Gas, in either case, at a commercially reasonable price determined taking into account the relevant Delivery Point of the applicable transaction, the amount of notice provided by the Non-Performing Party, the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable, the quantities involved, and the anticipated length of failure by the Non-Performing Party.

(c) "EDI": The definition of "EDI" shall be deleted in its entirety and replaced with the following: ""EDI" shall mean an electronic data interchange between the parties."

(d) "Termination Option": The definition of "Termination Option" shall be deleted in its entirety.

(e) The following new definitions shall be added immediately following the definition of "Transporter(s)":

- "Affected Transaction" means a Firm transaction with a Delivery Period of at least 30 Days in respect of which there has occurred three (3) or more Failure Days in the Delivery Period.
- "Failure Day" means a Day on which the Non-Performing Party has failed to purchase and receive, or sell and deliver, as applicable, any portion of the Contract Quantity to be purchased and received or sold and delivered on such Day, which failure is not excused because of the Non-Performance (non-delivery or non-receipt, as applicable) of the Performing Party, or by Force Majeure.
- "Merger Event" means, with respect to a party, that such party consolidates or amalgamates with, or merges into or with, or transfers substantially all of its assets to another entity and (i) the resulting entity fails to assume all of the obligations of such party or other entity hereunder, or (ii) the benefits of any credit support provided pursuant to or related to this Contract fail to extend to the performance by such resulting, surviving or transferee entity of its obligations hereunder.
- "Non-Performance" means the failure by a party to purchase and receive (if the Buyer), or sell and deliver (if the Seller), Gas as required by any transaction under this Contract, which failure is not excused by (i) the non-performance (non-delivery or non-receipt, as applicable) of the other party; or (ii) Force Majeure.
- "Non-Performing Party" means a party in relation to which a Non-Performance has occurred.
- "Performing Party" means, if a Non-Performance has occurred, the party which is not the Non-Performing Party.

SECTION 3 – PERFORMANCE OBLIGATION

3.2 (Cover Standard):

- **In the first line, the first time the word** "The" **appears shall be deleted and replaced with the phrase** "Subject to Section 3.4, the"**.**
- **The phrase** "performing party" **shall be replaced with the phrase** "Performing Party" **each time it appears.**

3.2 (Spot Price Standard): In the first line, the first time the word "The" **appears shall be deleted and replaced with the phrase** "Subject to Section 3.4, the"**; and in the last sentence, the phrase** "performing party" **shall be replaced with the phrase** "Performing Party"**.**

3.4 Section 3.4 shall be deleted in its entirety and replaced with the following: "3.4 In addition to the rights set forth in Sections 3.2 and 3.3, unless otherwise specified on the applicable Transaction Confirmation, a Performing Party shall have the right ("Termination Right") to terminate, accelerate and liquidate an Affected Transaction by providing Notice to the Non-Performing Party designating an Early Termination Date, which date shall be between 1 and 5 Business Days following the most recent Non-Performance causing the Affected Transaction, but no earlier than the effective date of the Notice, on which date the Affected Transaction shall terminate. Following the exercise of its Termination Right, the Performing Party shall calculate the Net Settlement Amount pursuant to Section 10.3.2, but only in respect of the Affected Transaction, which amount shall be paid in accordance with Section 10.4, all as if an Early Termination Date had occurred, the Affected Transaction was the only transaction under this Base Contract, the Performing Party was the Non-Defaulting

Party and the Non-Performing Party was the Defaulting Party. The exercise of the Termination Right shall not be deemed to be an Event of Default or similar default with respect to the Affected Transaction, any other transactions entered into hereunder, or any other agreement between the parties. If the Performing Party fails to provide Notice to exercise its Termination Right within 5 Business Days of the occurrence of the last Non-Performance that gave rise to that Termination Right, the Termination Right shall expire, but without prejudice to any Termination Right that may subsequently arise upon the occurrence of a further Non-Performance in respect of that Transaction."

SECTION 7 – BILLING, PAYMENT, AND AUDIT

7.2 In the last sentence, the word "In" **shall be deleted and replaced with the phrase** "Subject to Section 7.3 and Section 10, in"**.**

7.3 The phrase "performing party" **shall be replaced with the phrase** "Performing Party" **each time it appears, and the phrase** "nonperforming party" **shall be replaced with the phrase** "Non-Performing Party" **each time it appears.**

7.4 Section 7.4 shall be deleted in its entirety and replaced with the following: "7.4 If the invoiced party, in good faith, disputes the amount of an invoice or any part thereof, then (i) for amounts due pursuant to Section 7.1, such invoiced party will pay such amount as it concedes to be correct and (ii) for amounts due pursuant to Section 7.3, such invoiced party must pay the entire amount of such invoice by the deadline set forth in Section 7.3. If the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section."

7.7 In the first sentence, the word "undisputed" **shall be deleted.**

SECTION 9 – NOTICES

9.1 The following phrase shall be added immediately following the word "addresses": "set forth on page 1 of the Base Contract or as otherwise"**.**

9.2 The following language shall be added immediately preceding the last period: "; provided, however, that any Notice delivered pursuant to Section 10.2, 10.3 or 10.4 via facsimile or electronic means shall also be delivered via overnight courier service, first class mail or hand delivery."

SECTION 10 - FINANCIAL RESPONSIBILITY

10.1 Section 10.1 shall be deleted in its entirety and replaced with the following: "10.1 If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y, or its Guarantor, if applicable), X may demand that Y deliver to X Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, cash collateral, a standby irrevocable letter of credit, a prepayment, guaranty or other mutually acceptable forms of security (including the issuer of any such security). Adequate Assurance of Performance shall not exceed the amount that would be owed to X as a Net Settlement Amount (as such term is defined in Section 10.3.2 hereof), as of the date X made the demand for Adequate Assurance of Performance from Y. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party. This Section 10.1 sets forth the entirety of the agreement of the parties regarding one party's right to request financial assurances from the other party, and each party expressly waives all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines."

10.2 Section 10.2 shall be deleted in its entirety and replaced with the following: "10.2 In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor (with respect to items (i) through (vi) below) shall:
(i) make an assignment or any general arrangement for the benefit of creditors;
(ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it;
(iii) otherwise become bankrupt or insolvent (however evidenced);
(iv) be unable to pay its debts as they fall due;
(v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets;
(vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract;
(vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party;
(viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due, provided that such amount is not the subject of a bona fide dispute pursuant to Section 7.4;
(ix) make any representation or warranty herein that was false or misleading in any material respect when made or when deemed made or repeated;
(x) fail to perform any material covenant or obligation set forth in this Contract (except to the extent constituting a separate Event of Default) if such failure is not remedied within three (3) Business Days after written notice;
(xi) be the subject of a Merger Event;
(xii) disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, this Contract or any transaction entered into pursuant to this Contract; or
(xiii) be the affected party with respect to any Additional Event of Default;

then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice (provided, however, that in no event shall any such withholding or suspension continue for longer than ten (10) Business Days with respect to any single transaction hereunder unless an Early Termination Date shall have been declared and Notice thereof provided pursuant to Section 10.3), and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder."

10.3.1 (Early Termination Damages Apply): The following shall be added at the end of this section: "In addition to all other amounts calculated hereunder but without duplication, the Defaulting Party shall reimburse the Non-Defaulting Party for reasonable out-of-pocket costs and expenses incurred by the Non-Defaulting Party in connection with terminating and liquidating the Terminated Transactions, including but not limited to: (a) costs and expenses associated with transportation, gathering, or storage of Gas incurred by the Non-Defaulting Party which cannot be avoided through the Non-Defaulting Party's reasonable efforts; (b) brokerage fees, unwinding costs, commissions and other similar costs and expenses incurred by the Non-Defaulting Party either in (i) terminating any Firm obligation, to the extent the Non-Defaulting Party has hedged such obligation, or (ii) entering into new arrangements that replace the Terminated Transactions that were hedged; and (c) attorneys' fees and court costs incurred by the Non-Defaulting Party in connection with enforcing its rights under this Contract."

10.3.2 (Other Agreement Setoffs Apply) (Bilateral Setoff Option): The last sentence shall be deleted in its entirety and replaced with the following: "Upon the designation of an Early Termination Date, the Non-Defaulting Party ("X") may, at its option and in its sole discretion, setoff (including by setoff, offset, combination of accounts, deduction, retention, counterclaim or withholding), against any amounts owed to the Defaulting Party ("Y"), in U.S. Dollars or any other currency by X under this Contract or any other agreements between X and Y, any amounts owed in U.S. Dollars or any other currency by Y to X under this Contract or any other agreements between X and Y. The obligations of Y and X under this Contract in respect of such amounts shall be deemed satisfied and discharged to the extent of any such setoff. X will give Y Notice of any setoff effectuated under this section but failure to give such Notice shall not affect the validity of the setoff. Nothing herein shall be effective to create a charge or other security interest. This setoff provision shall be in addition to but without duplication of, and not in limitation of, any other right or remedy available to the Non-Defaulting Party (including, without limitation, any right of setoff, offset,

combination of accounts, deduction, counterclaim, retention or withholding), whether arising under this Contract, any Guaranty, any other agreement, under applicable law, in equity, or otherwise."

10.3.2 (Other Agreement Setoffs Apply) (Triangular Setoff Option): The last sentence shall be deleted in its entirety and replaced with the following: "Upon the designation of an Early Termination Date, the Non-Defaulting Party ("X") may, at its option and in its sole discretion, setoff (including by setoff, offset, combination of accounts, deduction, retention, counterclaim or withholding), against any amounts owed to the Defaulting Party ("Y"), in U.S. Dollars or any other currency by X or any of X's Affiliates under this Contract or any other agreements between X or any of its Affiliates and Y, any amounts owed in U.S. Dollars or any other currency by Y to X or any of X's Affiliates under this Contract or any other agreements between X or any of its Affiliates and Y. The obligations of Y and X under this Contract in respect of such amounts shall be deemed satisfied and discharged to the extent of any such setoff. X will give Y Notice of any setoff effectuated under this section but failure to give such Notice shall not affect the validity of the setoff. Nothing herein shall be effective to create a charge or other security interest. This setoff provision shall be in addition to but without duplication of, and not in limitation of, any other right or remedy available to the Non-Defaulting Party (including, without limitation, any right of setoff, offset, combination of accounts, deduction, counterclaim, retention or withholding), whether arising under this Contract, any Guaranty, any other agreement, under applicable law, in equity, or otherwise."

10.3.4 A new section 10.3.4 shall be added as follows: "10.3.4 Upon the designation of an Early Termination Date, to the extent that the Non-Defaulting Party is then holding (a) Adequate Assurance of Performance pursuant to Section 10.1 hereof, and/or (b) any margin or other collateral in connection with any Credit Support Obligation relating to this Contract (collectively, the "Collateral"), such Non-Defaulting Party may, at its option and in its sole discretion, exercise any of the following rights and remedies:

(i) any right or remedy available to a secured party under the Uniform Commercial Code in effect in the state specified in the "Choice of Law" section of the Base Contract, or other applicable laws with respect to the Collateral held by or for the benefit of the Non-Defaulting Party or otherwise;

(ii) the right to set off any Collateral held by or for the benefit of the Non-Defaulting Party against and in satisfaction of any amount due and payable by the Defaulting Party in respect of any of its obligations to the Non-Defaulting Party or any of the Non-Defaulting Party's affiliates; and

(iii) the right to draw on any outstanding letter of credit of which it is the beneficiary and which has been provided to such party as Collateral."

10.4 The following shall be added to the end of Section 10.4: "If the Defaulting Party disputes the Non-Defaulting Party's calculation of the amount owed pursuant to this Section 10.4, in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of Non-Defaulting Party's calculation thereof, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Defaulting Party owes an amount pursuant to this Section 10.4, the Defaulting Party must pay such amount by the deadline described above. Within three (3) Business Days following resolution of the dispute regarding such amount, any underpayments or overpayments shall be paid or refunded with accrued interest at the interest rate set forth in Section 7.5 for the period from the date of underpayment or overpayment until the date paid."

10.5 Section 10.5 shall be deleted in its entirety and replaced with the following: "10.5 The parties agree that (i) all transactions entered into under this Contract constitute a "forward contract" within the meaning of the United States Bankruptcy Code (the "Bankruptcy Code") or a "swap agreement" within the meaning of the Bankruptcy Code; (ii) each party hereto is a "forward contract merchant" within the meaning of the Bankruptcy Code; (iii) all payments made or to be made by one party to the other party pursuant to this Contract constitute "settlement payments" within the meaning of the Bankruptcy Code; (iv) all transfers of Adequate Assurance of Performance or Collateral by one party to the other party under this Contract constitute "margin payments" within the meaning of the Bankruptcy Code; and (v) this Contract constitutes a "master netting agreement" within the meaning of the Bankruptcy Code. Each party further agrees that, for purposes of this Contract, the other party is not a "utility" as such term is used in 11 U.S.C. Section 366 of the Bankruptcy Code, and each party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such party is a

debtor. In any such proceeding, each party further waives the right to assert that the other party is a provider of last resort."

10.8 A new section 10.8 shall be added as follows: "Notwithstanding any provision to the contrary contained in this Contract, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under this Section 10 until the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion (which may include an opinion of its counsel or in the event of a bankruptcy proceeding a non-appealable order), that all other obligations of any kind whatsoever of the Defaulting Party or any of its affiliates to make any payments to the Non-Defaulting Party or any of its affiliates under this Contract or any other agreements or instruments between such parties which are due and payable (or netted, set off, recouped, or the like) as of the Early Termination Date have been fully and finally performed and (ii) the Defaulting Party executes a release in a form reasonably satisfactory to the Non-Defaulting Party that acts as the final resolution of the transactions hereunder. To the extent that either party believes that bankruptcy court approval of the release is required, the Non-Defaulting Party may withhold payment until such time as appropriate court approval has been obtained and is final and non-appealable."

SECTION 11 – FORCE MAJEURE

11.2 Immediately preceding item (v), the word "and" **shall be deleted and the following shall be added immediately following item (v):** "; and (vi) cyberattacks or any other cyber event adversely impacting information systems or the information handled by such systems (whether of a party to this Contract or any other third party)."

11.3 Items (iv) and (v) shall be deleted in their entirety and replaced with the following: "(iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, if the reason provided by the Buyer's downstream purchaser for such loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder constitutes Force Majeure as defined in this Section 11; or (v) the loss or failure of Seller's Gas supply or depletion of reserves, except, in either case, if the reason provided by the Seller's upstream seller for such loss or failure of Seller's gas supply or depletion of reserves constitutes Force Majeure as defined in this Section 11."

11.7 A new Section 11.7 shall be added as follows: "11.7 Notwithstanding anything to the contrary herein, the parties agree that for any transaction entered into pursuant to this Contract in which the specified Delivery Point is a pooling point or hub, no event or circumstance that causes a party to fail to perform a Firm obligation shall constitute Force Majeure unless the applicable hub or pooling point operator for the applicable Delivery Point has also declared force majeure with respect to the same event or circumstance."

SECTION 15 – MISCELLANEOUS

15.1 Section 15.1 shall be deleted in its entirety and replaced with the following: "15.1 This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption for which the non-transferring party's prior written consent was not obtained, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder unless the parties expressly agree otherwise."

15.4 The following language shall be added to the end of Section 15.4: "This Base Contract replaces and supersedes any and all prior master agreements related to the purchase and sale of natural gas between the parties. Any effective transaction(s) entered into by the parties under such prior contracts shall remain in force and effect but shall be governed by the terms of this Base Contract as if originally entered into subject to the terms hereof."

15.8 The following language shall be added to the end of Section 15.8: "As of the date first mentioned on the Base Contract and the date of entering into each transaction hereunder, each party represents and warrants to the other party that:
(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has all current valid and applicable state and federal regulatory authorizations, consents, or approvals required for it to legally perform its obligations under this Contract;
(c) this Contract, and each other document executed and delivered in accordance with this Contract constitutes its legally valid and binding obligations enforceable against it in accordance with their respective terms (subject to applicable bankruptcy, reorganization, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law);
(d) there are no proceedings similar to those described in Section 10.2 (i) through (v) pending or being contemplated by it or, to its knowledge, threatened against it;
(e) there is not pending or, to its knowledge, threatened against it any legal proceedings that could materially adversely affect its ability to perform its obligations under this Contract;
(f) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Contract;
(g) it is acting for its own account, has made its own independent decision to enter into this Contract and as to whether this Contract is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Contract;
(h) notwithstanding anything to the contrary in this Contract or any confidentiality agreement, nondisclosure agreement or similar agreement entered into between or among the parties and/or their respective Guarantors or Affiliates, any financial statements delivered pursuant to this Contract for the purpose of establishing or maintaining creditworthiness, including, without limitation, the creditworthiness of a party's Guarantor(s), (i) were prepared from the books and records of such party and/or its Guarantor(s), (ii) are in conformity with generally accepted accounting principles consistently applied, (iii) present fairly in all material respects the financial position of the party and/or its Guarantor(s) as of the dates set forth in such financial statements and the results of the party's and/or its Guarantor(s) operations, cash flow and the changes in financial position for the periods covered by such financial statements;
(i) with respect to each transaction hereunder that is an option, it is a producer, processor, commercial user of or merchant handling Gas, and it is entering into such transaction for purposes related to its business as such and the option contained in such transaction, if exercised, contains a binding obligation that results in the sale of a non-financial commodity for immediate or deferred shipment or delivery;
(j) it has entered into this Contract in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Gas referred to in any transaction hereunder to which it is a party and the material economic terms of each transaction are subject to individual negotiation by the parties; and
(k) it is an "eligible contract participant" as that term is defined in Section 1a(18) of the Commodity Exchange Act, as amended."

15.10 Section 15.10 shall be deleted in its entirety and replaced with the following: "To the extent permitted by law, unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party (a) any financial statements or other financial information of a party or such party's Guarantor(s) delivered pursuant to or in connection with this Contract or (b) the terms of this Contract and any transaction entered into hereunder or pursuant hereto to a third party (provided that the terms of a transaction may be disclosed to the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons have a need to know such information and shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract , (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) with respect to the terms of a transaction, to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction. With respect to terms provided in connection with any transaction, the obligations set forth in this Section 15.10 shall survive for a period of one (1) year following the expiration or termination of such transaction. With respect to terms provided in connection with this Contract, the obligations set forth in this Section 15.10 shall survive for a period of one (1) year following the expiration or

termination of this Contract. With respect to any financial statements provided pursuant to this Contract, the obligations set forth in this Section 15.10 shall survive for a period of five (5) years following the date that such financial information was provided."

15.13 A new section 15.13 shall be added as follows: "15.13 This Contract and any Transaction Confirmation may be executed by facsimile and executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument."

15.14 A new section 15.14 shall be added as follows: "15.14 The language used in this Base Contract is the product of both parties' efforts and each party hereby irrevocably waives the benefit of any rule of contract construction which disfavors the drafter of a contract or the drafter of specific language in a contract."

15.15 A new section 15.15 shall be added as follows: "15.15 **WAIVER OF JURY TRIAL. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS CONTRACT."**

15.16 A new section 15.16 shall be added as follows: "15.16 If at any time during the term of any transaction entered into hereunder, any governmental authority (federal, state or local) (i) imposes any Tax which was not in effect as of the commencement date of such transaction and that, in the sole judgment of the affected party, is unduly burdensome, or (ii) shall take any action or assert any jurisdiction whereby the sale, purchase, delivery, receipt, or use of Gas as contemplated hereunder will be subjected to terms, conditions, or restraints that in the sole judgment of the affected party are unduly burdensome, unacceptable, illegal or unenforceable (in either case, a "Regulatory Change"), then in such case, the parties shall attempt to mutually negotiate revisions to the affected transaction(s) to eliminate the adverse impact of the Regulatory Change on the party or parties hereto. If the parties are unable to successfully negotiate mutually agreeable revisions within thirty (30) days after the announcement of such Regulatory Change, then either party may terminate any affected transaction, without any continuing obligation or liability of either party to the other with respect to such transaction(s), by providing ten (10) days' written notice to the other party."

15.17 A new section 15.17 shall be added as follows: "15.17 In the event either party is a municipality, county, governmental board, public power authority, public utility district, joint action agency, or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof (a "Governmental Entity"), the following shall apply:

(a) The following sentence shall be added to the end of Section 11.3: "With respect to Governmental Entities, Force Majeure does not include any action taken by the Governmental Entity in its governmental capacity."

(b) Governmental Entity warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (i) suit, (ii) jurisdiction of court (including a court located outside the jurisdiction of its organization), (iii) relief by way of injunction, order for specific performance or recovery of property, (iv) attachment of assets, or (v) execution or enforcement of any judgment."

[Remainder of page intentionally left blank. Signature page follows.]

EXECUTION

THE PARTIES DO HEREBY REPRESENT AND WARRANT THAT THE GENERAL TERMS AND CONDITIONS OF THE BASE CONTRACT HAVE NOT BEEN MODIFIED, ALTERED, OR AMENDED IN ANY RESPECT EXCEPT FOR THESE SPECIAL PROVISIONS WHICH ARE ATTACHED TO AND MADE A PART OF THE BASE CONTRACT.

TENASKA MARKETING VENTURES	**CITY OF ELLENSBURG**
By: TMV Holdings, LLC **Its Managing Partner**	
By: 	**By:** _____
Name: Mark McQuade	**Name:** _____
Title: Chief Compliance Officer and General Counsel	**Title:** _____

ASSET MANAGEMENT AGREEMENT

This Asset Management Agreement ("Agreement") is entered into effective as of the [___] day of [___], 2026 (the "Effective Date"), by and among Tenaska Gas Storage, LLC, a Delaware limited liability company ("TGS"), and Tenaska Marketing Ventures, a Nebraska general partnership ("TMV") (TGS and TMV are sometimes herein referred to collectively or individually as "Tenaska" as the context indicates), and City of Ellensburg ("City"). Tenaska and City may be referred to herein individually as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, City has entered into that certain natural gas storage agreement with MountainWest Pipeline LLC ("MountainWest") that is described on Exhibit "A" hereto (the "Storage Contract"); and

WHEREAS, City wishes to have Tenaska manage the natural gas storage capacity that is the subject of the Storage Contract (the "Storage Capacity"), and Tenaska is willing to provide such service; and

WHEREAS, City has entered into natural gas transportation agreements with Northwest Pipeline, LLC ("NWP" and together with MountainWest, collectively the "Gas Service Providers"), which are more fully described on Exhibit "B" attached hereto (the "Agency Contracts") (the Agency Contracts and the Storage Contract sometimes referred to herein separately as a "Contract" and collectively as the "Contracts"), and City shall authorize and appoint TMV to act as its agent with respect to the natural gas transportation capacity that is the subject of the Agency Contracts (the "Agency Transportation Capacity") upon the terms set forth herein; and

WHEREAS, City and Tenaska wish to further define their rights and obligations with respect to such management services.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Term; Release Term. The term of this Agreement shall commence on the Effective Date and shall end on the last day of the Release Term (the "Term"). The "Release Term" shall commence on July 1, 2026 and shall continue through June 30, 2031, unless the Parties mutually agree to terminate this Agreement earlier or this Agreement is terminated pursuant to its terms.

2. Asset Management Arrangement.

(a) Capacity Release. For the Release Term, City shall release the Storage Capacity to TGS. The release will be conditioned such that City may call on TGS to deliver or inject a quantity of natural gas up to 100% of the daily contract demand of the Storage Capacity on any day during the Release Term (subject to the MSQ, MDIQ, MDWQ and other limitations and restrictions set forth in the Storage Contract and the MountainWest tariff and summarized on Exhibit "A" hereto). The release shall be at a zero demand charge to Tenaska. The release shall remain subject to City's reliability and emergency operational requirements at all times and the City shall retain priority rights for reliability-related withdrawals during emergency operational events as set forth in Section 5(b)(ii).

(b) Order 712, et seq. AMA. This Agreement constitutes an asset management arrangement and shall comply with the Federal Energy Regulatory Commission's rules governing such arrangements at 18 CFR §284.8(h) (3) or any successor rule thereto.

(c) Nomination and Scheduling Compensation. For nomination and scheduling services described herein, City shall pay TMV a monthly fee equal to (a) the actual quantity (in MMBtus) of natural gas delivered by Tenaska to the City hereunder for all of the days during such calendar month *multiplied by* (b) $0.015 per MMBtu. Such fees shall be invoiced by TMV to City by the tenth (10th) day of the month following each month of the Release Term, and City shall pay such invoiced amounts on or before the twenty-fifth (25th) day of the month in which such invoice is received. Tenaska shall provide all reporting, balancing, scheduling, accrual support, OFO administration, and operational management services described herein without charging City any additional administrative fees unless mutually agreed in writing.

(d) Scheduling Services. TMV shall provide nomination and scheduling services for the transportation of natural gas to be delivered hereunder to the applicable delivery point. Such services will be performed consistent with the Agency Contracts and any applicable Gas Service Provider tariffs, operating conditions and protocols. TMV shall also provide imbalance management services with respect to the delivery of natural gas hereunder to the applicable delivery point, which shall include the following:

i. TMV shall provide: daily nomination confirmations, imbalance tracking, OFO monitoring and administration, daily balancing analysis, monthly imbalance reports, transportation management reporting, and commercially reasonable least-cost operational balancing services, all of such, in a form that is mutually agreed by the Parties.

ii. TMV will provide to City notices of pipeline issues, and in the event of an alert or actual Operational Flow Order or Force Majeure (as such terms are defined in the applicable Gas Service Provider's tariff), TMV will work with City to assist City in complying with all applicable tariff provisions.

iii. TMV will work with City to assist City with complying with any applicable tariff provision forecasts.

iv. TMV will provide default-balancing service to manage natural gas schedules to actual usage and minimize month-end excess or deficit quantities. TMV will work with City to minimize imbalances by the end of each month.

v. In the event of City's violation of a Gas Service Provider's tariff, Tenaska shall only be responsible for penalties, balancing charges, OFO charges, or operational costs incurred by City which are the direct result of Tenaska's negligence, scheduling error, failure to timely nominate gas, failure to timely respond to OFOs, or breach of this Agreement.

(e) Optimization; Sharing.

i. Optimization. During the Release Term, Tenaska shall use commercially reasonable efforts to optimize the Storage Capacity, including, without limitation, utilizing the natural gas held in the Storage Capacity to enter into gas purchase and sale transactions with third parties (the "Optimization Transactions"). For the avoidance of doubt, the Parties acknowledge and agree that neither such optimization activities, nor any Net Optimization Value (as defined below), shall be inclusive of any Storage Capacity withdrawal or injection transactions entered into directly between the Parties pursuant to Section 3(d) below.

ii. Sharing. The Parties agree that the net value of any funds received through optimization of the Storage Capacity during the Release Term (the "Net Optimization Value") shall be shared on a 50/50 basis with City receiving 50% and Tenaska receiving 50%.

iii. Monthly Statement; Payment. Within fifteen (15) calendar days following the end of each month during the Release Term, Tenaska shall provide City with a written statement accounting of the results of Tenaska's optimization efforts for said prior month, showing in reasonable detail the calculation of the Net Optimization Value, if any, and setting forth the City's portion of the Net Optimization Value (the "City Optimization Amount"), if any. The City Optimization Amount shall be due on the Payment Date (as such term is defined in the TMV NAESB (as defined in Section 3(a) below)) of the month immediately following each month of the Release Term, and any such amount may be netted against any amounts owing by City to Tenaska hereunder or under the TGS NAESB or TMV NAESB.

iv. City Optimization Review Rights. City shall have the right to request periodic reviews of the Optimization Transactions and the calculation of the Net Optimization Value, along with explanations from Tenaska regarding how the Storage Capacity was optimized during the Release Term; provided, however, that Tenaska shall not be required to divulge any information to City which would cause Tenaska to violate any obligation of confidentiality to any third party.

(f) Preexisting Transactions; Exclusivity. City has entered into natural gas purchase and sale transactions with Shell Energy ("Shell"), which are more fully described on Exhibit "D" attached hereto (the "Preexisting Transactions"). During the Release Term, Tenaska shall cooperate with City to facilitate City's performance of the Preexisting Transactions; provided, however, that Tenaska shall have no obligation or liability for or in connection with such Preexisting Transactions other than the obligation to act as City's agent to nominate and schedule any natural gas delivered by Shell to City at the receipt points of the Agency Transportation Capacity in accordance with the terms and conditions set forth in this Agreement. Notwithstanding anything to the contrary in this Agreement, for each day during the Release Term that natural gas is transported utilizing the Agency Transportation Capacity in connection with the Preexisting Transactions, the Rockies MDQ and the MDQ applicable to any delivery point set forth in Section 3(c)(iii)(D) shall be deemed to be reduced proportionately on such day by the quantity of natural gas to be transported on the Agency Transportation Capacity in connection with the Preexisting Transactions. Except for the Preexisting Transactions, City appoints Tenaska to be the sole and exclusive provider of natural gas to the City during the Release Term and Tenaska accepts the appointment and agrees to provide such services to the City upon the terms and conditions set forth in this Agreement.

3. Sale and Delivery of Gas; Storage.

(a) Purchase and Sale Transactions. Any natural gas sold and purchased between the Parties pursuant to this Agreement will be sold as agreed to in one or more transaction confirmations pursuant to the terms of either (i) the Base Contract for Sale and Purchase of Natural Gas entered into between TMV and City dated [_____], as amended from time to time (the "TMV NAESB"), or (ii) the Base Contract for Sale and Purchase of Natural Gas entered into between TGS and City dated [_____], as amended from time to time (the "TGS NAESB"). All provisions of the TMV NAESB and the TGS NAESB, unless altered by this Agreement, shall apply to such purchase and sale transactions.

(b) Agency Arrangement. Concurrently with the execution of this Agreement, TMV and City shall execute and deliver to each other the Agency Delegation Northwest Pipeline LLC Form attached

hereto as Exhibit "C" (the "Agency Appointment Agreements") pursuant to which City shall authorize and appoint TMV to act as its nominating and scheduling agent with respect to the Agency Transportation Capacity. City and TMV shall provide any notice and execute any documentation (electronic or otherwise) required by NWP and take any other required action to effectuate such agency appointments. As agent, TMV will, at the direction of City, be responsible for managing the Agency Transportation Capacity in order to affect delivery of natural gas purchased by City to the delivery point(s) pursuant to this Agreement. So long as TMV is acting within the scope of its agency under the terms hereof and of the Agency Appointment Agreements, City shall be bound by the decisions made by TMV. City shall be solely responsible for the payment of all charges incurred by Tenaska under, or as a result of acting as agent in accordance with, the Agency Contracts pursuant to the terms thereof and hereof, shall continue to receive all invoices from NWP related to the Agency Contracts, and shall make all other necessary arrangements with NWP to ensure that such invoicing and payment occurs. To the extent Tenaska has to pay any charges to NWP under the Agency Appointment Agreements, City agrees to reimburse Tenaska for the full amount thereof; provided, however, that Tenaska shall be responsible for reimbursing City for any penalty or imbalance charges or other charges actually incurred by NWP related to the Agency Contracts to the extent any such charges were due to TMV's negligence or willful misconduct or breach of the terms hereof or of the Agency Appointment Agreements.

(c) Gas Purchase and Sale Transactions. To effectuate natural gas purchase and sale transactions from time to time during the Release Term, Tenaska and City will enter into transaction confirmations pursuant to the terms of this Agreement (e.g. in accordance with the nomination and pricing provisions set forth below), and in the manner contemplated in the applicable NAESB (e.g. transactions entered into verbally to be subsequently confirmed in writing). For the sake of clarity, and regardless of anything in the applicable NAESB to the contrary, the Parties agree that each individual natural gas transaction entered into hereunder will be confirmed in a separate written confirmation. The nomination of natural gas and the pricing and other terms applicable to transactions entered into by the Parties pursuant to this Section 3(c) shall be as follows (terms used but not defined herein shall have the meanings ascribed to them in the applicable NAESB):

i. Definitions. For purposes of this Agreement, the following terms have the following meanings:

A. "Delivery Month" means each Month during the Release Term.

B. "FOM Rockies Index Price" means the first-of-the-month Index price (in $ per MMBtu) for the applicable Delivery Month as published in Inside FERC's Gas Market Report as the monthly Index price, reported in the Rockies/Northwest region for "CIG, Rockies" as published by S&P Global Platts, or its successor.

C. "FOM Sumas Index Price" means the first-of-the-month Index price (in $ per MMBtu) for the applicable Delivery Month as published in Inside FERC's Gas Market Report as the monthly Index price, reported in the Rockies/Northwest region for "Northwest, Canadian border (Sumas)" as published by S&P Global Platts, or its successor.

D. "GDD Rockies Index Price" means the daily Midpoint price (in $ per MMBtu) for the relevant delivery Day as published in Platts Gas Daily in the "Final Daily Price Survey", as reported in the Rockies/Northwest region for "CIG, Rockies", as published by S&P Global Platts or its successor.

E. "GDD Sumas Index Price" means the daily Midpoint price (in $ per MMBtu) for the relevant delivery Day as published in Platts Gas Daily in the "Final Daily Price Survey", as reported in the Rockies/Northwest region for "NW, Can. bdr. (Sumas)", as published by S&P Global Platts or its successor.

F. "Market-Based Fixed Price" means a prevailing market price reasonably quoted by Tenaska, taking into account market conditions on the relevant Day, the relevant nomination cycle, and applicable transportation and delivery charges.

G. "Summer Period" means the seven (7) month period commencing on April 1 and ending on October 31 of each calendar year.

H. "Variable Costs" means, if Tenaska utilizes alternate transportation arrangements other than the Agency Transportation Capacity, all variable costs, including but not limited to commodity and fuel charges, charged by NWP, calculated at NWP's then-current rates as if such quantity of natural gas were shipped from the applicable receipt point of such Agency Transportation Capacity to the applicable delivery point of such Agency Transportation Capacity using the Agency Contracts regardless of the actual path of delivery.

I. "Winter Period" means the five (5) month period commencing on November 1 and ending on March 31 of the following calendar year.

ii. Sumas Quantity. City has the right to call upon and Tenaska has an obligation to deliver to City a maximum of up to 3,208 MMBtu ("Sumas MDQ") of natural gas each Day during the Release Term upon and subject to the terms and conditions set forth below:

A. Sumas Monthly Baseload Quantity. Prior to 12:00 PM Central Prevailing Time on the Day that is the seventh (7th) business day prior to the first day of each Delivery Month ("Monthly Baseload Nomination Deadline"), City may nominate a quantity of natural gas to be delivered by Tenaska to City on each Day of such Delivery Month (the "Sumas Monthly Baseload Quantity"). The Sumas Monthly Baseload Quantity must be the same for each Day of the Delivery Month.

B. Sumas Daily Quantity. For each Day during the Release Term, City may nominate a daily swing volume to be delivered by Tenaska to City on such Day (the "Sumas Daily Quantity"). City must nominate the Sumas Daily Quantity to Tenaska by 8:00 AM Central Prevailing Time on the Day that natural gas is traded for next Day of natural gas flow on the Intercontinental Exchange electronic trading system ("ICE") (the "Daily Quantity Nomination Deadline"). For the Sumas Daily Quantity, City must nominate even, daily ratable quantities for any period traded as a single period on ICE such that an exercise of one quantity must be made for all Days traded as a single period on ICE.

C. Sumas Intraday Quantity. If on any Day during the Release Term City notifies Tenaska after the Daily Quantity Nomination Deadline that City desires to purchase a specified quantity of natural gas from Tenaska (i) for delivery on

either the next following delivery Day or the current delivery Day, or (ii) on an intra-day basis on a weekend or holiday Day (any such quantity, a "Sumas Intraday Quantity"), then irrespective of anything to the contrary in any written transaction confirmation delivered pursuant to this Agreement or the applicable NAESB, Tenaska's obligation shall not be as described in the definition of the term "Firm", and Tenaska shall only be required to utilize its best efforts to supply such Sumas Intraday Quantity; provided, however, that Tenaska's efforts will at all times be subject to available natural gas supply, the nomination cycles and corresponding deadlines of applicable transporter on the Day of flow and other applicable rules and procedures of the applicable transporter.

D. Delivery Point for Sumas Quantity. On any Day during the Release Term, Tenaska may elect to deliver all or any portion of the Contract Quantity nominated pursuant to this Section 3(c)(ii) to one of the delivery points set forth below:

Delivery Point	Meter
Sumas	Meter #: 297
Ellensburg	Meter #: 442

E. Contract Price for Sumas Monthly Baseload Quantity.

I. Summer Period. For Sumas Monthly Baseload Quantity delivered during a Summer Period, the Contract Price shall be FOM Sumas Index Price *plus* $0.09 per MMBtu *plus* Variable Costs.

II. Winter Period. For Sumas Monthly Baseload Quantity delivered during a Winter Period, the Contract Price shall be FOM Sumas Index Price *plus* $0.375 per MMBtu *plus* Variable Costs.

F. Contract Price for Daily Quantity.

I. Summer Period. For Sumas Daily Quantity delivered during a Summer Period, the Contract Price shall be GDD Sumas Index Price *plus* $0.03 per MMBtu *plus* Variable Costs.

II. Winter Period. For Sumas Daily Quantity delivered during a Winter Period, the Contract Price shall be GDD Sumas Index Price *plus* $0.10 per MMBtu *plus* Variable Costs.

G. Contract Price for Intraday Quantity. The Contract Price for the Sumas Intraday Quantity shall be a Market-Based Fixed Price.

iii. Rockies Quantity. City has the right to call upon and Tenaska has an obligation to deliver to City up to 4,542 MMBtu ("Rockies MDQ") of natural gas each Day during the Release Term upon and subject to the terms and conditions set forth below:

A. Rockies Monthly Baseload Quantity. Prior to the Monthly Baseload Nomination Deadline, City may nominate a quantity of natural gas to be

delivered by Tenaska to City on each Day of such Delivery Month (the "Rockies Monthly Baseload Quantity"). The Rockies Monthly Baseload Quantity must be the same for each Day of the Delivery Month.

B. Rockies Daily Quantity. For each Day during the Release Term, City may nominate a daily swing volume to be delivered by Tenaska to City on such Day (the "Rockies Daily Quantity"). City must nominate the Rockies Daily Quantity to Tenaska by the Daily Quantity Nomination Deadline. For the Rockies Daily Quantity, City must nominate even, daily ratable quantities for any period traded as a single period on ICE such that an exercise of one quantity must be made for all Days traded as a single period on ICE.

C. Rockies Intraday Quantity. If on any Day during the Release Term City notifies Tenaska after the Daily Quantity Nomination Deadline that City desires to purchase a specified quantity of natural gas from Tenaska (i) for delivery on either the next following delivery Day or the current delivery Day, or (ii) on an intra-day basis on a weekend or holiday Day (any such quantity, a "Rockies Intraday Quantity"), then irrespective of anything to the contrary in any written transaction confirmation delivered pursuant to this Agreement or the applicable NAESB, Tenaska's obligation shall not be as described in the definition of the term "Firm", and Tenaska shall only be required to utilize its best efforts to supply such Rockies Intraday Quantity; provided, however, that Tenaska's efforts will at all times be subject to available natural gas supply, the nomination cycles and corresponding deadlines of applicable transporter on the Day of flow and other applicable rules and procedures of the applicable transporter.

D. Delivery Point for Rockies Quantity. On any Day during the Release Term, Tenaska may elect to deliver all or any portion of the Contract Quantity nominated pursuant to this Section 3(c)(iii) to one of the delivery points set forth below (subject to the MDQ applicable to each delivery point set forth in the table below):

Delivery Point	Meter	MDQ (MMBtu)
Shute Creek	Meter #: 541	1,142
Opal	Meter #: 543	1,500
Clay Basin	Meter #: 75	1,900
Ellensburg	Meter #: 442	4,542

E. Contract Price for Rockies Monthly Baseload Quantity.

I. Summer Period. For Rockies Monthly Baseload Quantity delivered during a Summer Period, the Contract Price shall be FOM Rockies Index Price *plus* $0.125 per MMBtu *plus* Variable Costs.

II. Winter Period. For Rockies Monthly Baseload Quantity delivered during a Winter Period, the Contract Price shall be FOM Rockies Index Price *plus* $0.35 per MMBtu *plus* Variable Costs.

F. Contract Price for Daily Quantity. For Rockies Daily Quantity, the Contract Price shall be GDD Rockies Index Price *plus* $0.03 per MMBtu *plus* Variable Costs.

G. Contract Price for Intraday Quantity. The Contract Price for the Rockies Intraday Quantity shall be a Market-Based Fixed Price.

H. Rockies Quantity Limitation. The total of the Storage Nomination Quantity (as defined in Section 3(d)(iii)), the Rockies Monthly Baseload Quantity, the Rockies Daily Quantity and the Rockies Intraday Quantity that is nominated for any particular Day during the Release Term shall not exceed the Rockies MDQ.

iv. Buy-Back. To the extent that City desires to sell any portion of the Contract Quantity back to Tenaska, then City may notify Tenaska of such quantity during any business day. Tenaska shall quote to City a Market-Based Fixed Price at which Tenaska is willing to buy-back such quantity. If City wishes to sell such quantity back to Tenaska at such quoted Market-Based Fixed Price, then the parties shall enter into a separate transaction pursuant to the applicable NAESB which memorializes such transaction.

v. NWP Cuts/Curtailments. Irrespective of anything to the contrary in this Agreement, the applicable NAESB or any transaction confirmation entered into by the Parties under or pursuant to this Agreement or the applicable NAESB, to the extent NWP cuts or curtails any of the Agency Transportation Capacity (irrespective of whether NWP declares Force Majeure (as such term is defined in NWP's tariff), and irrespective of any other circumstances related to such cut or curtailment), then in such case, Tenaska and City shall promptly communicate regarding such cut or curtailment to identify commercially reasonable measures to mitigate such cut or curtailment, including use of alternate transportation and supply arrangements; provided, however, that if City and Tenaska are unable to mutually agree upon the mitigation of such cut or curtailment, then Tenaska and City shall each be relieved of their respective receipt and delivery obligations under the relevant transaction for the period of such cut or curtailment.

(d) Storage.

i. Storage Gas. Prior to the commencement of the Release Term, the Storage Capacity will be filled with a certain amount of natural gas (the "Storage Gas"), which will be owned by City. Concurrently with the release of the Storage Capacity from City to TGS pursuant to Section 2(a), City shall transfer title of the Storage Gas to TGS via a zero-cost sale which shall be memorialized in a transaction confirmation entered into pursuant to the TGS NAESB.

ii. Injections/Withdrawals. From time to time during the Release Term, City may nominate to TGS injections or withdrawals of various quantities of natural gas into or out of the Storage Capacity (as the case may be), subject to the MSQ, MDIQ and MDWQ limitations set forth on Exhibit "A" hereto. Any such injections or withdrawals shall be effectuated through a zero-cost sale from Tenaska to City (in the case of a withdrawal), or a zero-cost sale from City to Tenaska (in the case of an injection).

iii. Storage Nominations. City must notify TGS by 8:00 AM Central Prevailing Time on the Day that natural gas is traded for next Day of natural gas flow on ICE (the "Storage Nomination Deadline") of the quantity of natural gas (the "Storage Nomination Quantity") that City desires to withdraw and/or inject on such delivery day(s) (a "Storage Nomination"), subject to the MSQ, MDIQ and MDWQ limitations set forth on Exhibit "A" hereto. Storage Nominations for weekend and holiday periods traded as a single period on ICE must be received by Tenaska prior to the Storage Nomination Deadline on the last business day immediately preceding such period. If City subsequently wants to change a Storage Nomination, Tenaska shall use commercially reasonable efforts to accommodate such requested changes, and shall promptly notify City whether and to what extent such requested changes are commercially feasible, and of the final determined quantity of natural gas that shall be withdrawn and/or injected on each applicable delivery day. Notwithstanding anything in this Section 3(d) to the contrary, Tenaska's obligations pursuant to this Section 3(d) shall at all times be subject to the nomination deadlines and other applicable rules and procedures of MountainWest, and the terms and conditions of the Storage Contract.

iv. Storage Delivery Point. With respect to all injections and withdrawals pursuant to this Section 3(d), City shall deliver all injection quantities to TGS, and TGS shall deliver all withdrawal quantities to City at the interconnection between the natural gas storage facility in which the Storage Capacity resides and NWP.

v. Storage Balance. City shall nominate injections and withdrawals pursuant to Section 3(d) such that the storage balance of natural gas being held in the Storage Capacity as of the last day of the Release Term shall be equal to (i) the beginning balance of the Storage Gas transferred to Tenaska pursuant to Section 3(d)(i), *plus* (ii) the aggregate quantity of all injections of natural gas during the Release Term, *minus* (iii) the aggregate quantity of all withdrawals of natural gas during the Release Term. On the last day of the Release Term, Tenaska shall transfer title of the storage balance of natural gas being held in the Storage Capacity as of the last day of the Release Term to City via a zero-cost sale which shall be memorialized in a transaction confirmation entered into pursuant to the applicable NAESB.

vi. Cost Reimbursement. City shall reimburse Tenaska for any charges incurred by Tenaska from MountainWest related to any injections or withdrawals made by City pursuant to this Section 3(d). City shall reimburse Tenaska for any property taxes incurred by Tenaska related to the natural gas held in the Storage Capacity during the Release Term. City reserves the right to audit the calculation of tax reimbursement.

vii. Cuts/Curtailments. Irrespective of anything to the contrary in this Agreement, the applicable NAESB, or any transaction confirmation entered into by the Parties under or pursuant to this Agreement or the applicable NAESB, to the extent (A) MountainWest cuts or curtails injections into and/or deliveries from the Storage Capacity, or (B) NWP cuts or curtails deliveries at the delivery point set forth in Section 3(d)(iv) (irrespective of whether MountainWest or NWP declares Force Majeure (as such term is defined in MountainWest's and NWP's respective tariffs), and irrespective of any other circumstances related to such cut or curtailment), then in such case, the Parties shall each be relieved of their respective receipt and delivery obligations under the relevant natural gas purchase and sale transaction entered into pursuant to the applicable NAESB for the period of such cut or curtailment.

4. Regulatory Change. This Agreement is based on the current (i) tariff provisions and operating rules of the Gas Service Providers, and (ii) rules and policies of the Federal Energy Regulatory Commission ("FERC"). If any party implements a change to any of the aforementioned that materially, adversely affects the transactions contemplated by this Agreement (a "Regulatory Change"), then the Parties shall attempt to mutually negotiate revisions to this Agreement to eliminate the adverse impact of the Regulatory Change on the Party or Parties hereto. The Parties shall negotiate in good faith to preserve the original economic and operational intent of this Agreement following any Regulatory Change. If the Parties are unable to successfully negotiate mutually agreeable revisions within thirty (30) days after the announcement of such Regulatory Change, then either Party may terminate this Agreement, by providing ten (10) days' written notice to the other Party. In the event of such termination, each Party shall have the right to exercise its respective remedies set forth in Section 5 below in the same manner as if it were the Non-Defaulting Party upon the occurrence of an Event of Default.

5. Default; Termination; Recall.

(a) To the extent either Party (i) fails to perform any material covenant or agreement set forth in this Agreement, and such failure is not cured within five (5) business days after written notice of such failure is received from the other Party, or (ii) without the prior written consent of the other Party, effectuates any change to the terms of a Contract (in each case, such Party shall be the "Defaulting Party"); or the TMV NAESB or TGS NAESB is terminated pursuant to its terms or any transaction that is governed by the TMV NAESB or TGS NAESB that is entered into in conjunction with or pursuant to this Agreement is terminated pursuant to its terms (in each case, such Party that receives notification of such termination shall be the "Defaulting Party"); or TMV's agency authorization appointment pursuant to Section 3(b) is terminated by City or NWP during the Release Term (in which case, City shall be the "Defaulting Party"), such shall constitute an "Event of Default" hereunder.

(b) Although the release of the Storage Capacity contemplated in this Agreement may be made on a recallable basis when it is made with MountainWest, City acknowledges and agrees that the intent of this Agreement is that City will not recall the Storage Capacity during the Release Term unless (i) City has the right to terminate this Agreement pursuant to Section 4 or this Section 5 or (ii) such recall is made in order to comply with a request, directive or order from a governmental, regulatory or quasi-governmental entity, including, without limitation, the FERC, North American Electric Reliability Corporation, any applicable security coordinator, control area operator, or applicable regional transmission operator. If City recalls the Storage Capacity at any time during the Release Term without having the right to terminate this Agreement pursuant to Section 4 or this Section 5 or otherwise having the right to temporarily recall the Storage Capacity pursuant to Section 5(b)(ii), such shall be deemed an Event of Default.

(c) Upon the occurrence of an Event of Default, the Party that is not the Defaulting Party (the "Non-Defaulting Party"), may, upon two (2) business days' written notice to the Defaulting Party, exercise any or all of the following rights and remedies: (1) terminate this Agreement pursuant to this Section 5, and (2) terminate any transaction entered into pursuant to the applicable NAESB which was entered into in connection with, or which is related to, this Agreement, and may elect to liquidate such transaction pursuant to the terms of the applicable NAESB, in which case a Net Settlement Amount shall be calculated (but only with respect to such transaction(s)), and paid by the Party that owes it pursuant to the terms of the applicable NAESB. The Defaulting Party shall be liable to the Non-Defaulting Party for any losses or costs incurred by the Non-Defaulting Party related to the exercise of such remedies.

(d) If the Defaulting Party is City, Tenaska may terminate and liquidate or unwind any natural gas purchase and sale transaction entered into between Tenaska and any third party for which the Storage Capacity is or was to be utilized (a "Hedge Transaction"). Tenaska shall calculate the aggregate amount of all losses and costs incurred by Tenaska as a result of terminating or unwinding such Hedge Transactions,

and City shall owe such amount to Tenaska ("Hedge Losses"). Any Hedge Losses charged to City shall be commercially reasonable and be supported by transaction-level documentation upon request. Tenaska shall utilize commercially reasonable efforts to mitigate any Hedge Losses.

(e) The Non-Defaulting Party shall calculate in good faith all amounts owed by the Defaulting Party pursuant to this Section 5 and shall send an invoice for such amount to the Defaulting Party. The Defaulting Party shall pay such amount by the close of business on the tenth day after such invoice is received. Interest on any unpaid portion of such amount shall accrue from the date due until the date such amount is paid at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

(f) Upon the effectiveness of the termination of this Agreement pursuant to Section 4 or this Section 5, City shall have the right to recall the Storage Capacity and Tenaska shall take any necessary action to effectuate such recall.

6. Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party.

7. LIMITATION OF LIABILITY. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, INDIRECT OR EXEMPLARY DAMAGES, IN TORT, CONTRACT, OR OTHERWISE.

8. Waiver and Amendment. Except as expressly provided in this Agreement, neither the failure nor the delay on the part of either Party in exercising any right, power or remedy hereunder shall operate as a waiver thereof, or of any other right, power or remedy; nor shall any single or partial exercise of any right, power or remedy preclude any further or other exercise thereof, or the exercise of any other right, power or remedy. Except as expressly provided herein, no waiver of any of the provisions of this Agreement shall be valid unless in writing and signed by the Party against whom it is sought to be enforced. No amendment of any of the provisions of this Agreement shall be valid unless it is in writing and signed by both Parties.

9. Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the balance of this Agreement shall remain in full force and effect and this Agreement shall be construed in all respects as if such invalid, illegal or unenforceable provision were omitted. If any provision is inapplicable to any person or circumstance, it shall, nevertheless, remain applicable to all other persons and circumstances.

10. No Partnership. The Parties agree that no joint venture, partnership, or other fiduciary relationship shall be deemed to exist or arise between them or their affiliates, with respect to, or as a result of, the terms of this Agreement and/or the transactions contemplated hereby. Nothing herein shall impair the City's independent authority and discretion regarding utility operations and public utility obligations.

11. Counterparts. This Agreement may be executed in counterparts, all of which will be considered one original.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

13. Public Records Act. The Parties acknowledge that the City is subject to the Washington Public Records Act, RCW 42.56. Confidential treatment of records shall be subject to applicable Washington law.

14. Future Transport Optimization Option. The Parties may mutually evaluate future conversion of transportation assets to alternative NWP rate structures and execute separate amendments regarding transportation optimization activities.

[Remainder of Page Intentionally Left Blank. Signature Page Follows.]

IN WITNESS WHEREOF, the Parties have executed this Asset Management Agreement effective as of the date first above written.

CITY OF ELLENSBURG

By:_____
Name:
Title:

TENASKA MARKETING VENTURES
By: TMV Holdings, LLC
Its Managing Partner

By:_____
Name:
Title:

TENASKA GAS STORAGE, LLC

By:_____
Name:
Title:

EXHIBIT "A"
Storage Capacity

Transporter	Contract #	Maximum Storage Quantity (MSQ)	Maximum Daily Injection Quantity (MDIQ)	Maximum Daily Withdrawal Quantity (MDWQ)
MountainWest Pipeline	931	127,800 MMBtu	1,142 MMBtu, subject to the Injection Allocation as defined in the Transporter's tariff.	The Withdrawal Allocation as defined in the Transporter's tariff.

EXHIBIT "B"
Agency Transportation Capacity

Transporter	Contract #	Maximum Daily Quantity (MDQ)	Receipt Point	Delivery Point
Northwest Pipeline, LLC	100011	1,900	Clay Basin (Meter #: 75)	Ellensburg (Meter #: 442)
Northwest Pipeline, LLC	100011	2,958	Sumas (Meter #: 297)	Ellensburg (Meter #: 442)
Northwest Pipeline, LLC	100011	1,142	Shute Creek (Meter #: 541)	Ellensburg (Meter #: 442)
Northwest Pipeline, LLC	100063	1,500	Opal (Meter #: 543)	Ellensburg (Meter #: 442)
Northwest Pipeline, LLC	100135	250	Sumas (Meter #: 297)	Ellensburg (Meter #: 442)
Northwest Pipeline, LLC	100305	1,500	Plymouth (Meter #: 196)	Ellensburg (Meter #: 442)

Transporter	Contract #	Maximum Storage Quantity (MSQ)
Northwest Pipeline, LLC	100603	8,965

EXHIBIT "C"
Agency Appointment Agreement

EXHIBIT "D"
Preexisting Transactions

1. Seller: Shell Energy
    a. Term: July 1, 2026 – March 31, 2027
    b. Sales Volume: 500 MMBtu per day
    c. Delivery Point: Sumas (Meter #: 297)
2. Seller: Shell Energy
    a. Term: July 1, 2026 – March 31, 2027
    b. Sales Volume: 500 MMBtu per day
    c. Delivery Point: Shute Creek (Meter #: 541)

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject: 2025 City of Ellensburg Annual Financial Statement Report
Submitted by: Sarah Thorson, Accounting Manager
Department: Finance

Suggested Motion/Action:
Approve the 2025 City of Ellensburg Annual Financial Statement Report.

Background/Summary:
The Office of the Washington State Auditor provides a Cash Basis Financial Statement Review Checklist. This checklist was updated and available for use in March 2026. Included in the checklist is the question "Have the financial staff reviewed the annual financial statement report with the governing body and sought its approval?" Additionally, the Auditor's Office lists the following as best practice: "Presentation to the governing body or other means of allowing the board of directors the opportunity to review or accept the financial statements, and notes allows the governing body to carry out its role of overseeing financial reporting." The 2025 Annual Financial Statements were completed and timely filed prior to the deadline on May 31, 2026.

Previous Council Action:
None

Analysis:
The City of Ellensburg upholds the City Statement of Values for fiscal accountability, in part, by following the Office of the Washington State Auditor's guidance and recommendations.

Financial Impact:
None

Budget Adjustment: No

Attachments:
1. 1. C4
2. 2. C5
3. 3. Notes to Financial Statements
4. 4. Schedule of Liabilities Schedule 9pdf
5. 5. Schedule of State Financial Assistance Scheduel 15
6. 6. Schedule of Federal Awards Schedule 16
7. 7. SEFA Notes Schedule 16

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

		Total for All Funds (Memo Only)	001 General Fund	120 Street Fund	125 Traffic Impact Fee Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	92,835,572	13,103,969	1,378,078	682,871
388 / 588	Net Adjustments	72,265	13,180	224,065	-
Revenues					
310	Taxes	24,398,367	17,704,730	-	-
320	Licenses and Permits	772,391	764,958	6,946	-
330	Intergovernmental Revenues	9,328,874	1,978,802	4,646,364	-
340	Charges for Goods and Services	57,934,841	1,379,887	600,175	774,165
350	Fines and Penalties	164,513	164,171	-	-
360	Miscellaneous Revenues	8,248,329	1,205,170	76,131	43,004
Total Revenues:		100,847,313	23,197,717	5,329,617	817,170
Expenditures					
510	General Government	7,272,192	2,712,876	87,514	-
520	Public Safety	8,187,012	6,366,983	-	-
530	Utilities	44,862,902	-	-	-
540	Transportation	7,216,773	361,399	2,520,516	2,781
550	Natural/Economic Environment	4,146,380	1,989,233	-	-
560	Social Services	263,920	263,920	-	-
570	Culture and Recreation	5,067,012	5,067,012	-	-
Total Expenditures:		77,016,190	16,761,423	2,608,030	2,781
Excess (Deficiency) Revenues over Expenditures:		23,831,122	6,436,295	2,721,586	814,388
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	5,559,648	678,578	2,411,503	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	4,259,447	55,467	170,000	-
Total Other Increases in Fund Resources:		9,819,094	734,045	2,581,503	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	14,106,218	45,000	4,187,768	-
591-593, 599	Debt Service	3,761,350	45,943	51,163	-
597	Transfers-Out	5,559,648	3,884,151	-	20,952
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	2,460,741	10,786	316,463	-
Total Other Decreases in Fund Resources:		25,887,956	3,985,880	4,555,393	20,952
Increase (Decrease) in Cash and Investments:		**7,762,260**	**3,184,460**	**747,696**	**793,436**
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	22,731,559	1,462,972	-	1,287,581
50841	Committed	376,619	188,073	-	-
50851	Assigned	64,949,618	2,038,544	2,349,854	188,727
50891	Unassigned	12,612,304	12,612,304	-	-
Total Ending Cash and Investments		**100,670,100**	**16,301,892**	**2,349,854**	**1,476,307**

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

		127 Public Transit Fund	130 Criminal Justice Sales Tax Fund	137 Drug Fund	150 Ellensburg Community TV
Beginning Cash and Investments					
308	Beginning Cash and Investments	4,300,013	2,787,333	26,286	117,688
388 / 588	Net Adjustments	12,632	104	-	-
Revenues					
310	Taxes	2,004,129	1,968,906	-	76,467
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	1,290,070	-	-	-
340	Charges for Goods and Services	75,000	57,888	-	-
350	Fines and Penalties	-	-	342	-
360	Miscellaneous Revenues	157,165	96,468	17,583	3,920
Total Revenues:		3,526,364	2,123,262	17,925	80,387
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	1,819,440	589	-
530	Utilities	-	-	-	-
540	Transportation	2,258,052	-	-	-
550	Natural/Economic Environment	-	170,173	-	83,456
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		2,258,052	1,989,612	589	83,456
Excess (Deficiency) Revenues over Expenditures:		1,268,312	133,650	17,336	(3,069)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	5,844	10,464	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		5,844	10,464	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	148,270	-	-	-
591-593, 599	Debt Service	293	40,000	-	-
597	Transfers-Out	476,000	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	127	-	-
Total Other Decreases in Fund Resources:		624,564	40,127	-	-
Increase (Decrease) in Cash and Investments:		**649,592**	**103,986**	**17,336**	**(3,069)**
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	4,264,779	2,459,928	36,401	-
50841	Committed	-	-	-	114,618
50851	Assigned	697,420	431,494	7,221	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		**4,962,200**	**2,891,423**	**43,622**	**114,618**

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

		155 Ellensburg Community TV Capital	160 Park Acquisition & Improvement	165 Lodging Tax Fund	172 Affordable Housing Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	70,820	672,237	1,841,216	3,424,285
388 / 588	Net Adjustments	-	-	-	29,210
Revenues					
310	Taxes	-	-	774,038	1,103,813
320	Licenses and Permits	487	-	-	-
330	Intergovernmental Revenues	-	1,780	-	156,401
340	Charges for Goods and Services	-	323,833	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,621	29,394	7,628	122,607
Total Revenues:		3,108	355,007	781,666	1,382,820
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	384,201	1,519,318
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	384,201	1,519,318
Excess (Deficiency) Revenues over Expenditures:		3,108	355,007	397,465	(136,497)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	61,488	-	-
591-593, 599	Debt Service	-	-	-	16,800
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	61,488	-	16,800
Increase (Decrease) in Cash and Investments:		**3,108**	**293,519**	**397,465**	**(153,297)**
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	835,032	2,152,947	2,866,678
50841	Committed	73,928	-	-	-
50851	Assigned	-	130,724	85,734	433,519
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		**73,928**	**965,757**	**2,238,681**	**3,300,198**

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

		210 Facilities Improvement Debt Service	225 2010 Maintenance Bond Debt	325 Fieldhouse Fund	340 Capital Improvement Bond
Beginning Cash and Investments					
308	Beginning Cash and Investments	362,382	88,415	5,607,619	347,551
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	253,777	-
Total Revenues:		-	-	253,777	-
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		-	-	253,777	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	562,327	186,403	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	1,510,931	-
Total Other Increases in Fund Resources:		562,327	186,403	1,510,931	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	197,698	7,610
591-593, 599	Debt Service	562,326	186,403	-	-
597	Transfers-Out	-	-	-	38,217
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		562,326	186,403	197,698	45,827
Increase (Decrease) in Cash and Investments:		**1**	**-**	**1,567,010**	**(45,827)**
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	362,383	88,415	7,174,629	301,723
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		**362,383**	**88,415**	**7,174,629**	**301,723**

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

		365 General Capital Facilities Fund	366 Sidewalk Fund	370 Capital Facilities Fund	431 Stormwater Utility Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	116,203	232,319	806,936	1,441,732
388 / 588	Net Adjustments	-	-	-	5,232
Revenues					
310	Taxes	-	383,142	383,142	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	672,334
340	Charges for Goods and Services	-	-	-	1,896,941
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	51,235	35,330	47,688
Total Revenues:		-	434,377	418,472	2,616,963
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	2,192,949
540	Transportation	-	194,459	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	194,459	-	2,192,949
Excess (Deficiency) Revenues over Expenditures:		-	239,918	418,472	424,014
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	20,607
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	97,216
Total Other Increases in Fund Resources:		-	-	-	117,823
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	802,033
591-593, 599	Debt Service	-	-	-	363,230
597	Transfers-Out	-	160,000	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	101,883
Total Other Decreases in Fund Resources:		-	160,000	-	1,267,146
Increase (Decrease) in Cash and Investments:		**-**	**79,918**	**418,472**	**(725,309)**
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	111,871	1,156,980	424,582
50841	Committed	-	-	-	-
50851	Assigned	116,203	200,366	68,427	297,061
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		**116,203**	**312,237**	**1,225,407**	**721,644**

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

		451 Telecom Utility Fund	461 Natural Gas Utility Fund	471 Electric Utility Fund	481 Water Utility Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	262,780	7,742,366	14,672,191	9,188,604
388 / 588	Net Adjustments	(11,469)	109	(215,770)	1,017
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	349,915	48,262	-	114,285
340	Charges for Goods and Services	396,262	9,555,431	21,801,826	6,420,400
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	17,263	1,829,570	808,114	1,765,651
Total Revenues:		763,440	11,433,263	22,609,940	8,300,336
Expenditures					
510	General Government	-	-	-	30
520	Public Safety	-	-	-	-
530	Utilities	210,190	13,674,648	18,773,358	5,081,962
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		210,190	13,674,648	18,773,358	5,081,992
Excess (Deficiency) Revenues over Expenditures:		553,250	(2,241,385)	3,836,582	3,218,344
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	868	133,330	135,608	12,894
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	378,333	878,200	271,511
Total Other Increases in Fund Resources:		868	511,663	1,013,808	284,405
Other Decreases in Fund Resources					
594-595	Capital Expenditures	304,687	818,233	1,831,594	1,219,162
591-593, 599	Debt Service	19,370	58,345	627,131	742,201
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	396,599	891,979	284,653
Total Other Decreases in Fund Resources:		324,057	1,273,177	3,350,704	2,246,015
Increase (Decrease) in Cash and Investments:		**230,061**	**(3,002,899)**	**1,499,686**	**1,256,734**
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	1,896,303	793,721	1,970,702
50841	Committed	-	-	-	-
50851	Assigned	481,357	2,843,179	15,162,258	8,475,626
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		**481,357**	**4,739,483**	**15,955,979**	**10,446,328**

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

		491 Wastewater Utility Fund	531 Shop & Warehouse Fund	535 General Facilities Fund	540 Health and Benefits Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	7,509,022	9,793,434	181,326	1,295,483
388 / 588	Net Adjustments	251	4,514	700	7,188
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	6,169,351	3,320,385	1,058,150	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,045,195	396,217	7,647	52,050
Total Revenues:		7,214,546	3,716,602	1,065,797	52,050
Expenditures					
510	General Government	-	-	854,544	271,053
520	Public Safety	-	-	-	-
530	Utilities	4,929,794	-	-	-
540	Transportation	-	1,879,565	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		4,929,794	1,879,565	854,544	271,053
Excess (Deficiency) Revenues over Expenditures:		2,284,752	1,837,037	211,253	(219,003)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	818,589	4,820	538,217	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	274,430	331,188	-	292,171
Total Other Increases in Fund Resources:		1,093,019	336,007	538,217	292,171
Other Decreases in Fund Resources					
594-595	Capital Expenditures	3,934,364	376,269	172,042	-
591-593, 599	Debt Service	696,476	2,723	32	-
597	Transfers-Out	-	-	-	980,327
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	287,966	170,070	16	-
Total Other Decreases in Fund Resources:		4,918,806	549,062	172,090	980,327
Increase (Decrease) in Cash and Investments:		**(1,541,035)**	**1,623,983**	**577,380**	**(907,159)**
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	1,011,079	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	4,957,152	11,421,946	759,409	395,512
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		**5,968,231**	**11,421,946**	**759,409**	**395,512**

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

		545 Risk Management Fund	550 IT Fund	555 GIS Fund
Beginning Cash and Investments				
308	Beginning Cash and Investments	1,356,984	2,992,205	433,228
388 / 588	Net Adjustments	-	1,302	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	70,659	-
340	Charges for Goods and Services	908,273	2,847,749	349,127
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	39,054	123,865	13,981
Total Revenues:		947,327	3,042,272	363,108
Expenditures				
510	General Government	1,087,508	1,840,470	418,198
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		1,087,508	1,840,470	418,198
Excess (Deficiency) Revenues over Expenditures:		(140,181)	1,201,802	(55,090)
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	36,592	3,003
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	36,592	3,003
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	-	289,264	59,651
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	156	42
Total Other Decreases in Fund Resources:		-	289,420	59,693
Increase (Decrease) in Cash and Investments:		**(140,181)**	**948,974**	**(111,780)**
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	-	-	-
50841	Committed	-	-	-
50851	Assigned	1,216,802	3,942,481	321,448
50891	Unassigned	-	-	-
Total Ending Cash and Investments		**1,216,802**	**3,942,481**	**321,448**

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

		Total for All Funds (Memo Only)	Custodial
308	Beginning Cash and Investments	7,650	7,650
388 & 588	Net Adjustments	-	-
310-390	Additions	105,858	105,858
510-590	Deductions	105,077	105,077
	Net Increase (Decrease) in Cash and Investments:	781	781
508	Ending Cash and Investments	8,431	8,431

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2025

The accompanying notes are an integral part of this statement.

City of Ellensburg, Washington
Notes to the Financial Statements
For the year ended December 31, 2025

Note 1 - Summary of Significant Accounting Policies

The City of Ellensburg was incorporated on November 26, 1883, and operates under the laws of the state of Washington applicable to a Noncharter Code City. The City is a general-purpose local government and provides public safety, animal control, street improvement, transit services, parks and recreation, library services, planning and zoning, and general administration. In addition, the City owns and operates six utility systems: stormwater, telecommunications, natural gas, electricity, water, and wastewater.

The City reports financial activity in accordance with the *Cash Basis Budgeting, Accounting, and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that ***differs*** from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting, as described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues, and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Street Fund – accounts for maintenance of transportation improvements within the public rights of way. Includes snow removal, pavement repair, pavement preservation, flood response, tree trimming, and weed control. Revenue sources include state shared revenues, motor vehicle fuel tax, charges for services, interdepartmental services, transfers in from other funds, State and Federal grants, and interest income.

Traffic Impact Fee Fund – accounts for traffic impact fees restricted to aiding improvements to transportation system capacity that will reasonably benefit new development. Revenue sources include traffic impact fees and interest income.

Public Transit Fund – accounts for safe, reliable, fare-free public transit services which meet the needs of the riders while being good stewards of the taxpayers' funding. Revenue sources include Transportation Benefit District retail

sales tax 0.2% funding for public transit, state grants, and interest income.

Criminal Justice Fund – accounts for proceeds of criminal justice sales tax 3/10th of a cent and interest income and is expended on police operations and animal control.

Drug Fund – accounts for drug fund assessment and interest income and use of those resources for drug-related investigations.

Ellensburg Community TVTV Fund – accounts for television cable 2% franchise fees restricted for supporting ECTV, television cable utility taxes, and interest income.

Ellensburg Community TV Capital Fund – accounts for cable franchise fees restricted for designated purposes supporting operation of ECTV and related systems.

Park Acquisition & Improvement Fund – accounts for park impact fees and a portion of gas tax restricted to park land acquisition, park development, and trail development. Revenue sources include Gas Tax and Impact Fees, along with interest income.

Lodging Tax Fund – accounts for Hotel/Motel tax revenues and distributions used to enhance tourism in the city and to support visitor facilities. Revenue sources are from a 4% Hotel/Motel tax the City imposes on hospitality services and interest income.

Affordable Housing Fund – accounts for Housing and Related Services Sales & Use Tax revenue, Affordable and Supporting Housing Sales & Use Tax revenue, and interest income, used to support and develop affordable housing and related services.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest, and related costs on general long-term debt.

2017 Facilities Improvement Debt Service Fund – accounts for debt service on City issued bonds to finance various capital improvement projects, including renovation of the public safety building. Revenue source is a transfer-in from the General Fund.

2010 Maintenance Bond Debt Service Fund – accounts for debt service on City issued bonds to finance various capital projects, including roof replacement on municipal buildings. Revenue source is a transfer in from the General Fund.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

Fieldhouse Development Fund –accounts for resources designated for the acquisition or construction of a Fieldhouse to replace the Ellensburg Racquet and Recreation Center, which was destroyed by arson in December 2022.

2017 Facility Improvement Bond Capital Project Fund – accounts for issued debt to finance various capital improvement projects.

General Capital Facilities Fund – accounts for resources designated for capital facility purposes, including specific proceeds from the sale of surplus property restricted for park improvements.

Sidewalk Fund – accounts for resources designated for construction and maintenance of the City's sidewalks, including Real Estate Excise Tax (REET "1") and interest income.

Capital Facilities Fund – accounts for resources designated for capital facility purposes, specifically REET "2" revenue

designated for parks and recreation facilities.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Water Utility Fund – accounts for activities that provide safe, high-quality water to utility customers while maintaining a utility rate structure that supports the expenses of the fund and maintains an adequate fund balance. Activities include monitoring, testing, repairing, and upgrading the City's water sources and distribution system.

Wastewater Utility (Sewer) Fund – accounts for activities that provide efficient, economical wastewater collection and treatment while maintaining a utility rate structure that supports the expenses of the fund and maintains an adequate fund balance. Activities include monitoring, testing, repairing, and upgrading the City's collection system, and meeting permitted discharge standards.

Stormwater Utility Fund – accounts for activities that maintain public stormwater infrastructure, create public awareness about stormwater, enhance and improve water quality and our natural resources, while providing future development with solutions that meet City, State, and Federal requirements. The fund maintains a utility rate structure that supports the expenses of the fund and maintains an adequate fund balance. Activities include ensuring that projects obtain the proper permits for the design and construction of both private and public projects related to water quality, educating the public about water quality, and eliminating illicit discharges.

Natural Gas Utility Fund – accounts for activities that provide affordable, safe, and reliable gas services to customers, including administrative, engineering, operating, and maintenance services, while maintaining a utility rate structure that supports the expenses of the fund and maintains an adequate fund balance. Activities include monitoring, testing, repairing, and upgrading the utility's infrastructure.

Electric Utility Fund – accounts for activities that provide affordable, safe, and reliable electric services to customers, including administrative, engineering, operating, and maintenance services, while maintaining a utility rate structure that supports the expenses of the fund and maintains an adequate fund balance. Activities include monitoring, testing, repairing, and upgrading the utility's infrastructure.

Telecommunications Utility Fund – accounts for activities that operate and expand access to the City's municipal fiber-optic network, including offering internet, fast Ethernet, and dark fiber to government entities, retail telecommunications service providers, and City departments, with limited public service offerings.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the government on a cost reimbursement basis.

Shop and Warehouse Fund – accounts for activities that provide efficient and economical vehicle and equipment purchasing, equipment repairs, warehousing services for all City departments, including determining the proper rates to charge City departments for equipment rental, following City procurement policies, and maintaining warehouse inventory items.

General Facilities Fund – accounts for activities that provide efficient and economical facilities for providing City services. Customer funds/departments occupy space in facilities maintained by this fund, including City Hall.

Health & Benefits Fund – accounts for activities that provide an employee wellness program, and accounts for the activities associated with payment of claims for the self-insured employee health insurance program that ended December 31st, 2024.

Risk Management Fund – accounts for activities that provide risk management products and services to other funds of the City, including programs to reduce liability for the City.

Information Technology Fund – accounts for activities that provide Information Technology services to internal and external customers, including hardware and software support for financial management, utility billing system, permit tracking system, internet access, the City's website, and the voice network.

Geographic Information Systems (GIS) Fund – accounts for activities that provide GIS systems and support to other funds of the City.

FIDUCIARY FUND TYPES:
Fiduciary funds account for assets held by the government in a trustee capacity or as a custodian on behalf of others.

Custodial Funds
These funds are used to account for assets that the government holds on behalf of others in a custodial capacity.

Intergovernmental Custodial Activities Fund – accounts for the collection and remittance of retail sales tax, leasehold excise tax, and concealed pistol license fees.

Flexible Spending Accounts Fund – accounts for the collection of employee contributions to and withdrawals from the flexible benefit pre-tax spending plan.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received, and expenditures are recognized when paid.

In accordance with state law, the City also recognizes expenditures paid during the twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds. For further information, see Note 2, *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of 1 year. Infrastructure will be capitalized when the cost or group cost is $50,000 or more. Capital assets and inventory are recorded as inventory when purchased and assigned to capital expenditures or supplies as appropriate when assigned to a project for use.

E. Compensated Absences

City policy and collective bargaining agreements allow accumulation of various types of leave based on the employees' classification. Upon termination of employment for any reason, employees receive payment for their eligible accrued leave based on their employment contract classification. Paid time off (PTO) has a maximum accumulation of 584 hours, dependent on years of service. Sick leave and Reserved Time Off (RTO) may be accumulated indefinitely, however, upon separation from employment, employees do not receive payment for unused sick or RTO leave. Additionally, temporary and part-time employees earn one hour of paid sick leave for every 40 hours they work, and balances of 40 hours or less are carried over to the next year in accordance with Washington Paid Sick Leave laws (WPSL). Payments are recognized as expenditures when paid.

Below is a chart showing the treatment of each type of leave based on the employee classification:

	NON-EXEMPT	OPEIU/ LOPE	IBEW	TEAM PW	TEAM POLICE	Temporary & Part-time
Bank Days	N/A	N/A	Accrued @ 4 days per year—no max accrual Standby Bank Hours –300 hours.	Hired prior to 12/2009 accrued @ 3 days per yr- no max accrual	N/A	N/A
Comp time	N/A	Accrue to 40 hours maximum per year	Accrue to 40 hours maximum year	Accrue to 80 hours maximum per year	Accrue to 40 hours maximum per year	N/A
RTO	No new accrual. No payout.	N/A	N/A	N/A	N/A	N/A
Sick Leave	See PTO	No accrual limit/ no payout	No accrual limit/ no payout	No accrual limit/ no payout	No accrual limit/ payout up to 500 hours	See WPSL
Vacation	N/A	Not to exceed 240 hours	Not to exceed 240 hours	Not to exceed 240 hours	Not to exceed 296 hours	N/A
PTO	Accrual based on years of service. Maximum accrual 584 hours	N/A	N/A	N/A	N/A	N/A
WPSL	See PTO	See Sick Leave	See Sick Leave	See Sick Leave	See Sick Leave	Earn 1 hour of paid sick leave for every 40 hours worked

F. Liabilities

See Note 6, *Long-term Liabilities*.

G. Leases and Subscription Based Information Technology Arrangements (SBITA)

Leases and SBITAs are reported as liabilities. For more information see Note 11 – Leases and Note 12 – SBITA.

H. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by City Council ordinance or resolution.

When expenditures that meet restrictions are incurred, the City intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

Fund	Amount	Reason
General	$1,651,045	External Restriction/Restrictions by Donors/Art Grant/Opioid Settlement Funds
Traffic Impact Fees	$1,287,581	Traffic Impact Fees Restricted by RCW 82.02.050
Transportation Benefit District	$4,264,799	RCW 82.14.045 Voter Approved Sales Tax
Criminal Justice	$2,459,928	Local Criminal Justice Tax RCW 82.14.340(4)-(5)
Drug Fund	$36,401	RCW 69.50.505
CATV Operations Fund	$114,618	Cable TV Utility Tax
CATV Capital Fund	$73,928	Cable TV Utility Tax
Park Acquisition	$835,032	Gas tax is externally restricted RCW 46.68.110/RCW 47.24.040
Lodging Tax	$2,152,947	RCW 67.28.180
Housing	$2,866,678	RCW 82.14.045 Voter Approved Sales Tax & State Affordable Housing Credit
Capital Fund - Sidewalk Fund	$111,871	Capital Projects identified in RCW 82.46.030 and 82.45.180
Capital Fund - Facilities	$1,156,980	Capital Projects identified in RCW 82.46.030 and 82.45.180
Enterprise - Stormwater	$424,582	Bond Reserve Requirements and Utility Deposits
Enterprise - Natural Gas Utility	$1,896,303	Bond Reserve Requirements and Utility Deposits/HEAR Grant/Climate Commitment Act Funds
Enterprise - Electric Utility	$793,721	Bond Reserve Requirements and Utility Deposits
Enterprise - Water Utility	$1,970,702	Bond Reserve Requirements, Bond Cash, Plant Investment Fees, and Utility Deposits
Enterprise - Sewer Utility	$1,011,079	Bond Reserve Requirements, Bond Cash, Plant Investment Fees, and Utility Deposits

Note 2 – Deposits and Investments

Investments are reported at amortized cost. Deposits and Investments by type on December 31, 2025, are as follows

Type of Investment	City of Ellensburg's Own Deposits and Investments	Deposits held by City of Ellensburg as custodian for individuals	Total
Bank deposits	$8,778,107	$8,431	$8,786,536
L.G.I.P.	$69,348,836		$69,348,836
U.S. Government securities	$22,543,157		$22,543,157
Total	**$100,670,100**	**$8,431**	**$100,678,529**

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds, and the investments held by fund retains the investment income.

Investments in the State Local Government Investment Pool (LGIP)
The City is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the City would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party. The City's deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered, or held by the City or its agent in the government's name.

Compensating Balances

The amounts previously referred to as bank balance, also includes a compensating balance maintained with U.S. Bank in lieu of payments for services rendered. The average compensating balance maintained during 2025 was approximately $11,325,182.

Note 3 - Joint Operations and Related Parties

A. Joint Operations with the County

The City of Ellensburg and Kittitas County entered into a cooperative service enterprise to purchase and operate the facility previously known as the City/County Community Center (currently known as the Adult Activity Center), effective July 19, 1977. The $62,500 in initial costs of the facility were split, with $46,875 to the City and $15,625 to the County. The City is responsible for operating and maintaining the facility. The City accounts for the operations of the facility in the Recreation Department of the General Fund. The 2025 operations are as follows:

	Budget	Actual
Kittitas County	$49,000	$81,966
City Of Ellensburg	$165,088	$124,978
Tour Fees	$5,000	$10,040
Other Revenues	$23,360	$29,700
Total Support	$245,448	$246,683

A copy of the agreement can be obtained from the City of Ellensburg Finance Department.

Note 4 - Property Tax

The County Treasurer acts as an agent to collect property tax levied in the County for all taxing authorities. Collections are distributed after the end of each month. Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

Property Tax Calendar	
January 1	Tax is levied and becomes enforceable lien against the properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments are due.
May 31	Assessed value of property is established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

The City's regular levy for the year 2025 was $1.269859 per $1,000 on an assessed valuation of $2,933,248,676 for a total regular levy of $3,724,812.23.

Note 5 – Budget Compliance

A. Budgets

The City adopts biennial appropriated budgets for thirty-nine funds. These budgets are appropriated at the fund level. Several managerial funds of the General Fund, combined for annual financial reporting purposes, are appropriated as separate funds. The budget constitutes the legal authority for expenditures at that level. Biennial appropriations for these funds lapse at the fiscal year end.

Biennial appropriated budgets are adopted on the same basis of accounting as used for financial reporting. Intrafund transactions between managerial funds are reported both as appropriated and actual expenditures in the table below.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Table 1 - 2025 Final Budget and Actual Expenditures

Fund	2025 Original Budget	2025 Final Budget	2025 Actuals (Budgetary Basis)	Total Reconcile to Cash BARS Basis	2025 Actuals (Cash BARS Basis)	Variance Budget to Actuals
Total Budgeted General Fund	$ 22,803,634	$ 23,937,442	$ 21,766,109	$ (4,610,056)	$ -	$ 2,171,333
Managerial Funds of the General Fund						
Economic Development	-	18,806	15,256	-	-	3,550
Sales Tax Reserve Fund	7,056,734	7,056,734	7,056,734	(4,558,004)	-	-
Art Acquisition Fund	105,000	105,000	90,048	-	-	14,952
Grants	2,100,881	1,100,881	885,421	-	-	215,460
*LID Guaranty Fund	-	-	-	-	-	-
Library Trust Fund	8,974	8,974	597	-	-	8,377
Hal Holmes Trust Fund	1,472	1,472	1,472	-	-	-
Fire Relief & Pension Trust Fund	163,852	163,852	99,566	-	-	64,286
*LID Debt Service Fund	-	-	-	159	-	-
Total Managerial Funds	9,436,913	8,455,719	8,149,095	(4,557,845)	-	306,624
Total General Fund	$ 32,240,547	$ 32,393,161	$ 29,915,204	$ (9,167,901)	$ 20,747,303	$ 2,477,957
Street Fund	$ 3,112,899	$ 3,149,134	$ 2,513,166	$ 4,650,258	$ 7,163,423	$ 635,968
Arterial Street Fund	5,767,464	5,686,316	4,648,892	(4,648,892)	-	1,037,424
Traffic Impact Fees Fund	117,750	158,330	23,733	-	23,733	134,597
Public Transit Fund	3,168,927	3,230,015	2,882,615	-	2,882,616	347,400
Criminal Justice Sales Tax Fund	2,055,166	2,164,481	2,029,739	-	2,029,739	134,742
Drug Fund	10,000	10,000	589	-	589	9,411
Ellensburg Community TV	86,109	86,109	83,456	-	83,456	2,653
Ellensburg Community TV "Capital"	-	-	-	-	-	-
Parks Acquisition Fund	-	427,800	61,488	-	61,488	366,312
Lodging Tax Fund	550,966	622,966	384,201	-	384,201	238,765
Housing Fund	1,104,870	2,886,895	1,536,118	-	1,536,118	1,350,777
Facilities Improvement Debt Service	563,326	563,326	562,326	-	562,326	1,000
2010 Maintenance Bond Debt Service	186,403	186,403	186,403	-	186,403	(0)
*LID Guaranty Fund	-	163,000	159,688	(159,688)	-	3,312
Field House	485,232	485,232	197,698	-	197,698	287,534
Capital Improvement Bond Projects	848,384	348,384	45,827	-	45,827	302,557
Sidewalk Fund	343,000	363,000	354,459	-	354,459	8,541
Recreation Facilities	100,000	35,000	-	-	-	35,000
Stormwater Utility Fund	3,802,605	3,802,605	3,358,211	101,883	3,460,095	444,394
Telecommunications Utility Fund	542,203	1,031,365	534,247	-	534,247	497,118
Gas Utility Fund	14,858,245	19,902,582	14,379,678	568,147	14,947,825	5,522,904
Electric Utility Fund	29,224,730	31,553,245	21,045,130	1,078,932	22,124,062	10,508,115
Water Utility Fund	8,657,700	9,253,523	7,043,199	284,809	7,328,007	2,210,324
Wastewater Utility Fund	10,192,243	10,212,243	9,561,189	287,411	9,848,600	651,054
Shop Fund	3,140,993	3,310,993	2,418,501	10,126	2,428,627	892,492
General Facilities	1,012,752	3,481,135	1,026,633	-	1,026,634	2,454,502
Health Insurance	1,096,219	1,301,366	1,251,380	-	1,251,380	49,986
Risk Management Fund	1,110,829	1,168,716	1,087,508	-	1,087,508	81,208
Information Technology Fund	2,732,003	3,357,481	2,129,890	-	2,129,890	1,227,591
GIS Fund	538,095	538,095	477,891	-	477,891	60,204
All Funds	$ 127,649,660	$ 141,872,901	$ 109,899,061	$ (6,994,915)	$ 102,904,146	$ 31,973,840

Table 2 - Reconciling Items Budgetary Basis to BARS Cash Basis

Fund	2025 Admin Elimination	2025 Interfund Transfers	2025 400/441 Reallocation	2025 Inventory Conversion	Change in Fund Classification	2025 Actuals Non-Budgeted Funds	Total Reconcile to Cash BARS Basis
Total Budgeted General Fund	$ (4,468,975)	$ (141,081)	$ -	$ -	$ -	$ -	$ (4,610,056)
Managerial Funds of the General Fund							
Sales Tax Reserve Fund	-	(4,558,004)	-	-	-	-	(4,558,004)
LID Guaranty Fund	-	(159,688)	-	-	159,688	-	-
LID Debt Service Fund	-	(58,923)	-	-	-	59,082	159
Total Managerial Funds	-	(4,776,615)	-	-	159,688	59,082	(4,557,845)
Total General Fund	$ (4,468,975)	$ (4,917,696)	$ -	$ -	$ 159,688	$ 59,082	$ (9,167,901)
Street Fund	$ -	$ -	$ -	$ 1,366	$ 4,648,892	$ -	$ 4,650,258
Arterial Street Fund	-	-	-	-	(4,648,892)	-	(4,648,892)
LID Guaranty Fund	-	-	-	-	(159,688)	-	(159,688)
Stormwater	-	-	101,883	-	-	-	101,883
Gas Utility Fund	-	-	396,497	171,650	-	-	568,147
Electric Utility Fund	-	-	891,811	187,120	-	-	1,078,932
Water Utility Fund	-	-	284,546	263	-	-	284,809
Sewer Utility Fund	-	-	287,606	(194)	-	-	287,411
Shop Fund	-	-		10,126	-	-	10,126
All Funds	$ (4,468,975)	$ (4,917,696)	$ 1,962,343	$ 370,331	$ (0)	$ 59,082	$ (6,994,915)

Admin Elimination: The City of Ellensburg budgets for “expenditure” of administrative activities in the General Fund, and “expenditure” from beneficiary funds to pay for those services, with revenue budgeted in the General Fund. This activity must be allocated and eliminated for annual financial reporting purposes.

Interfund Transfers: Budgeted interfund transfers between managerial funds of the same fund are eliminated for annual financial reporting purposes.

400/441 Reallocation: The City of Ellensburg reported the Utility Deposit Fund (441) as a separate unbudgeted fund until the Office of the State Auditor asserted those funds to be managerial funds of the distinct Utility Funds. Deposits are not collected by the separate funds. The City established a percentage allocation based on revenue. The resulting revenues and expenditures are a result of complying with the allocation of deposits for annual financial reporting purposes only, and not for purposes of enterprise fund budget compliance. The utility funds do not collect this “revenue” or budget for this “expenditure”. Therefore, the reporting of this 400/441 reallocation is for annual financial reporting purposes only.

Inventory Conversion: Changes in inventory balances are trued-up at year-end. This activity is not budgeted.

Changes in Fund Classification: The LID Guaranty Fund is budgeted as a Debt Service Fund but reported on the financial statements as a managerial fund of the General Fund. The Arterial Street Fund is budgeted as a separate fund but rolled into the Street Fund for financial reporting.

Non-Budgeted Funds: The LID Debt Service Fund (800) is not a budgeted fund but is reported on the financial statements.

Budgeted amounts are authorized to be transferred within funds; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City’s legislative body.

Note 6 – Long-Term Liabilities

The following tables provide details of the outstanding debt of the City and summarizes the City's debt transactions for the year ended December 31, 2025.

The debt service requirements for general obligation bonds, revenue bonds, and assessment debt are as follows:

General Obligation Bonds

	Principal	Interest	Total
2026	$ 573,407	$ 175,322	$ 748,729
2027	$ 588,281	$ 160,448	$ 748,729
2028	$ 603,550	$ 145,179	$ 748,729
2029	$ 619,223	$ 129,506	$ 748,729
2030	$ 635,312	$ 113,417	$ 748,729
2031-2035	$ 2,463,210	$ 348,418	$ 2,811,629
2036-2040	$ 1,086,072	$ 38,580	$ 1,124,651
Total	**$ 6,569,054**	**$ 1,110,870**	**$ 7,679,925**

General Obligation Debt Issued for Business-Type Activities

	Principal	Interest	Total
2026	$ 14,078	$ 5,185	$ 19,263
2027	$ 14,495	$ 4,768	$ 19,263
2028	$ 14,924	$ 4,339	$ 19,263
2029	$ 15,366	$ 3,897	$ 19,263
2030	$ 15,821	$ 3,442	$ 19,263
2031-2035	$ 86,419	$ 8,940	$ 95,359
2036-2040	$ 18,747	$ 414	$ 19,160
Total	**$ 179,851**	**$ 30,983**	**$ 230,098**

Revenue Bonds

	Principal	Interest	Total
2026	$ 1,846,777	$ 593,814	$ 2,440,591
2027	$ 1,896,280	$ 541,771	$ 2,438,051
2028	$ 1,955,504	$ 489,061	$ 2,444,565
2029	$ 2,006,830	$ 433,073	$ 2,439,903
2030	$ 1,307,923	$ 376,285	$ 1,684,208
2031-2035	$ 6,610,512	$ 1,198,582	$ 7,809,094
2036-2040	$ 3,839,716	$ 1,935,700	$ 5,775,416
Total	**$ 19,463,541**	**$ 5,568,287**	**$ 27,469,009**

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are generally 20-year serial bonds with equal annual payments.

The 2017 Facilities Capital Bonds were sold to provide funds to pay costs associated with remodeling, expanding, and equipping the Ellensburg Police Department, and other related capital improvements. The bond will mature in 2037.

The 2016 Limited Tax General Obligation Bonds were sold to provide funds necessary to repay an interfund loan and to provide funds for long term financing of the City's telecommunication infrastructure. This is a General Obligation Debt issued for Business-Type activities. The bond will mature in 2036.

The 2021 Limited Tax General Obligation Refunding (2010) Bonds were sold to refund certain outstanding limited tax general obligation bonds of the City to achieve a debt service savings and to pay the costs of issuance and sale of the bonds. The bond will mature in 2030.

Revenue bonds are bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds are created by ordinance, adopted by the City Council, and financed from Enterprise Fund revenues.

2014 Electric Refunding/Revenue Bonds for the purpose of providing funds to refund outstanding electric revenue bonds of the City, and to finance the cost of a new substation of the City's electric utility. The bonds will mature in 2034.

2016 Water/Sewer Refunding (2010) Bonds for the purpose of providing funds to refund outstanding water/sewer revenue bonds of the City. These bonds will mature in 2029.

2016 Gas Bonds for the purpose of providing funds to pay or reimburse the costs of certain capital improvements to, and extension of, the Natural Gas Utility. These bonds will mature in 2036.

2020 Waterworks Bonds for the purpose of funding capital improvements to the Stormwater Utility, including the purchase of 56 acres of active floodplain, construction of a fish-passable bridge and three flood swales, and construction of a setback levee. The bonds will mature in 2039.

2021 Waterworks Bonds for the purpose of funding capital improvements to the Waterworks Utility System, consisting of certain capital improvements to the Waterworks Utility System, including the Bull Road Utility Extension, Illinois Well Fitting, Anderson Road Sewer Extension, Craigs Hill Pressure Zone, Wastewater Treatment Facility Clarifiers, and Digester/GBT Building Electrical Upgrades. The bonds will mature in 2040.

Significant Debt Agreement Terms

Debt	Clause
2014 UTO Refunding Bonds	If any Bond is not redeemed when properly presented at maturity or call date, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or call date until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on the bond redemption fund hereinafter created and the Bond has been called for payment by giving notice of that call to the registered owner thereof.
2021 LTGO Refunding (2010) Bonds	If any Bond is not redeemed when properly presented at maturity or call date, the City will pay interest on that Bond at the same rate provided on the Bond from and after its maturity or call date until that Bond is paid in full or until sufficient money for its payment in full is on deposit in a special account created by the City for such purpose.
2010 Water/Sewer Refunding and Revenue Bonds	If the City fails to make a payment on the Bonds or does not comply with the covenants in the Bond Ordinance, a bond owner has remedies permitted under State law, including without limitation, the remedies provided in RCW 35.67.108 and RCW 35.92.160.
2016 Gas Bonds	If the principal of the Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for the redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Debt Service Account, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.
2020 Waterworks	If the principal of the Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for the redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Assessment Debt or Conduit Debt obligations are debt instruments issued for the express purpose of providing financing for a third party that is not part of the financial reporting entity.

Local Improvement Districts (LIDS) are a means of assisting benefiting properties in financing needed capital improvements through the formation of special assessment districts. All financing was secured through Cashmere Valley Bank in Ellensburg, WA. For the 2025 fiscal year, the City had one active LID, Helena Street, assigned LID #2004-1, and the improvements were street and utility related. The City made its final payment for the LID in 2025.

Interfund Loans

The Ellensburg City Council approved Resolution 2024-24 on August 19, 2024. This resolution approved an Interfund Loan up to $2,000,000 from the Shop Fund to the Arterial Street Fund for a period of up to three years. The purpose of the loan was to maintain a positive cash flow while awaiting state and federal grant reimbursements for various authorized budgeted and capital projects.

The following table displays interfund loan activity during 2025:

Borrowing Fund	Lending Fund	Balance 1/1/2025	New Loans	Repayments	Balance 12/31/2025
Street Fund	Shop and Warehouse Fund	$1,002,991.96	$170,000	$316,410.23	$856,581.69

Compensated Absences

During the year ended December 31, 2025, the following changes occurred in compensated absences:

	Balance 1/1/2025	Additions	Reductions	Balance 12/31/2025
Compensated Absences*	$2,324,217	$1,013,107		$3,337,324

*Additions and reductions are reported as a net change

Note 7 – Pension Plans

A. State Sponsored Pension Plans

Substantially all City full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The State Legislature establishes and amends laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials, state employees, employees of local governments, and higher education employees not participating in higher education retirement programs.

PERS is composed of, and reported as, three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) multiplied by the member's years of service. The AFC is the average of the members' 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the

member's AFC multiplied by the members' years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with full benefit at age 65. with at least five years of service credit. Retirement before age 65 is considered early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service, or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are entirely dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including the purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

LEOFF Plan 1

The city also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2
The City also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the State General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the State Constitution and could be changed by statute.

On June 30, 2025 (the measurement date of the plans), the City's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

	Employer Contributions	Allocation Percentage*	Liability (Asset)
PERS 1 UAAL	$368,282	.066792%	$787,475
PERS 2/3	$914,318	.086151%	$(3,387,674)
LEOFF 1		.041542%	$(1,316,273)
LEOFF 2	$161,084.07	.059084%	$(1,144,763)

Only the net pension liabilities are reported on the Schedule 09.

B. Local Government Pension Plans

The City is the administrator of a pension retirement system called the Fire Relief and Pension Fund; a closed, single employer defined benefit plan established under RCW 14.16,14.18 and 14.220 – as applicable. The system provides retirement, disability, and death benefits to members and beneficiaries. The system has no active members.

As of December 31, 2025, there were a total of 3 individuals covered by this system.

Firefighters' Pension Fund (RCW 41.16.050) – The State contributes 25% of the taxes on fire insurance premiums to these plans and is considered a non-employer contributing entity. The amount of these contributions received in 2025 was $73,643. This is not considered a special funding situation.

Note 8 – Risk Management

Pool Insurance

Washington Cities Insurance Authority (WCIA)
The City of Ellensburg is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. As of December 31, 2025, WCIA had a total of 168 members.

New members initially contract for a three-year term, and therefore automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are $4 million per occurrence in the self-insured layer, and $16 million in limits above the self-insured layer is provided by reinsurance. Total limits are $20 million per occurrence, subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to $1 million and subject to member deductibles, sublimits, and a $5 million pool aggregate. Premises pollution liability provides Members with a $2 million incident limit and $10 million pool aggregate subject to a $100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to $1,000,000 for all perils other than flood and earthquake, and insured above that to $400 million per occurrence, subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to $250,000 and insured above that to $100 million per occurrence, subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day-to-day operations of WCIA.

Association of Washington Cities Employee Benefit Trust Health Care Program

Beginning January 1, 2025, the City of Ellensburg is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents, and other beneficiaries through a designated account within the Trust.

As of December 31, 2025, 268 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year, with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental, and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-city entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2025, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of $2 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program-related matters and make operational decisions regarding premium contributions, reserves, plan options, and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care

Program policies, Chapter 48.62 RCW, and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's Office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office

Washington State Transit Insurance Pool (WSTIP) City of Ellensburg – Central Transit is a member of the Washington State Transit Insurance Pool (WSTIP). WSTIP is a 25-member governmental risk pool located in Olympia, Washington. WSTIP supplies City of Ellensburg – Central Transit with auto liability, general liability, public officials' liability coverage.

CENTRAL TRANSIT / CITY OF ELLENSBURG TRANSIT DIVISION has a $5,000 deductible for public official's liability coverage and has no deductible for general and auto liability risks covered by WSTIP.

The WSTIP was established on January 1, 1989, under Washington state laws RCW 48.61 and 39.34. WSTIP helps member transit agencies by enabling them to:

- Pool resources for self-insurance
- Jointly purchase insurance
- Hire or contract for personnel to provide risk management, claims handling, and administrative services.

Transit agencies that join WSTIP must remain members for at least three years. After this initial period, members can withdraw by giving six months' written notice and then withdrawing at the end of the fiscal year. Agencies that withdraw are not eligible to rejoin for another three years. The Pool is governed by a Board of Directors, which is comprised of designated representatives from every Member. An Executive Committee is elected at the Annual Meeting and is responsible for conducting WSTIP's business affairs.

Transit agencies may apply for WSTIP membership, which is granted upon approval by a simple majority vote of the WSTIP Board of Directors. WSTIP's underwriting and rate-setting policies are established based on actuarial consultation. WSTIP members may be subject to supplemental assessments in the event of funding deficiencies. If WSTIP's assets were to be exhausted, Members would be responsible for WSTIP's liabilities. WSTIP is regulated by the Washington State Risk Manager and audited annually by the Washington State Auditor.

WSTIP utilizes a combination of self-insurance, reinsurance, and excess insurance to provide the limits noted in the summary below. Carriers include Government Entities Mutual, Safety National, Munich Reinsurance of America, Hallmark Specialty Insurance Company, and Allied World Assurance Company for the liability lines.

City of Ellensburg – Central Transit has not presented any claims to WSTIP in the last year that are expected to exceed its current coverage limits through WSTIP.

Here is a summary of coverage provided in 2025:

RISK / EXPOSURE		COVERAGE	DEDUCTIBLE
GENERAL LIABILITY:			
Bodily Injury & Property Damage	$25 million	Per occurrence	$0

Personal Injury and Advertising Injury	$25 million	Per offense	$0
Contractual liability	$25 million	Per occurrence	$0
Public Rideshare Driver Medical Expense Protection (PDRMEP)	$35,000	Per occurrence	$0
Permissive Use of a Member-Owned Motor Vehicle	$100,000 for property damage and $300,000 for bodily injury	Per occurrence	$0
Agency, rental, and personal/private vehicle occupants not covered by workers compensation or transit passengers	$100,000 for property damage and $300,000 for bodily injury	Per occurrence Per occurrence	$0 $0
Endorsement 1: COMMUNICABLE DISEASE LIABILITY:	$500,000	Per occurrence	$0
Annual aggregate for all Members or Additional Covered Parties	$2 million		
Endorsement 2: Transit Rider Medical Expense Protection (TRMEP) (by mode) *	$15,000	Per Occurrence	$0
* TRMEP was purchased on the following modes: None			

RISK / EXPOSURE		COVERAGE	DEDUCTIBLE
PUBLIC OFFICIALS' LIABILITY	$25 million	Per occurrence and aggregate	$5,000
Endorsement 1: VIOLATIONS OF WAGE & HOUR LAWS	$250,000	Per occurrence	$25,000
Annual aggregate per Member	$250,000		

Note 9 – Other Post-Employment Benefits (OPEB) Plans

The City administers two closed, single employer defined OPEB plans designed for post-employment health care benefits to 14 police and firefighters who are retired or disabled. They are the Law Enforcement Officers' and Fire Fighters Retirement System Plan One (LEOFF 1), as required by Washington State law RCW 41.26.150, and the Fire Relief and Pension Plan, which provides for pre-LEOFF 1 police and firefighters who retired or disabled.

The Fire Relief and Pension Plan, which pre-dates the Law Enforcement Officers' and Fire Fighters Retirement System Plan, is addressed in RCW 41.26.150(1), which states: 'in the case of active or retired firefighters the employer may make the payments provided in this section from the firefighter's pension fund established pursuant to RCW 41.16.050 where the fund had been established prior to March 1, 1970. If this pension fund is depleted, the employer shall have the obligation to pay all benefits payable under chapters 41.16 and 41.18 RCW.' This plan requires expenses to be approved by the Kittitas County LEOFF Disability Board.

The LEOFF 1 retiree medical plan is directed and defined by the State of Washington Revised Code RCW 41.26.150, states in part: 'whenever any active member, or any member hereafter retired, on account of service, sickness, or disability, not caused or brought on by dissipation or abuse, of which the disability board shall be the judge, is confined in any hospital or in home, and whether or not so confined, requires medical services, the employer shall pay for the active or retired member the necessary medical services not payable from some other source as provided for in subsection (2) of this section.' Washington RCW 43.62.030 requires cities with populations over 20,000 to establish a disability board. The City created its own LEOFF Disability Board under Ordinance 4927 in October of 2023. The board is comprised of five members; two of which are City Council members appointed by the mayor, one firefighter, and one law enforcement officer which are elected to their positions by commissioned law enforcement officers who are employed by or retired from the City themselves, and one at-large member who shall be a City resident and is appointed by a majority vote of the other members.

For both plans, to qualify for medical services, an employee must be active, disability retired or have a service retirement date effective the day following separation from LEOFF employment with the City. Employees may retire after 5 years of service upon reaching age 50. Employees with 20 years of service who leave employment before retirement age are eligible for medical benefits upon reaching age 50. Insurance for retired individuals is provided through the employer's group plan, which covers both active and qualified retired members. The medical services cover active and retired members only. Spouses are not eligible. Health insurance premiums are paid monthly, and other medical services are paid as billings are presented for payment.

Employer contributions are financed on a pay-as-you-go basis. During 2025, expenditures of $148,833 were recognized for other post-employment benefits.

The City of Ellensburg's OPEB liability as of December 31, 2025, was $5,576,906 and was calculated using the Office of the Washington State Actuary alternative measurement method tool.

Note 10 – Contingencies and Litigations

Presently, there is one lawsuit pending against the City for personal injury. The amount of damages alleged in the claim is $21,000,000. The City denies any liability and has retained outside counsel to handle this litigation.

Note 11 – Leases

Copiers – The City leases 19 copiers from Copiers NW, Xerox, and Canon Solutions America, under non-cancelable lease agreements that range from 36 to 60 months. The total annual payments for copiers in 2025 were $33,386.

Mail Machine – The City leases 1 mail machine from Pitney and Bowes under a non-cancelable 60-month lease that began April 17, 2024. The quarterly payments are $3,862.41.

Substation – The City leases 1 substation from Bonneville Power under a three-year non-cancelable lease agreement that began July 31, 2024. The annual lease payment is $16,875.00.

Cold Weather Shelter – The City leases space from Grace Episcopal Church to utilize as a cold weather shelter under a two-year non-cancelable lease agreement that began July 31, 2025. The monthly lease payment is $2,800.00.

Total Lease Liability by Year:

Year Ended December 31	Total
2026	$98,498
2027	$58,750
2028	$31,896
2029	$8,006
2030	$396

Note 12 – Subscription Based Information Technology Arrangements

The City has six agreements in place for operating systems, geographic information systems, utility billing, library cataloging, and public safety software, ranging from two to five-year arrangements. The total amount paid in 2025 was $417,353.

Microsoft 365 licensing subscription through CDW-G for $133,911.65 per year. 3 Year non-cancellable agreement ends February 28th, 2027.

Geographic Information System (GIS) software subscription through ESRI Inc. for $29,810 per year. Two payments were made in 2025 due to a timing of when annual invoices were submitted to the City by the vendor. 3 Year non-cancellable agreement ends July 20th, 2026. Addition in 2025 is due to recalculating payments.

C2M utility billing software subscription through Origin Utility Inc. for $155,000 per year under a 3-year non-cancellable agreement that ends December 31st, 2026.

Horizon subscription for library software through Sirsi Dynix is $28,821 per year under a 5-year non-cancelable agreement that ends December 19th, 2026. The increase in 2025 is due to recalculating payments.

Flock Inc. subscription for use of license plate recognition cameras and software is $39,000 per year under a 2-year non-cancellable agreement that ends August 23rd, 2026.

Axon Enterprises subscription for use of Body Cameras, Tasers, and licenses to view evidence is $1,000 in 2025 and $89,980.36 in subsequent years. The agreement is a 5-year non-cancellable agreement that ends December 31st, 2030.

Product	Vendor	Beginning Balance	Additions	Reductions	Balance
Microsoft 365	CDW-G	290,142		133,912	156,230
GIS Software	ESRI INC	29,810	29,810	59,620	0
C2M	Origin Utility Inc.	310,000		155,000	155,000
Horizon Catalog	Sirsi Dynix	28,822	28,822	28,822	28,822
Flock	Flock Inc	39,000		39,000	0
Body Cameras, Tasers, and Licenses to View Evidence	Axon Enterprises	0	450,902	1,000	449,902

Total SBITA Liability by Year:

Year Ended December 31	Total
2026	$407,714
2027	$112,299
2028	$89,980
2029	$89,980
2030	$89,981

Note 13 – Significant Commitments

The City has active projects and contracts as of December 31, 2025.
These commitments include:

Project/Contract	Spent To Date	Amount Remaining on Contract
Bid Call 2023-04 Main St./Wildcat Way Overlay & CBD Slurry Seal	$ 1,242,924.58	$ 123,424.70
Bid Call 2023-16 University Way Overlay	$ 906,334.92	$ 40,588.68
Bid Call 2023-17 Anderson Road Sewer Extension	$ 1,723,030.00	$ 57,786.88
Bid Call 2023 - 12 Unity Park	$ 2,611,505.88	$ 45,010.12
Bid Call 2024 - 03 2024/2025 City Property Groundskeeping	$ 447,091.13	$ 248,678.99
Bid Call 2024-05 2024 Electrical Utility On-Call const. Svcs	$ 499,946.79	$ 204,036.58
Bid Call 2024 - 12 Pfenning Road Sidewalk Extension	$ 96,976.00	$ 1,261,665.66
Bid Call 2024-19 Seattle Ave. Utility Extension	$ 446,824.71	$ 105,001.75
Bid Call 2024- 23 Anderson Rd Sewer Extension Phs 2	$ 3,738,627.88	$ 56,639.78
Bid Call 2025-05 Water Street Overlay - Main to Bender	$ 3,049,810.86	$ 419,731.74
Bid Call 2025-06 Middle Reach Reecer Creek Flood Hazard Reduction Phase 2	$ 668,679.67	$ 105,222.94
Bid Call 2025-09 Annual Tree Trimming Contract	$ 162,374.65	$ 98,580.35
Bid Call 2025-12 University Way Bridge Repair over BNSF Railroad	$ 57,000.00	$ 47,810.00
Bid Call 2025-13 Dry Creek 24" Valve Replacement		$ 77,974.80
Agreement 2137-02 Anderson Sewer Main	$ 215,253.76	$ 27,956.24
Agreement 2213-01 -02 ASR FEASIBILITY	$ 277,684.75	$ 22,315.25

Agreement 2274 - 01 -02 - 03 - 04 General Sewer Plan/Aeration System Improvements	$ 445,589.27	$ 42,909.73
Agreement 2334 - 02 Secondary Clarifier Rehabilitation	$ 338,722.02	$ 30,795.98
Agreement 2374 -01 - 02 GIS Support Services	$ 145,090.29	$ 27,409.71
Agreement 2507 Ellensburg Fieldhouse Project	$ 99,277.33	$ 535,954.35
Agreement 2531 Helena Ave Street Improvements/Extension Design	$ 125,553.23	$ 36,059.82
Agreement 2544 City Reservoir & Substation Acquisition	$ 12,610.72	$ 83,569.28
Agreement 2562 - 01 Public Transit Marketing Services	$ 75,597.50	$ 24,402.50
Agreement 2577 - 01 Consultant Svcs for RFQ R24-09 - Joint Use Pole Load Analysis	$ 131,472.50	$ 68,527.50
Agreement 2599 Tree Inventory, Urban Forest Management Plan & Municipal Tree Ord Project	$ 136,876.28	$ 110,147.81
Agreement 2600 Owner/Design-Builder Agrmt for Fieldhouse Project	$ 197,698.06	$ 225,682.94
Agreement 2610 Professional Services for Enterprise Resource Planning (ERP) software project	$ 62,674.03	$ 40,200.97
Agreement 2616 On Call Traffic Analysis for 2025/2026	$ 2,781.20	$ 67,218.80
Agreement 2622 Contract Water Right Change (S4-83580-J)	$ 3,850.00	$ 20,794.00
Agreement 2626 Legislative Lobbying Services	$ 21,758.80	$ 53,239.00
Agreement 2633 Legal representation agreement for ownership/operation of electric utility	$ 4,200.00	$ 70,800.00
Agreement 2636 Electric Cost-of-Services Rate Study	$ 21,093.75	$ 28,056.25
Agreement 2640 2026 Comprehensive Plan Periodic Update	$ 212,965.63	$ 317,550.72
Agreement 2651 Comprehensive Park, Rec, Open Space & Sustainable Funding Plan	$ 72,392.98	$ 57,607.02
Agreement 2663 Outage Notification software services		$ 38,600.00
Agreement 2672 Water and Sewer Revenue Requirement Rate Study	$ 2,695.00	$ 42,155.00
Agreement 2673 - 01 Professional Services - Stormwater Management Companion Agreement	$ 11,115.16	$ 58,044.84
Agreement 2680 Shop & Warehouse Facility Backup Generator Project Agreement		$ 79,684.77
Agreement 2702 Master Services Agreement for Energy Service Division's Operator Qualifications System	$ 4,064.00	$ 16,256.00
Agreement 2704 Prof Svcs Agrmt for Wastewater Treatment Plant (WWTP) Improvements		$ 150,000.00
Agreement A2705 A&E Prof Svcs Agrmt to install new sidewalk and pathway-University Way and Vantage Hwy from Alder to Vista	$ 4,080.49	$ 305,759.52
Agreement A2706 Interlocal Agreement for Prosecution Services		$ 264,152.02
Agreement A2710 Professional Services Agreement for Aquifer Storage Recovery Feasibility Study Completion Review & Data Gaps Analysis		$ 17,800.00
Agreement A2715 Professional Services Agreement for Hearing Examiner Services		$ 75,500.00

Note 14 – Subsequent Events

Property Acquisition

On February 18th, 2026, the City purchased an office building and real property from Kittitas County that is adjacent to other City-owned real property. The property is located at 925 Industrial Way, Ellensburg, WA, and was purchased for $460,000 by the Shop Fund.

Note 15– Accounting Changes and Error Corrections

In 2025, the City had two corrections resulting in change in fund balances from previously reported amounts.

Payables Posting Glitch

In 2025, the City discovered that in prior fiscal years that several expenditures related to accounts payable transactions posted multiple times to the general ledger, resulting in our cash and fund balances being understated. The net impact on cash balances for all impacted funds was $70,919. The error was specific to the general ledger postings; no vendors were overpaid.

Gateway I

Gateway I was a multi-year project involving construction of a stormwater treatment system and bicycle and pedestrian improvements along University Way. Upon closing out the project, the City identified an error in how some project expenditures had been allocated to various funds, and that overall project expenses had been overstated by $1,346. An error correction was completed to correct the fund balances for the departments that expenses had been incorrectly allocated to.

	12/31/2024 Cash /Investment Balance As Previously Reported	Error Correction	12/31/2024 Cash/Investment Balance As Restated/Adjusted
General Fund - 001	13,103,968	13,180	13,117,148
Street Fund - 120	1,378,078	224,065	1,602,143
Public Transit Fund - 127	4,300,012	12,632	4,312,644
Criminal Justice Sales Tax Fund - 130	2,787,333	104	2,787,437
Affordable Housing Fund - 172	3,424,284	29,210	3,453,494
Stormwater Utility Fund - 431	1,441,732	5,232	1,446,964
Telecom Utility Fund - 451	262,780	-11,469	251,311
Natural Gas Utility Fund - 461	7,742,366	109	7,742,475
Electric Utility Fund - 471	14,672,190	-215,770	14,456,420
Water Utility Fund - 481	9,188,604	1,017	9,189,621
Wastewater Utility Fund - 491	7,509,022	251	7,509,273
Shop & Watehouse Fund - 531	9,793,434	4,514	9,797,948
General Facilities Fund - 535	181,326	700	182,026
Health & Benefits Fund - 540	1,295,483	7,188	1,302,671
IT Fund - 550	2,992,205	1,302	2,993,507
Total All Funds	**$ 80,072,817**	**$ 72,265**	**$ 80,145,082**

City of Ellensburg
Schedule of Liabilities
For the Year Ended December 31, 2025

ID. No.	Debt ID Title	Description	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	Non-voted General obligation bonds	2010 GO Debt Refi	1,021,003	-	171,699	849,304
251.11	Non-voted General obligation bonds	LTGO Bonds, 2017	6,083,846	-	393,396	5,690,450
251.11	Non-voted General obligation bonds	LTGO Bonds, 2016, issued for Telecom	193,524	-	13,673	179,851
263.56	Leases, SBITA, and PPPs	Leases copiers - monthly	83,407	33,902	33,386	83,923
263.56	Leases, SBITA, and PPPs	Leases - Mailing Equipment - quarterly	61,797	-	15,448	46,349
263.56	Leases, SBITA, and PPPs	Leases - Substation - annual	33,750	-	16,875	16,875
263.56	Leases, SBITA, and PPPs	Leases - Cold Weather Shelter Facility	-	67,200	16,800	50,400
263.56	Leases, SBITA, and PPPs	SBITA - CDW-G	290,142	-	133,912	156,230
263.56	Leases, SBITA, and PPPs	SBITA - ESRI	29,810	29,810	59,620	-
263.56	Leases, SBITA, and PPPs	SBITA - Origin Utility Inc	310,000	-	155,000	155,000
263.56	Leases, SBITA, and PPPs	SBITA - Sirsi Dynix	28,822	28,822	28,822	28,822
263.56	Leases, SBITA, and PPPs	SBITA - Flock	39,000	-	39,000	-
263.56	Leases, SBITA, and PPPs	SBITA - Axon Enterprises	-	450,902	1,000	449,902
		Total General Obligation Debt/Liabilities:	**8,175,101**	**610,636**	**1,078,631**	**7,707,106**
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	Non-voted Revenue bonds	Electric Refunding Bond - 2014	385,000	-	385,000	-

City of Ellensburg
Schedule of Liabilities
For the Year Ended December 31, 2025

ID. No.	Debt ID Title	Description	Beginning Balance	Additions	Reductions	Ending Balance
252.11	Non-voted Revenue bonds	Electric Bond - 2014	4,410,000	-	10,000	4,400,000
252.11	Non-voted Revenue bonds	Gas 2016	555,728	-	41,331	514,397
252.11	Non-voted Revenue bonds	Water Sewer Refunding 2016	3,545,000	-	680,000	2,865,000
252.11	Non-voted Revenue bonds	Stormwater 2020 Bond	4,335,356	-	234,683	4,100,673
252.11	Non-voted Revenue bonds	2021 Waterworks Bond	8,684,508	-	446,762	8,237,746
259.12	Compensated Absences	Compensated Absences	2,324,217	1,013,107	-	3,337,324
264.30	Pension Liabilities	Net Pension Liability	1,157,699	-	370,224	787,475
264.40	OPEB Liabilities	OPEB	6,368,894	-	791,988	5,576,906
		Total Revenue and Other (non G.O.) Debt/Liabilities:	**31,766,402**	**1,013,107**	**2,959,988**	**29,819,521**
Assessment Debt/Liabilities (with commitments)						
253.43	Local Improvement District (LID) Warrants with Commitments	LID Warrants with Commitments	153	-	153	-
		Total Assessment Debt/Liabilities (with commitments):	**153**	**-**	**153**	**-**
		Total Liabilities:	**39,941,656**	**1,623,743**	**4,038,772**	**37,526,627**

City of Ellensburg
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2025

State Agency Name	Program Title	Identification Number	Total
State Award from Department of Commerce	2025-2027 Climate Planning Grant	26-63330-160	41,778
State Award from Department of Commerce	Coordinating Low Income Housing Planning	24-63336-201	15,000
State Award from Department of Commerce	Periodic Update Grant	25-63335-130	28,152
State Award from Department of Commerce	Decarbonization Grant	25-53310-002	727,500
		Sub-Total:	**812,430**
State Award from Other Environmental Agencies	Certified Local Government- City of Ellensburg	FFY25-CLG-ELLENSBURG	15,000
		Sub-Total:	**15,000**
State Award from Department of Transportation	Helena Ave Improvements	HLP-6904(001)	76,000
State Award from Department of Transportation	State Rural Mobility	PTD0617	328,270
State Award from Department of Transportation	Special Transportation Needs Grant	PTD0937	8,436
		Sub-Total:	**412,706**
State Award from Department of Ecology	WA State CJTC Accreditation Award	(blank)	43,478
State Award from Department of Ecology	2023-2025 Biennial Stormwater Capacity Grants	WQSWCAP-2325_EllePW-00073	48,939
State Award from Department of Ecology	Gateway II	WQC-2021-EllePW-00053	350,044
State Award from Department of Ecology	FCAAP Grant	SEAFCAAC-2325-EllePW-00033	167,977
State Award from Department of Ecology	Aquifer Storage and Recovery	WRYBIP-2123-EllePW-00028	81,155
		Sub-Total:	**691,593**

Total State Grants Expended:	**1,931,729**

City of Ellensburg
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via WADNR)	Inflation Reduction Act Urban & Community Forestry Program	10.727	93-107975	53,478	-	53,478	-	
RURAL HOUSING SERVICE, AGRICULTURE, DEPARTMENT OF	Community Facilities Loans and Grants	10.766	CLSS00000079940	-	403,573	403,573	403,573	3
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Department of Commerce)	Broadband Infrastructure Program	11.031	968G0220	111,236	-	111,236	28,300	3
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607		-	1,626	1,626	-	3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Highway Planning and Construction	20.205	STPUS-6909 (001)	12,791	-	12,791	-	3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Highway Planning and Construction	20.205	STBGUS-6902 (001)	2,694,798	-	2,694,798	-	3
			Total ALN 20.205:	**2,707,589**	**-**	**2,707,589**	-	

The accompanying notes are an integral part of this schedule.

City of Ellensburg
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Formula Grants for Rural Areas and Tribal Transit Program	20.509	PTD0617	933,885	-	933,885	-	3
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	N/A	20,448	-	20,448	-	3
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	National Priority Safety Programs	20.616	N/A	6,650	-	6,650	-	3
		Total Highway Safety Cluster:		**27,098**	**-**	**27,098**	-	
OFFICE OF THE SECRETARY, TRANSPORTATION, DEPARTMENT OF (via WSDOT)	Safe Streets and Roads for All	20.939	693JJ32340149	122,625	-	122,625	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		-	752,347	752,347	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Department of Commerce)	CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	N/A	131,401	-	131,401	-	
			Total ALN 21.027:	**131,401**	**752,347**	**883,748**	-	

The accompanying notes are an integral part of this schedule.

City of Ellensburg
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES, THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES (via Washington State Library)	Grants to States	45.310	LS-256847-OLS-24	595	-	595	-	
Aging Cluster								
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via DSHS)	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	N/A	4,305	-	4,305	-	3
			Total Aging Cluster:	**4,305**	**-**	**4,305**	-	
			Total Federal Awards Expended:	**4,092,212**	**1,157,546**	**5,249,758**	**431,872**	

The accompanying notes are an integral part of this schedule.

CITY OF ELLENSBURG, WASHINGTON

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2025

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the City's financial statements and in accordance with requirements contained in Uniform Guidance. The City uses the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

Note 2 – Federal Indirect Cost Rate

The City has elected to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Program Cost

The amounts shown as current year expenditures represent only the federal award portion of the program costs. Entire program cost, including the City's portion are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Award Bid Call No. 2026-02 Feeder 7 Construction & Feeder 1 Line Extension to Magnum Power LLC
Submitted by:	Dan Davis, Engineering Tech
Department:	Energy Services

Suggested Motion/Action:
Award Bid Call 2026-02 for Feeder 7 Construction & Feeder 1 Line Extension to Magnum Power LLC, the lowest responsive and responsible bidder.

Background/Summary:
The purpose of this call for bids and specifications is to obtain a contractor to provide labor, supervision, equipment and materials, where specified, for the construction of a new Feeder 7 and a three-phase line extension to existing Feeder 1. The work will include overhead and underground line work, excavation, backfill and restoration, and duct and vault installation. This work will provide electrical service to the new WinCo commercial food distribution warehouse in the City of Ellensburg, currently under construction.

The bid was advertised and placed on the City website and staff received a total of (7) seven bids. A total of (4) four bids were deemed responsive and included bids from Magnum Power LLC, NW Utilities Services LLC, DJ's Electrical Inc and Michels Pacific Energy Inc. The bid submitted by Magnum Power LLC was deemed the lowest responsive and responsible bidder.

The bids from both Palouse Power LLC and Salish Construction Co were both deemed non-responsive due to the fact that, while both Bidders acknowledged Addendum #1, they both did not include the required Checklist and Subcontractor List, as included in Addendum #1. The bid from Black & McDonald was deemed non-responsive due to the fact that the bid submittal did not include a notary seal on either the required Non-Collusion Affidavit or the required Statement of Bidder's Qualifications.

Staff recommends that City Council award the contract for Bid Call 2026-02 to Magnum Power LLC for the bid amount of $1,055,592.00.

Previous Council Action:
No previous Council action regarding this Feeder 7 Construction and Feeder 1 Line Extension.

Analysis:
Bids are listed below and were evaluated in the order of low to high. The following summary of the bids (including sales tax) for each bidder:

Representative & Extended Cost (incl. tax):

Magnum Power LLC	$1,055,592.00
NW Utilities Services LLC	$1,268,025.07
DJ's Electrical Inc.	$1,467,550.31
Michels Pacific Energy Inc	$1,557,102.46

The bid submitted by Mangum Power LLC, is below the Engineer’s Estimate of $1,651,800.73, by approximately 56%.

Financial Impact:
The developer (WinCo) has signed a Developer’s Agreement and will pay all costs associated with this project. The 2026 Electric Utility Budget includes adequate expenditure authority for this bid award.

Budget Adjustment: No

Attachments:
None

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Award Bid Call 2026-06 for the 2026 Residential Sidewalk Repair Program
Submitted by:	Josh Mattson, Assistant City Engineer
Department:	Public Works

Suggested Motion/Action:
Award Bid Call 2026-06 to Western Excavating, Inc., the lowest responsive and responsible bidder, in the amount of $547,727.11, and deem Eastern Washington Groundworks LLC and Clear Excavating LLC as non-responsive.

Background/Summary:
Bids were opened on Tuesday, June 2nd, 2026, for the 2026 Residential Sidewalk Repair Program. Western Excavating, Inc. was the lowest responsive and responsible bidder in the amount of $547,727.11. Council is being requested to award the bid to Western Excavating, Inc. and deem Eastern Washington Groundworks LLC and Clear Excavating LLC's bid as non-responsive.

City staff designed and prepared bid specifications for this project, Bid Call #2026-06.

This project has four separate schedules "A" through "D".

Bid schedule "A" is for general repair of concrete curb ramps and sidewalks in the City, with focus on upgrading existing curb ramps to ADA compliance.

Bid schedule "B" consists of City-wide transit improvements, upgrading existing sites to ADA compliance with improved wheelchair and ambulatory passenger deployment. Two transit shelters will be installed.

Separate bid schedules "C" & "D" are established unit prices for City departments to utilize throughout 2026 for curb and sidewalk repairs required by their respective operations.

Previous Council Action:
None

Analysis:
The project was advertised, and the bids were received as follows:

Western Excavating, Inc. $547,727.11
Belsaas & Smith Construction, Inc. $617,427.80

Mass X Construction $728,972.06
Lowell's Cornerstone Construction LLC $737,880.91
Eastern Washington Groundworks LLC - Non-responsive
Clear Excavating LLC - Non-responsive

Engineer's Estimate $641,706.25

The low bid submitted by Western Excavating, Inc. is below the Engineer's estimate.

Eastern Washington Groundworks LLC and Clear Excavating LLC were deemed non-responsive due to bid document errors and/or omissions.

Financial Impact:
The bid price from Western Excavating, Inc. for this project consists of the following schedules of work.

	Bid Cost
Schedule "A" – Residential Sidewalk Repair	$103,124.00
Schedule "B" – Transit Stop Improvements	$362,081.00
Schedule "C" – Streets On Call Repairs	$32,962.50
Schedule "D" – Utilities On Call Repairs	$49,559.61
Total	**$547,727.11**

There is no budget adjustment needed for this project. Each division (fund) has approved funding for its respective schedule. Adequate expenditure authority for each of these schedules exists within the respective budgets.

Budget Adjustment: No

Attachments:
None

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Floodplains by Design - Floodplain Protection Land Acquisition Grant Award Acceptance – Public Works Project Numbers 24-058 / 26-076
Submitted by:	Rebecca Springer, Water Resources Manager, Erin McGowan, Stormwater/Urban Forestry
Department:	Public Works

Suggested Motion/Action:
Move to authorize the City Manager to sign the Floodplain Protection Land Acquisition Grant Agreement (No. SEAFBD-2527-EllePW-00016) with the Washington State Department of Ecology; negotiate and execute an agreement with a land acquisition consultant, in a form approved by the City Attorney, and approve adjustments to the Stormwater Utility budget to accommodate the grant award.

Background/Summary:
The Floodplains By Design (FBD) Grant, funded through the Washington State Department of Ecology, provides funding to support multi-benefit projects to reduce flood risk and restore natural floodplain functions in the state's major river corridors.

In April 2024, the City applied for the FBD Grant to support the acquisition of approximately forty acres located within the Special Flood Hazard Area (SFHA) along Whiskey Creek through fee simple acquisition or conservation easement. The intent of this acquisition, in conjunction with the use of restrictive covenants, was to preserve the floodplain by restricting development in this area.

Initially, the City was not selected for the grant award. However, in early 2026, the City was informed that it was eligible for a partial grant award. Staff have been working with the Trust for Public Lands (TPL) and the Department of Ecology to secure this partial funding, which will be sufficient to achieve some of the original project objectives.

Previous Council Action:
No previous Council Action.

Analysis:
Two landowners located within the City of Ellensburg city limits and Urban Growth Area (UGA) have indicated their interest in selling flood-prone properties. Whiskey Creek flows through both properties and the parcels are within a SFHA with an AO flood zone designation, which is prone to shallow flooding. This project will seek to acquire approximately thirty acres from one property owner and seek to acquire or purchase a conservation easement on approximately ten acres from a different property owner.

Acquisition of these properties will help Kittitas County reach the goals provided in the Wilson Naneum Cherry Assessment (WNCA) to facilitate the migration of steelhead into the Upper Naneum Canyon. The WNCA is an existing condition assessment of the Naneum, Wilson, and Cherry Creek watersheds within the Kittitas Valley of eastern Washington. The WNCA studied how to best introduce native Steelhead and Coho into the Upper Naneum Canyon as Whiskey Creek is the chosen route for Wild Steelhead to migrate. Completing the acquisitions will allow for future habitat restoration by removing fish barriers and protecting the property in perpetuity by preventing commercial or residential development. Purchasing the properties through acquisition or easement will allow the Gateway Trail to connect to the Cascade Palouse Trail and create an opportunity to construct a new City park. This particular acquisition also supports a larger collaboration that aligns the interests of the City, County, Yakama Nation, the Department of Fish and Wildlife, and Mid-Columbia Fisheries as it advances flood protection, enhances Whiskey Creek, supports wild Steelhead passage into the Naneum watershed, extends their trail system, and demonstrates integrated flood risk reduction and resource management for the community.

Financial Impact:
This grant award would increase the Stormwater Budget by $2,447,946. There is no match required. Staff request approval of the necessary budget adjustments.

Budget Adjustment: Yes

Attachments:
1. Floodplain Protection Land Acquisition Grant Agreement
2. Initial Floodplains By Design Grant Application (Pearson Kuchin Floodplain Protection Land Acquisition)
3. Map of Properties Proposed for Acquisition or Easement (from initial Floodplains By Design Grant Application)

Docusign Envelope ID: 3604DCBA-6882-8E3F-8155-32211B831DD2

DEPARTMENT OF ECOLOGY
State of Washington

Agreement No. SEAFBD-2527-EllePW-00016

SHORELANDS FLOODPLAINS BY DESIGN AGREEMENT

BETWEEN

THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

AND

CITY OF ELLENSBURG PUBLIC WORKS DEPARTMENT

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

GENERAL INFORMATION

Project Title:	Floodplain Protection Land Acquisition
Total Cost:	$2,447,946.00
Total Eligible Cost:	$2,447,946.00
Ecology Share:	$2,447,946.00
Recipient Share:	$0.00
The Effective Date of this Agreement is:	07/01/2025
The Expiration Date of this Agreement is no later than:	06/30/2027
Project Type:	Floodplains by Design

Project Short Description:
The City of Ellensburg Public Works Department (RECIPIENT) will acquire approximately thirty-five to forty acres located within the Special Flood Hazard Area (SFHA) along Whiskey Creek through fee simple acquisition or conservation easement. This acquisition, in conjunction with the use of restrictive covenants, will preserve the floodplain by restricting development in this area.

Project Long Description:
Two landowners located within the City of Ellensburg city limits and Urban Growth Area (UGA) have their properties for sale. Whiskey Creek flows through both properties and the parcels are within a SFHA with an AO flood zone designation, which is prone to shallow flooding. This project will seek to acquire approximately thirty acres from one property owner and seek to acquire or purchase a conservation easement on approximately ten acres from a different property owner.

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Acquisition of these properties will help Kittitas County reach the goals provided in the Wilson Naneum Cherry Assessment (WNCA) to facilitate the migration of steelhead into the Upper Naneum Canyon. The WNCA is an existing condition assessment of the Naneum, Wilson, and Cherry Creek watersheds within the Kittitas Valley of eastern Washington. The WNCA studied how to best introduce native Steelhead and Coho into the Upper Naneum Canyon as Whiskey Creek is the chosen route for Wild Steelhead to migrate. Completing the acquisitions will allow for future habitat restoration by removing fish barriers and protecting the property in perpetuity by preventing commercial or residential development. Purchasing the properties through acquisition or easement will allow for the Gateway Trail to connect to the Cascade Palouse Trail and create an opportunity to construct a new city park. This particular acquisition also supports a larger collaboration that aligns the interests of the City, County, Yakama Nation, the Department of Fish and Wildlife, and Mid-Columbia Fisheries as it advances flood protection, enhances Whiskey Creek, supports wild Steelhead passage into the Naneum watershed, extends their trail system, and demonstrates integrated flood risk reduction and resource management for the community.

Overall Goal:

To prevent future development on project parcels in perpetuity, enhance community flood protection, create opportunity for wild Steelhead recovery, and expand public recreational opportunities.

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RECIPIENT INFORMATION

Organization Name: City of Ellensburg Public Works Department

Federal Tax ID: 91-6001245
UEI Number: SFRMWQVG79M5

Mailing Address: 501 North Anderson St
Ellensburg, WA 98926

Physical Address: 501 North Anderson St
Ellensburg, Washington 98926

Organization Email: pubworks@ellensburgwa.gov

Contacts

Project Manager	Rebecca Springer Water Resources Manager 501 North Anderson St Ellensburg, Washington 98926 Email: springerr@ellensburgwa.gov Phone: (509) 962-7204
Billing Contact	Caroline Escobar Finance Officer 501 North Anderson St Ellensburg, Washington 98926 Email: escobarc@ci.ellensburg.wa.us Phone: (509) 962-7204
Authorized Signatory	Heidi Marie Behrends-Cerniwey City Manager 501 North Anderson Street Ellensburg, Washington 98926 Email: cerniweyh@ci.ellensburg.wa.us Phone: (509) 962-7232

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ECOLOGY INFORMATION

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

Physical Address: Shorelands
300 Desmond Drive SE
Lacey, WA 98503

Contacts

Project Manager	Sandy Floyd Project Manager PO Box 47775 Olympia, Washington 98504-7775 Email: sflo461@ecy.wa.gov Phone: (360) 584-2804
Financial Manager	Michele Boderck Financial Manager PO Box 47600 Olympia, Washington 98504-7600 Email: mbod461@ecy.wa.gov Phone: (360) 407-6483

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AUTHORIZING SIGNATURES

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

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

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

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

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

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

IN WITNESS WHEREOF: the parties hereto, having read this Agreement in its entirety, including all attachments, do agree in each and every particular and have thus set their hands hereunto.

Washington State Department of Ecology		City of Ellensburg Public Works Department	
By:		By:	
Joenne McGerr	Date	Heidi Marie Behrends-Cerniwey	Date
Shorelands		City Manager	
Program Manager			

Template Approved to Form by
Attorney General's Office

SCOPE OF WORK

Task Number: 1 **Task Cost:** $35,000.00

Task Title: Grant Administration and Project Management

Task Description:
The RECIPIENT will provide grant administration and project management in accordance with the grant program Funding Guidelines, Administrative Requirements for Recipients of Ecology Grants and Loans (Yellow Book), Agreement Terms and Conditions, and laws and regulations.

A. Grant administration. The RECIPIENT's responsibilities to administer the grant include, but are not limited to: retaining and maintaining grant agreement and grant amendment records; submitting grant deliverables as specified in the scope of work tasks and the dates outlined in the Deliverable Due Dates form; submitting complete and timely quarterly and final Payment Requests/Progress Reports (PRPRs) and corresponding backup documentation; timely submittal of a complete Recipient Close Out Report (RCOR) at grant close out; timely responses to any and all other communications and requests from ECOLOGY for information about the grant.

B. Project management. The RECIPIENT's responsibilities to manage the project include, but are not limited to conducting, coordinating, and scheduling project activities; and assuring quality control. The RECIPIENT must make every reasonable effort to maintain effective communication with ECOLOGY as well as with all other affected local, state, federal, and tribal jurisdictions; and any interested individuals or groups. In the event that the RECIPIENT elects to use a contractor to complete project elements, the RECIPIENT shall retain responsibility for the oversight and management of this funding agreement.

Task Goal Statement:
Properly managed grant agreement that meets the grant program Funding Guidelines, Administrative Requirements for Recipients of Ecology Grants and Loans (Yellow Book), Agreement Terms and Conditions, and applicable laws and regulations.

Task Expected Outcome:
Properly maintained grant and project documentation. Timely and complete responses to ECOLOGY communications and requests for information about the project.

Docusign Envelope ID: 3604DCBA-6882-8E3F-8155-32211B831DD2

Recipient Task Coordinator: Rebecca Springer

Grant Administration and Project Management

Deliverables

Number	Description	Due Date
1.1	Payment Requests/ProgressReports (PRPR)	
1.2	Recipient Close Out Report(RCOR)	06/30/2027
1.3	Project Outcome SummaryReport	06/30/2027

SCOPE OF WORK

Task Number: 2 **Task Cost:** $2,412,946.00

Task Title: 2. Acquisitions

Task Description:
The RECIPIENT will negotiate with willing sellers and acquire properties at risk from flooding through fee simple ownership or conservation easement. Work includes acquisition of at least one at-risk property in the Upper Yakima Watershed.

The RECIPIENT will complete cultural resources requirements under Governor's Executive Order 21-02.

A. Prior to acquisition, the RECIPIENT will complete the cultural resources review in accordance with Section 106 and Governor's Executive Order 21-02 requirements. Due to confidentiality, email surveys to the ECOLOGY Project Manager and do not upload in EAGL.

B. The RECIPIENT will submit a complete Acquisition Report for each property acquired to ECOLOGY and upload forms in EAGL prior to the reimbursement request of each acquisition.

* When the estimated property value does not exceed $25,000, and the acquisition is not complex, the RECIPIENT may be exempt from meeting appraisal and review appraisal standards. Such exemptions must be requested in writing and approved by the ECOLOGY Project Manager before the closing on the property. The RECIPIENT must follow the appraisal waiver standards in 44 C.F.R. § 24.102.

C. The RECIPIENT, working through an established title company, will provide ECOLOGY with supporting documents, including Face Sheet for acquisitions; EAGL Payment Request/Progress Report; Title company's "Wire Transfer Request" with routing number, and wiring instructions for specific property referenced; Settlement Statement; and the closing date of transaction.

Escrow Process (if applicable): If the RECIPIENT requires funds to acquire a property prior to closing, the RECIPIENT can request an exception to ECOLOGY's reimbursement policy by going through the escrow process. This process allows ECOLOGY to pay a RECIPIENT's grant funds in advance for the property acquisition through the title / escrow company. Allow sufficient time for ECOLOGY and the Office of the State Treasurer to process documentation a minimum of three weeks prior to closing.

D. Upon completion of acquisitions, the RECIPIENT will submit GIS-compatible project area data in an ECOLOGY-approved format to ECOLOGY, and upload it to EAGL.

Task Goal Statement:
The fee-simple purchase of at least one property at-risk of flooding in the Upper Yakima Watershed and possible purchase of a conservation easement.

Meet legal requirements for cultural resource review and consultation.

Task Expected Outcome:
Property acquisition and potential conservation easement to reduce flood risk by preventing development through

restrictive covenants.

Recipient Task Coordinator: Rebecca Springer

2. Acquisitions

Deliverables

Number	Description	Due Date
2.1	Signed consultant contract(s), if any. Upload to EAGL and notify ECOLOGY Project Manager.	
2.2	Copy of cultural resources consultation. Due to confidentiality, do not upload to EAGL and instead email it to the ECOLOGY Project Manager.	
2.3	Concurrence letter from DAHP. Upload to EAGL and notify ECOLOGY Project Manager.	
2.4	Complete Acquisition Report for each fee-simple title property purchased. Upload to EAGL and notify ECOLOGY Project Manager.	
2.5	Complete Conservation Easement Report for each easement purchased, if any. Upload to EAGL and notify ECOLOGY Project Manager.	
2.6	Upon completion of acquisitions, the RECIPIENT will submit all executed copies of recorded deeds and easements. Upload to EAGL and notify ECOLOGY Project Manager.	
2.7	Upon completion of acquisitions, the RECIPIENT will submit GIS-compatible project area data in an ECOLOGY-approved format to ECOLOGY, and upload it to EAGL. Notify ECOLOGY Project Manager via email.	

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BUDGET

Funding Distribution EG260671

NOTE: *The above funding distribution number is used to identify this specific agreement and budget on payment remittances and may be referenced on other communications from ECOLOGY. Your agreement may have multiple funding distribution numbers to identify each budget.*

Funding Title: Floodplains by Design 2025-27
Funding Type: Grant
Funding Effective Date: 07/01/2025 Funding Expiration Date: 06/30/2027
Funding Source:

Title: State Building Construction Account (SBCA)

Fund: FD
Type: State
Funding Source %: 100%
Description: State Building Construction Account (SBCA)

Approved Indirect Costs Rate: Approved State Indirect Rate: 30%
Recipient Match %: 0%
InKind Interlocal Allowed: No
InKind Other Allowed: No
Is this Funding Distribution used to match a federal grant? No

Floodplains by Design 2025-27	Task Total
1. Grant Administration and Project Management	$ 35,000.00
2. Acquisitions	$ 2,412,946.00
	Total: $ 2,447,946.00

Docusign Envelope ID: 3604DCBA-6882-8E3F-8155-32211B831DD2

Funding Distribution Summary

Recipient / Ecology Share

Funding Distribution Name	Recipient Match %	Recipient Share	Ecology Share	Total
Floodplains by Design 2025-27	0.00 %	$ 0.00	$ 2,447,946.00	$ 2,447,946.00
Total		**$ 0.00**	**$ 2,447,946.00**	**$ 2,447,946.00**

AGREEMENT SPECIFIC TERMS AND CONDITIONS

N/A

SPECIAL TERMS AND CONDITIONS

Floodplains by Design, Flood Proviso, and Flood Control Assistance Account Program - Special Terms and Conditions

1. The RECIPIENT will negotiate the task deliverable due dates with the ECOLOGY Project Manager, and the ECOLOGY Project Manager will enter the information in the Deliverables Due Date EAGL form. The RECIPIENT will keep track of these dates and will note any date changes on the quarterly progress reports. The Deliverables Due Date form can be found on the Application Menu - Forms page in EAGL. (Note: This form does not automatically print out with the Agreement.)

2. Local Decision: This grant is made in response to a request for financial assistance from the RECIPIENT to undertake flood damage prevention projects. The choice of floodplain management activities addressed by this grant is a local decision made solely by the RECIPIENT. The RECIPIENT is not acting as an agent of the state of Washington.

3. Lawsuits: ECOLOGY shall not be responsible for any non-contractual damage or inverse condemnation claims resulting from the structures or works constructed, repaired, restored, maintained, or improved pursuant to this grant.

4. Indemnification, Hold Harmless and Duty to Defend

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

b. This paragraph applies to negligence based claims only. All other claims are governed by paragraph 4 of this section (item 3.d). To the extent the constitution and laws of the state of Washington permit, RECIPIENT shall indemnify, defend and hold harmless the state, its agencies, officers and employees, from all claims, suits or actions brought for any or all injuries to persons or property arising from, or as a consequence of, negligent acts or omissions related to the construction, restoration, repair, maintenance, improvement or operation of the structures or works for which this grant is provided. If the structures or works for which this grant is received are a portion of an integrated flood protection system, RECIPIENT agrees to indemnify, defend and hold harmless the state of Washington, its agencies, employees, and officers against any and all liability arising out of the operation, maintenance, or repair of that integrated flood protection system; provided, however, that this provision is not intended to and shall not be construed as a waiver by RECIPIENT of any immunities conferred upon the RECIPIENT by RCW 86.12.037 nor is it intended to, and it shall not be construed to, confer any rights upon third parties.

c. The RECIPIENT will not be required to indemnify, defend, or save harmless the state, its agencies, officers or

employees as provided in the preceding paragraph of this section if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence of the state. Where such claims, suits, or actions result from the concurrent negligence of (a) the state, or the state's agents or employees and (b) the RECIPIENT or the RECIPIENT's agents or employees, the indemnity provisions provided in the preceding paragraphs of this section shall be valid and enforceable only to the extent of the RECIPIENT's negligence or the negligence of its agents and employees.

d. To the extent that the constitution and laws of the state of Washington permit, RECIPIENT shall indemnify and hold harmless the state of Washington, its agencies, employees, and officers against any and all liability arising out of the continued operation, maintenance, or repair of the structures or works constructed, restored, repaired, maintained or improved as a result of this grant. If the structures or works for which this grant is received are portions of an integrated flood protection system, RECIPIENT agrees to indemnify, defend and hold harmless the state of Washington, its agencies, employees, and officers against any and all liability arising out of the operation, maintenance, or repair of that integrated flood protection system; provided, however, that the indemnity provisions of this paragraph are not intended to and shall not be construed as a waiver by Recipient of any immunities conferred upon the Recipient by RCW 86.12.037 nor are they intended to, and they shall not be construed to, confer any rights upon third parties. This agreement applies to all non-negligent, non-contractually based claims including, but not limited to, inverse condemnation, contribution, indemnification, trespass and/or nuisance.

5. Any development activity funded by this grant which occurs in the Federal Emergency Management Agency (FEMA)-mapped regulatory floodplain, also known as the Special Flood Hazard Area (SFHA), may trigger the need for a floodplain development permit from the local agency with floodplain management jurisdiction. "Development" is defined at 44 CFR 59.1 as " ... any man-made change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials." Further, any activity funded by this grant may change the base flood elevations from physical changes affecting the floodplain. Communities are required by 44 CFR 65.3 to submit new data to FEMA in the event their actions affect the base flood elevation and the regulatory map (the SFHA).

6. ECOLOGY waives property acquisition report appraisal requirements for properties valued at $25,000 or less. When the estimated property value does not exceed $25,000, and the acquisition is not complex, the RECIPIENT may be exempt from meeting appraisal and review appraisal standards. Such exemptions must be requested in writing and approved by the ECOLOGY Project Manager before the closing on the property. The RECIPIENT must follow the appraisal waiver standards in 44 C.F.R. § 24.102.

7. Some RECIPIENTS are required to provide grant match. Match is made up of three different types of contributions: cash expenditures, in kind other, and in kind interlocal. Cash match expenditures are eligible costs paid by the RECIPIENT and are not reimbursed by ECOLOGY. In kind contributions are property or services that benefit a project and are contributed to the RECIPIENT by a third party without direct monetary compensation. In kind other is a type of contribution where the third party making the contribution is not a government entity. In kind interlocal is a type of contribution where both the grant RECIPIENT and the third party making the contribution are both government entities and have a signed Inter-local agreement between them.

8. RECIPIENTS are required to submit a copy of the original invoice in the Payment Request backup documention if an invoice number is referenced on a primary or subcontractor invoice.

9. To be eligible for reimbursement, RECIPIENTS must provide documentation of how an expenditure is directly related to the project. ECOLOGY will not reimburse any expenditure that is already included in the indirect rate. At ECOLOGY's sole discretion, ECOLOGY may approve reimbursement for the percentage of an expenditure that is directly related to the project.

FLOODPLAINS BY DESIGN, FLOOD PROVISO, AND FLOOD CONTROL ASSISTANCE ACCOUNT PROGRAM GRANT PROGRAMS SPECIAL TERMS AND CONDITIONS LAST UPDATED DECEMBER 2023.

GENERAL FEDERAL CONDITIONS

If a portion or all of the funds for this agreement are provided through federal funding sources or this

agreement is used to match a federal grant award, the following terms and conditions apply to you.

A. CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION:

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

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

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

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

- Receives more than $30,000 in federal funds under this award.
- Receives more than 80 percent of its annual gross revenues from federal funds.
- Receives more than $25,000,000 in annual federal funds.

Ecology will not pay any invoices until it has received a completed and signed FFATA Data Collection Form. Ecology is required to report the FFATA information for federally funded agreements, including the required Unique

Entity Identifier in www.sam.gov <http://www.sam.gov/> within 30 days of agreement signature. The FFATA information will be available to the public at www.usaspending.gov <http://www.usaspending.gov/>.

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

C. FEDERAL FUNDING PROHIBITION ON CERTAIN TELECOMMUNICATIONS OR VIDEO SURVEILLANCE SERVICES OR EQUIPMENT:

As required by 2 CFR 200.216, federal grant or loan recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

1. Procure or obtain;
2. Extend or renew a contract to procure or obtain; or
3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment, video surveillance services or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232 <https://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf>, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

Recipients, subrecipients, and borrowers also may not use federal funds to purchase certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the System for Award Management (SAM) <https://sam.gov/SAM/> exclusion list.

Docusign Envelope ID: 3604DCBA-6882-8E3F-8155-32211B831DD2

GENERAL TERMS AND CONDITIONS

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

GENERAL TERMS AND CONDITIONS
For DEPARTMENT OF ECOLOGY GRANTS and LOANS
03/11/2026 Version

1. ADMINISTRATIVE REQUIREMENTS

a) RECIPIENT shall follow the "Administrative Requirements for Recipients of Ecology Grants and Loans – EAGL Edition." https://apps.ecology.wa.gov/publications/UIPages/SummaryPages/2601001.html
b) RECIPIENT shall complete all activities funded by this Agreement and be fully responsible for the proper management of all funds and resources made available under this Agreement.
c) RECIPIENT agrees to take complete responsibility for all actions taken under this Agreement, including ensuring all subgrantees and contractors comply with the terms and conditions of this Agreement. ECOLOGY reserves the right to request proof of compliance by subgrantees and contractors.
d) RECIPIENT's activities under this Agreement shall be subject to the review and approval by ECOLOGY for the extent and character of all work and services.

2. AMENDMENTS AND MODIFICATIONS

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

3. ACCESSIBILITY REQUIREMENTS FOR COVERED TECHNOLOGY

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

4. ARCHAEOLOGICAL AND CULTURAL RESOURCES

RECIPIENT shall take all reasonable action to avoid, minimize, or mitigate adverse effects to archaeological and historic archaeological sites, historic buildings/structures, traditional cultural places, sacred sites, or other cultural resources, hereby referred to as Cultural Resources.
The RECIPIENT must agree to hold harmless ECOLOGY in relation to any claim related to Cultural Resources discovered, disturbed, or damaged due to the RECIPIENT's project funded under this Agreement.
RECIPIENT shall:
a) Contact the ECOLOGY Program issuing the grant or loan to discuss any Cultural Resources requirements for their project:
• Cultural Resource Consultation and Review should be initiated early in the project planning process and must be completed prior to expenditure of Agreement funds as required by applicable State and Federal requirements.
* For state funded construction, demolition, or land acquisitions, comply with Governor Executive Order 21-02, Archaeological and Cultural Resources.
• For projects with any federal involvement, comply with the National Historic Preservation Act of 1966 (Section 106).

b) If required by the ECOLOGY Program, submit an Inadvertent Discovery Plan (IDP) to ECOLOGY prior to implementing any project that involves field activities. ECOLOGY will provide the IDP form.
RECIPIENT shall:
• Keep the IDP at the project site.
• Make the IDP readily available to anyone working at the project site.
• Discuss the IDP with staff, volunteers, and contractors working at the project site.
• Implement the IDP when Cultural Resources or human remains are found at the project site.
c) If any Cultural Resources are found while conducting work under this Agreement, follow the protocol outlined in the project IDP.
• Immediately stop work and notify the ECOLOGY Program, who will notify the Department of Archaeology and Historic Preservation at (360) 586-3065, any affected Tribe, and the local government.
d) If any human remains are found while conducting work under this Agreement, follow the protocol outlined in the project IDP.
• Immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, the Department of Archaeology and Historic Preservation at (360) 790-1633, and then the ECOLOGY Program.
e) Comply with RCW 27.53, RCW 27.44, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting Cultural Resources and human remains.

5. ASSIGNMENT

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

6. COMMUNICATION

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

7. COMPENSATION

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

j) RECIPIENT must submit within thirty (30) days after the expiration date of this Agreement, all financial, performance, and other reports required by this Agreement. Failure to comply may result in delayed reimbursement.

8. COMPLIANCE WITH ALL LAWS

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

a) RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.

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

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

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

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

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

9. CONFLICT OF INTEREST

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

10. CONTRACTING FOR GOODS AND SERVICES

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

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

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

11. DISPUTES

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

a) RECIPIENT notifies the funding program of an appeal request.

b) Appeal request must be in writing and state the disputed issue(s).

c) RECIPIENT has the opportunity to be heard and offer evidence in support of its appeal.

d) ECOLOGY reviews the RECIPIENT's appeal.

e) ECOLOGY sends a written answer within ten (10) business days, unless more time is needed, after concluding the

review.
The decision of ECOLOGY from an appeal will be final and conclusive, unless within thirty (30) days from the date of such decision, the RECIPIENT furnishes to the Director of ECOLOGY a written appeal. The decision of the Director or duly authorized representative will be final and conclusive.
The parties agree that this dispute process will precede any action in a judicial or quasi-judicial tribunal.
Appeals of the Director's decision will be brought in the Superior Court of Thurston County. Review of the Director's decision will not be taken to Environmental and Land Use Hearings Office.
Pending final decision of a dispute, the RECIPIENT agrees to proceed diligently with the performance of this Agreement and in accordance with the decision rendered.
Nothing in this Agreement will be construed to limit the parties' choice of another mutually acceptable method, in addition to the dispute resolution procedure outlined above.

12. ENVIRONMENTAL DATA STANDARDS

a) RECIPIENT shall prepare a Quality Assurance Project Plan (QAPP) for a project that collects or uses environmental measurement data. RECIPIENTS unsure about whether a QAPP is required for their project shall contact the ECOLOGY Program issuing the grant or loan. If a QAPP is required, the RECIPIENT shall:
• Use ECOLOGY's QAPP Template/Checklist provided by the ECOLOGY, unless ECOLOGY Quality Assurance (QA) officer or the Program QA coordinator instructs otherwise.
• Follow ECOLOGY's Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies, July 2004 (Ecology Publication No. 04-03-030).
• Submit the QAPP to ECOLOGY for review and approval before the start of the work.
b) RECIPIENT shall submit environmental data that was collected on a project to ECOLOGY using the Environmental Information Management system (EIM), unless the ECOLOGY Program instructs otherwise. The RECIPIENT must confirm with ECOLOGY that complete and correct data was successfully loaded into EIM, find instructions at: http://www.ecy.wa.gov/eim.
c) RECIPIENT shall follow ECOLOGY's data standards when Geographic Information System (GIS) data is collected and processed. Guidelines for Creating and Accessing GIS Data are available at: https://ecology.wa.gov/Research-Data/Data-resources/Geographic-Information-Systems-GIS/Standards. RECIPIENT, when requested by ECOLOGY, shall provide copies to ECOLOGY of all final GIS data layers, imagery, related tables, raw data collection files, map products, and all metadata and project documentation.

13. GOVERNING LAW

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

14. INDEMNIFICATION

ECOLOGY will in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.
To the extent that the Constitution and laws of the State of Washington permit, each party will indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this Agreement.

15. INDEPENDENT STATUS

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

16. KICKBACKS

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

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

RECIPIENT is encouraged to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned (WBE) businesses in purchases and contracts initiated under this Agreement.
Contract awards or rejections cannot be made based on MWBE participation; however, the RECIPIENT is encouraged to take the following actions, when possible, in any procurement under this Agreement:
a) Include qualified minority and women's businesses on solicitation lists whenever they are potential sources of goods or services.
b) Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.
c) Establish delivery schedules, where work requirements permit, which will encourage participation of qualified minority and women's businesses.
d) Use the services and assistance of the Washington State Office of Minority and Women's Business Enterprises (OMWBE) (866-208-1064) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

18. ORDER OF PRECEDENCE

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

19. PRESENTATION AND PROMOTIONAL MATERIALS

ECOLOGY reserves the right to approve RECIPIENT's communication documents and materials related to the fulfillment of this Agreement:
a) If requested, RECIPIENT shall provide a draft copy to ECOLOGY for review and approval ten (10) business days prior to production and distribution.
b) RECIPIENT shall include time for ECOLOGY's review and approval process in their project timeline.
c) If requested, RECIPIENT shall provide ECOLOGY two (2) final copies and an electronic copy of any tangible products developed.
Copies include any printed materials, and all tangible products developed such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements, or gadgets with a message, such as a refrigerator magnet, and any online communications, such as web pages, blogs, and twitter campaigns. If it is not practical to provide a copy, then the RECIPIENT shall provide a description (photographs, drawings, printouts, etc.) that best represents the item.
Any communications intended for public distribution that uses ECOLOGY's logo shall comply with ECOLOGY's graphic requirements and any additional requirements specified in this Agreement. Before the use of ECOLOGY's logo contact ECOLOGY for guidelines.
RECIPIENT shall acknowledge in the communications that funding was provided by ECOLOGY.

20. PROGRESS REPORTING

a) RECIPIENT must satisfactorily demonstrate the timely use of funds by submitting payment requests and progress

reports to ECOLOGY. ECOLOGY reserves the right to amend or terminate this Agreement if the RECIPIENT does not document timely use of funds.

b) RECIPIENT must submit a progress report with each payment request. Payment requests will not be processed without a progress report. ECOLOGY will define the elements and frequency of progress reports.

c) RECIPIENT shall use ECOLOGY's provided progress report format.

d) Quarterly progress reports will cover the periods from January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be submitted within thirty (30) days after the end of the quarter being reported.

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

21. PROPERTY RIGHTS

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

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

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

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

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

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

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

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

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

22. RECORDS, AUDITS, AND INSPECTIONS

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RECIPIENT shall maintain complete program and financial records relating to this Agreement, including any engineering documentation and field inspection reports of all construction work accomplished.
All records shall:
a) Be kept in a manner which provides an audit trail for all expenditures.
b) Be kept in a common file to facilitate audits and inspections.
c) Clearly indicate total receipts and expenditures related to this Agreement.
d) Be open for audit or inspection by ECOLOGY, or by any duly authorized audit representative of the State of Washington, for a period of at least three (3) years after the final grant payment or loan repayment, or any dispute resolution hereunder.
RECIPIENT shall provide clarification and make necessary adjustments if any audits or inspections identify discrepancies in the records.
ECOLOGY reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced. Any remedies and penalties allowed by law to recover monies determined owed will be enforced. Repetitive instances of incorrect invoicing or inadequate records may be considered cause for termination.
All work performed under this Agreement and any property and equipment purchased shall be made available to ECOLOGY and to any authorized state, federal or local representative for inspection at any time during the course of this Agreement and for at least three (3) years following grant or loan termination or dispute resolution hereunder.
RECIPIENT shall provide right of access to ECOLOGY, or any other authorized representative, at all reasonable times, in order to monitor and evaluate performance, compliance, and any other conditions under this Agreement.

23. RECOVERY OF FUNDS

The right of the RECIPIENT to retain monies received as reimbursement payments is contingent upon satisfactory performance of this Agreement and completion of the work described in the Scope of Work.
All payments to the RECIPIENT are subject to approval and audit by ECOLOGY, and any unauthorized expenditure(s) or unallowable cost charged to this Agreement shall be refunded to ECOLOGY by the RECIPIENT.
RECIPIENT shall refund to ECOLOGY the full amount of any erroneous payment or overpayment under this Agreement.
RECIPIENT shall refund by check payable to ECOLOGY the amount of any such reduction of payments or repayments within thirty (30) days of a written notice. Interest will accrue at the rate of twelve percent (12%) per year from the time ECOLOGY demands repayment of funds.
Any property acquired under this Agreement, at the option of ECOLOGY, may become ECOLOGY's property and the RECIPIENT's liability to repay monies will be reduced by an amount reflecting the fair value of such property.

24. SEVERABILITY

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

25. STATE ENVIRONMENTAL POLICY ACT (SEPA)

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

26. SUSPENSION

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

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27. SUSTAINABLE PRACTICES

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

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

b) Purchasing may include such items as: sustainably produced products and services, EPEAT registered computers and imaging equipment, independently certified green cleaning products, remanufactured toner cartridges, products with reduced packaging, office products that are refillable, rechargeable, and recyclable, 100% post-consumer recycled paper, and toxic free products.

For more suggestions visit the Washington State Procurement Manual web page, Green Purchasing, https://des.wa.gov/purchase/washington-state-procurement-manual/green-purchasing.

28. TERMINATION

a) For Cause

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

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

Non-Performance. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this Agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of ECOLOGY, to perform any obligation required of it by this Agreement, ECOLOGY may refuse to pay any further funds, terminate in whole or in part this Agreement, and exercise any other rights under this Agreement. Despite the above, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and the State of Washington because of any breach of this Agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

b) For Convenience

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

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

In the event of termination or suspension, ECOLOGY will reimburse eligible costs incurred by the RECIPIENT through the effective date of termination or suspension. Reimbursed costs must be agreed to by ECOLOGY and the RECIPIENT. In no event shall ECOLOGY's reimbursement exceed ECOLOGY's total responsibility under the Agreement and any amendments.

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If payments have been discontinued by ECOLOGY due to unavailable funds, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination.
RECIPIENT's obligation to continue or complete the work described in this Agreement shall be contingent upon availability of funds by the RECIPIENT's governing body.

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

d) In Event of Termination
All finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports or other materials prepared by the RECIPIENT under this Agreement, at the option of ECOLOGY, will become property of ECOLOGY and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.
Nothing contained herein shall preclude ECOLOGY from demanding repayment of all funds paid to the RECIPIENT in accordance with Recovery of Funds, identified herein.

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

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

End of General Terms and Conditions

Certificate Of Completion

Envelope Id: 3604DCBA-6882-8E3F-8155-32211B831DD2
Status: Sent
Subject: Ready for Signature: Grant Agreement #SEAFBD-2527-EllePW-00016
Source Envelope:
Document Pages: 23
Signatures: 0
Certificate Pages: 2
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:
Michele Boderck
P.O. Box 47600
Olympia, WA 98504
mbod461@ecy.wa.gov
IP Address: 162.10.9.32

Record Tracking

Status: Original
5/26/2026 1:07:29 PM
Holder: Michele Boderck
mbod461@ecy.wa.gov
Location: DocuSign
Security Appliance Status: Connected
Pool: StateLocal

Signer Events	Signature	Timestamp
Heidi Marie Behrends-Cerniwey cerniweyh@ci.ellensburg.wa.us City Manager Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 5/26/2026 1:12:47 PM
Joenne McGerr jomc461@ecy.wa.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp
Michele Boderck mbod461@ecy.wa.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Sandy Floyd sflo461@ECY.WA.GOV Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 5/26/2026 1:12:47 PM

Carbon Copy Events	Status	Timestamp
Rebecca Springer springerr@ellensburgwa.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 5/26/2026 1:12:48 PM Viewed: 5/27/2026 10:22:22 AM
Sandy Floyd sflo461@ECY.WA.GOV Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Rebecca Springer springerr@ellensburgwa.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/26/2026 1:12:48 PM

Payment Events	Status	Timestamps

General Information

Project Title	Pearson Kuchin Floodplain Protection Land Acquisition.
Project ShortDescription	It was brought to the attention of the City, County, WDFW, Yakama Nation and Mid-Columbia Fisheries, that two properties in the Whiskey Creek drainage basin had willing sellers. Both properties are of interest to the parties listed above for flood protection, fish enhancement, extending the Gateway Trail up to the Cascade Palouse Trail and providing for a new city park. If funded, both properties would be left undeveloped and meet the needs of the Wilson Naneum Cherry Assessment (WNCA)
Project LongDescription	Two separate local landowners (Kuchin-Pearson) combined are approximately 52 acres in size and have indicated they are willing sellers. Kuchin is directly north of the Red Horse Diner on University Way and Pearson is south of Dry Creek Road. Both properties are in the 100-year floodplain and Whiskey Creek flows through both. Both properties flood frequently. Whiskey Creek is the chosen route for Wild Steelhead to migrate up into the Naneum Canyon. There is interest by the Yakama Nation, Mid-Columbia Fisheries Enhancement Group, Washington State Fish and Wildlife, Burlington Northern Railway, and the local County Flood District to have these properties acquired for both flood and fish protection. We the City would be interested in ownership to keep the properties protected in perpetuity as passive open space floodplain. This would allow Fisheries to enhance Whiskey Creek and remove fish barriers. How this all ties into the big picture. In 2014 FBD funded the acquisition (G1400637) of undeveloped business lots along Enterprise Way in Ellensburg. That was the start of a very large flood project to eliminate flooding in West Ellensburg. Since then the city constructed the fish passable flood conveyance bridge on Dolarway in 2023. In 2024 the city will extend the levee up to the BNSF railway through the 56 acres purchased with a bond in 2020. The flood project that started with G1400637, will be completed in 2024. This entire time the dream was to someday bring Whiskey Creek into the new 56-acre floodplain and complete the journey for wild Steelhead into the Naneum watershed. BNSF is currently working with the County Flood District to upgrade the Whiskey culvert and make that happen at the time of writing this application. Acquisition of the two properties would allow enhancement of Whiskey Creek and protect the floodplains from being developed. (See Watershed and Reach Maps Uploaded) Acquiring these two properties is an excellent use of public funds. It helps stops flooding in west Ellensburg, meets the needs of the WNCA, allows for future floodplain enhancement/protection, stream rehabilitation/fish enhancement, keeps the properties from development in an AO floodplain, and provides public recreation. This proposal should be considered for funding.
Total Cost	$8,000,000.00* Total Eligible Cost $8,000,000.00*
Effective Date	4/1/2025 Expiration Date 10/1/2026
Ecology	Shorelands

General Information

Program

Project Category* ✔ Floodplains by Design

Will Environmental Monitoring Data be collected? No

Overall Goal

The acquisition of both properties helps meet the needs of the Wilson Naneum Cherry Assessment (WNCA). The WNCA studied how to best introduce native Steelhead and Coho into the upper Naneum Canyon. Connecting Whiskey Creek to Reecer Creek through a past FbD project G1400637, allows for the connection/enhancement, protection and recreation opportunities with both properties. G1400637 was the beginning of building a fish passable/flood conveyance bridge, flood swales (future Whiskey channel) and setback levee on Reecer Creek. Aquisition of both properties protects from future development. Both properties are in the AO 100-year floodplain and Whiskey Creek runs through both. There is much work needed on Whiskey Creek in terms of flood protection and fish enhancement. Both properties would allow for the Gateway Trail to connect to the Cascade Palouse Trail and construct a new city park. Both properties would remain in open space in perpetuity.

Project Characterization

Project Themes

Select a primary and secondary theme that best describes the work to be achieved during this project.

Primary Theme:	Flood Hazard Reduction
Secondary Theme(s):	Land Acquisition

Project Website

If your project has a website, please enter the web address below. After entering a website and saving, another blank row will appear. Up to three websites may be provided.

Website Title/Name	Web Address

Recipient Contacts

Project Manager

Jon Morrow

Contact Information

Jon Morrow
Stormwater Utility Manager
501 North Anderson Street
Ellensburg, Washington 98926
(509) 925-8619

morrowj@ci.ellensburg.wa.us

Authorized Signatory

Heidi Behrends-Cerniwey

Contact Information

Heidi Behrends-Cerniwey
City Manager
501 North Anderson Street
Ellensburg, Washington 98926
(509) 962-7232

cerniweyh@ci.ellensburg.wa.us

Billing Contact

Caroline Escobar

Contact Information

Caroline Escobar
Finance Officer
501 North Anderson St
Ellensburg, Washington 98926
(509) 962-7204

escobarc@ci.ellensburg.wa.us

Other recipient signatures on printed agreement

Name	Title

Scope of Work - Task 1. Grant Administration and Project Management

Task Number	1		
Task Title	1. Grant Administration and Project Management	Task Cost	$50,000.00

Task Description

The RECIPIENT will provide grant administration and project management in accordance with the grant program Funding Guidelines, Administrative Requirements for Recipients of Ecology Grants and Loans (Yellow Book), Agreement Terms and Conditions, and laws and regulations.

A. Grant administration. The RECIPIENT's responsibilities to administer the grant include, but are not limited to: retaining and maintaining grant agreement and grant amendment records; submitting grant deliverables as specified in the scope of work tasks and the dates outlined in the Deliverable Due Dates form; submitting complete and timely quarterly and final Payment Requests/Progress Reports (PRPRs) and corresponding backup documentation; timely submittal of a complete Recipient Close Out Report (RCOR) at grant close out; timely responses to any and all other communications and requests from ECOLOGY for information about the grant.

B. Project management. The RECIPIENT's responsibilities to manage the project include, but are not limited to conducting, coordinating, and scheduling project activities; and assuring quality control. The RECIPIENT must make every reasonable effort to maintain effective communication with ECOLOGY as well as with all other affected local, state, federal, and tribal jurisdictions; and any interested individuals or groups. In the event that the RECIPIENT elects to use a contractor to complete project elements, the RECIPIENT shall retain responsibility for the oversight and management of this funding agreement.

Task Goal Statement

Properly managed grant agreement that meets the grant program Funding Guidelines, Administrative Requirements for Recipients of Ecology Grants and Loans (Yellow Book), Agreement Terms and Conditions, and applicable laws and regulations.

Task Expected Outcomes

Properly maintained grant and project documentation. Timely and complete responses to ECOLOGY communications and requests for information about the project.

Recipient Task Coordinator

jon morrow

Deliverable #	Description	Due Date	Received?(ECY Use Only)	EIM Study ID	EIM System Link	Latitude	Longitude	Location Address
1.1	Payment Requests/Progress Reports (PRPR)							
1.2	Recipient Close Out Report (RCOR)							
1.3	Project Outcome Summary Report							

Task Number	2		
Task Title	Purchase and Acquisition	Task Cost	$7,950,000.00*
Task Description	Purchase/sale, and acquisition. Hire Susan Ferrel who is under contract with the City (see uploads). Have Susan Ferrell put together all the sales documents for Escrow, working through the seller's agents.		
Task Goal Statement	A realtor will be hired under city contract to prepare sale documents and move to escrow , hereby working with the seller's agents.		
Task Expected Outcomes	A realtor will be hired under city contract to prepare sale documents and move to escrow , working through the seller's agents.		
Recipient Task Coordinator	Jon Morrow		

Deliverables

Deliverable #	Description	Due Date	Received? (ECY Use Only)	EIM Study ID	EIM System Link	Latitude	Longitude	Location Address
2.1	Purchase, acquire and close with escrow.							

Scope of Work Summary

Task Title	Task Cost
1. Grant Administration and Project Management	$50,000.00
Purchase and Acquisition	$7,950,000.00
Total	$8,000,000.00

Total Eligible Costs
(from the General Information Form)
$8,000,000.00

Overview of Approach to Floodplain Integration

* 1. Provide an 11”x17” watershed scale map showing the general location of current, past, and future projects that contribute to your integrated approach throughout the watershed. This can be a single project if it is not being explicitly coordinated with any other watershed projects or actions. Upload a map of projects in the watershed. PDF format is preferable.
https://ecyeagl/IntelliGrants_BASE/_Upload/275544_965808-PearsonKuchinWatershedScale.pdf

* 2. For each reach, provide a map showing the location of current, past, and future projects throughout the reach that contribute to your integrated approach. If your project is a single, one-time project, show its location in the reach in which it is located. Upload a map(s) of projects in the reach.
https://ecyeagl/IntelliGrants_BASE/_Upload/275544_965809-PearsonKuchinReachMap.pdf

* 3. Is this proposal part of a phased project or phased program?
(✔) Yes
( ) No

If yes, which phase(s) or activities are proposed for FbD funding?
[ ] Community engagement and/or integrated planning committee support
[ ] Pre-construction planning, such as studies and/or modeling
[ ] Conceptual, preliminary, and/or final designs
[ ] Permitting, construction, and/or planting
[✔] Acquisitions and/or easements
[ ] Demolition, home elevations, and/or home relocation

* 4. If this is a phased approach, how do current actions build off previous phases? Briefly describe a summary of actions in this funding cycle.
Grant agreement G1400637 acquired six business lots off Dolarway in Ellensburg and was the beginning of a large floodplain/fish habitat restoration project. That project was met with resistance (2014) and the alignment of the levee was moved over to Enterprise Way (current location). This project was turned into acquisition to someday build a setback levee and make room for Whiskey Creek to join up with Reecer Creek. The lots were purchased with FbD funds in 2017 (G1400637). The WNCA during that time decided that Whiskey was the best route for Coho and Native Steelhead up into the Naneum Canyon. In 2020, the city bonded five million dollars to purchase 56 acres of floodplain with the help of Trust for Public Lands. This land was attached to the six business lots and would someday provide for a fish passable/flood conveyance bridge off Dolarway (built in 2023), setback levee and

three flood swales up to the Burlington Northern Railway (BNSF). One of the flood swales will become the new Whiskey Creek channel. These features will be going out to bid July 2024 for final construction. At the time of writing this, BNSF is working with the County flood district to upsize the culvert for Whiskey Creek to align itself with the flood swale onto the 56-acre floodplain and meet up with Reecer Creek. Fast forward to April 2024, it was discovered that two landowners upstream of the 56 acres have intentions to sell. both properties are ripe for development, and both are in the 100-year floodplain. Whiskey Creek runs through both properties. The lower end of the project (G1400637) mentioned above will see final completion by year end 2024. It is now time to begin acquiring properties along the Whiskey route and get easements where available. Much work is needed on both properties in terms of fish enhancement and flood protection. It has the eyes of the Yakama Nation, Fish and Wildlife, Mid-Columbia Fisheries Enhancement Group, County Flood District and city of Ellensburg. All parties mentioned above make up the team of collaboration and integration. We the city are hoping to get a new passive city park and extend the Gateway Trail (WQC-2019-EllePW-00012) up to the Cascade Palouse trail if funded for acquisition.

* 5. Select the scale(s) at which integrated floodplain work is occurring that resulted in this proposal. For more information, refer to the Ten elements of integrated floodplain management processes at the local scale figure shown in the FbD Funding Guidelines. Select all that apply.

[✔] Watershed
[ ] Multi-Reach
[✔] Reach

Collaboration, Partnerships, and Institutional Structures

* 6. List all the past, present, and future project partners. Describe the current status of collaboration, participants, and/or institutional structures (as noted in the Ten elements of integrated floodplain management processes at the local scale figure in the FbD Funding Guidelines) that support the tasks in this proposal and implementation if funds are received. Please be clear which entities are already engaged and which have yet to be engaged in the process.

Yakama Nation, Washington State Department of Fish and Wildlife (WDFW), Mid-Columbia Fisheries Enhancement Group, Kittitas County Flood Control District, and the City of Ellensburg Stormwater

Utility/Parks Department are the past and present collaboration partners. All support the tasks of this proposal and implementation if funds are received. All participants are fully engaged in this acquisition as was displayed with the team in the interview with FbD/Ecology.

7. List organizations that are project partners and have agreed to their role as described in this proposal. Include a primary contact name and email for each listed organization.

That list of partners is the same list as called out in question number 6 above. They all have agreed to their roles as described in this proposal. Included in this question is their contact information.
WDFW- Jennifer Nelson jennifer.nelson@dfw.wa.gov
Mid-Columbia Fisheries Rebecca Wassell
becca@midcolumbiafisheries.org
Yakama Nation Brandon Rossi
rossb@yakamafish-nsn.gov
Kittitas County Flood District Arden Thomas
arden.thomas@co.kittitas.wa.us
City of Ellensburg Stormwater Utility Jon Morrow
morrowj@ci.ellensburg.wa.us
City of Ellensburg Parks Department Brad Case
caseb@ci.ellensburg.wa.us

Integration

* 8. How does this proposal integrate with existing watershed-based plans (i.e., strategy to support agricultural viability)? Which water/flood management, tribal, and salmon recovery authorities (and agricultural organizations if relevant) are supportive of this project?

This proposal is based on the Wilson Naneum Cherry Creek Assessment (WNCA), which studied the best scientific path to get Wild Steelhead and Coho into the Naneum Watershed. Whiskey Creek was chosen to someday join Reecer Creek at the confluence of FbD project number G1400637. This proposal unfortunately does not benefit agriculture, but instead transforms current AG use from being developed and changed to open space in perpetuity. The organizations that made up the WNCA are listed above in questions numbers 6 and 7 and are supportive of this project.

* 9. Describe efforts you have taken to coordinate and seek the support of local Tribal interests in your region. At a minimum, applicants are required to notify tribes that have a regional interest in the project. If

needed, you can find a letter template for reaching out to local tribal interests on the FbD Grants webpage under the 'Additional grant information' section.

The Yakama Nation is one of the collaboration team members who support this project/acquisition, and their contact is listed above. The letter has gone to the tribes as requested in the funding guidelines and is uploaded in this application.

10. Letters of Support from Lead Entities. You are highly encouraged to upload a letter of support from your respective Lead Entity, if you have one, stating that the strategies and actions are consistent with and support priority salmon recovery goals, limiting factors, or other high priority salmon recovery actions in your project area.

https://ecyeagl/IntelliGrants_BASE/_Upload/275544_965838-YBFWRBEllensburgFBDSupportLetter.pdf

*11. Describe how your proposal advances actions consistent with the integrated goals and strategies as described in question 8.

This proposal advances the actions consistent with the Wilson Naneum Cherry Creek Assessment (WNCA). The WNCA studied the best scientific path to get Wild Steelhead and Coho into the Naneum Watershed. Whiskey Creek was chosen to someday join Reecer Creek at the confluence of FbD project number G1400637. This proposal transforms current AG use from being developed and changed to open space in perpetuity. The organizations that make up the WNCA are listed above in questions numbers 6 and 7 and are supportive of this project moving forward.

Project Description

Flood Hazard Risk Reduction

*1. Quantify the flood risk. Referencing the information entered in the scope of work tasks, at the watershed, reach, and/or site-scale, describe and quantify the flood hazard and frequency for flood risk, and how your project will address it.

The best way to quantify the flood risk at a watershed reach level is to present you with the potential number of homes that could be built if sold to a developer. Foster Short Platt, which is nestled in between Pearson and Kuchin is proposing 433 homes. Mapping shows that it's in the same AO 100-year floodplain. Foster biologists have argued that a lot of the wetlands and floodplains on the property needs to be greatly reduced and could allow for full buildout. Phase 1 has already been constructed and that includes 140 homes. Phase 2 is in the permitting process. There is the potential for many homes to be built on Pearson and Kuchin if a biological assessment and flood study were to be completed like Foster Short Plat did in-between Pearson and Kuchin. Acquiring the properties to keep as open space/floodplain will ensure protection for Whiskey Creek and allow flood enhancement features to someday be constructed to minimize flooding impacts downstream.

*2. How will the project impact past, existing, or future development? What is the current land use? Describe how the project results in avoiding increased development in flood hazard areas.

If funded for acquisition, both properties would be saved from being developed and kept as open space in perpetuity. The current land use is AO 100-year floodplain. There are codes within the city's Planning Department that allow development in the AO zone, if the builder raises the grade and provides compensatory storage. The only way to protect them from development and enhance Whiskey Creek to is to be acquired through a flood assistance program like FbD.

Floodplain Ecosystem Protection or Restoration

*3. Describe the existing ecological functions, natural processes, and habitat status of floodplain areas. Describe the current significant limiting factors for salmon and/or other key species of concern and how your project addresses those limiting factors. If there are no limiting factors, explain how your project supports existing healthy salmon populations or other ecological functions.

(see watershed scale reach map provided). As mentioned above both are zoned AO 100 year flood plain and have Whiskey Creek running through each. From a salmon significant limiting factor prospective Whiskey Creek is a distributary channel in the Wilson-Naneum Watershed and home to numerous native fish. Whiskey Creek provides spawning and rearing habitat for ESA listed Mid-Columbia Steelhead and coho salmon as well as resident rainbow trout in the project areas. Juvenile spring chinook salmon have also been documented in the project reach. In addition to salmonids, Whiskey Creek is home to numerous other native fish species.

One of the primary limiting factors for Whiskey Creek has been fish passage barriers. Funding is in place by partners for the fish passage barrier correction projects throughout the project area to ensure access for all species and life stages to these properties. Protection and enhancement of Whiskey Creek will further benefit these fish passage projects and salmon and steelhead recovery efforts.

4. If your project has benefits to Tribal rights, including treaty rights, please describe those benefits. For additional information about treaty rights, see the Governor's Office of Indian Affairs website.

At this point all we know is we sent the required letter to the Yakama Nation and the Tribe is a collaborative partner on this project. We'll have to wait and see if the letter yields any responses.

Agriculture Viability and Benefits (In Agriculture Areas Only)

Agricultural lands or “working lands” are generally defined as lands that support natural resource production for economic gain, or lands that have the potential to do so. This definition includes (but isn’t limited to) farmland, agricultural land, cropland, pastureland, rangeland, grasslands, forestlands, and shellfish beds. Therefore, this section is conditional. You should only fill out this section if you have identified your project as impacting working lands (agriculture in general). If your project will not have impacts to working lands, do not fill in this section.
If you have identified impacts to working lands, you must fill in this section below and cite the beneficial effects (as well as any negative effects) your project will have. Examples of potential impacts include (but are not limited to) buying working lands, acquiring conservation easements, reduced/modified/or increased flooding, altered productivity, and access to working lands. Incidental impacts to downstream shellfish beds through water quality improvements do not trigger this section, but major improvements should be included.

5. Describe the presence of agriculture in both the project area and surrounding areas, and how you've engaged with the agricultural community to identify agricultural viability needs and project impacts.

Both properties have been used for agriculture purposes in the past. Pearson was farmed for hay and Kuchin has always been used for cattle grazing. Unfortunately, if acquired the subject properties will be open space in perpetuity and no longer used for AG purposes. Acquisition eliminates the properties from being developed, and there is much stream restoration and flood work that could take place if purchased. As mentioned above, the city would like to extend a public trail and build a passive park. In the importance of water quality and fish habitat, agriculture runoff goes against the desires of the acquisition. So many farms are being sold to developers in Kittitas County in the Urban Growth Area (UGA), that it's becoming a trend. It would be nice to protect the UGA from a flood and fish protection standpoint where it makes sense.

6. Impacts. Referencing the information entered in the scope of work tasks, at the watershed/reach/site scale, describe the impact, both negative and positive, your project will have on agricultural viability. Where possible, describe the needs of the agricultural community as highlighted in community plans, such as Agricultural Resiliency Plans.

As just mentioned, the impacts to AG on both of these properties will be a negative in the sense of the FbD funding guidelines. We'd like to see it as a positive they're being acquired for fish rehabilitation and flood protection. The UGA is seeing a trend where small family farms are selling to large west side developers and the ecological value is being replaced with homes. The latest trend in development is actually replacing the resiliency or viability of AG in these areas and degrades fish habitat and increases flood risk.

Other Relevant Benefits

*7. Current conditions. At both the watershed and reach scale, describe how your project will impact water quality, public open space/recreation access, economic development, or other important local values that are relevant to your integrated floodplain management effort.

At the watershed and reach scale the project/acquisition improves, protects and enhances water quality in the Whiskey Creek drainage. This project/acquisition provides open space for the public in perpetuity and will provide recreational benefits with a trail and park. From an economic/flood benefit, the area is very prone to flooding and impacts several businesses and homes. One being the Ward Rugh Hay Company. It has flooded several times because of Whiskey Creek and lost thousands of dollars in hay production. There's a great example of economic viability and protecting AG. Acquisition of these properties will help alleviate downstream flooding and protect one of our County's most valuable resources, AG. The integrated floodplain effort (Kittitas County Flood Control Zone District) has re-mapped both of these properties (Whiskey Creek) into the AO 100-year flood zone. Both properties flood and contribute to downstream flooding. Both properties could be enhanced to hold back flood waters and help reduce downstream impacts, which increases economic viability.

*8. Impacts. Referencing the information entered in the scope of work tasks, at the watershed/reach/site scale, describe how your strategies and actions maintain or improve these other relevant benefits. Where possible, describe how the project meets the goals of a water quality, recreation, or other planning document.

The city of Ellensburg has an NPDES stormwater permit with the funding agency's water quality program. Elements of that permit include, but not limited to TMDL's for improving water quality in streams as it relates to fecal coliform bacteria. The city has a water quality management plan that addresses pollutants in streams and the storm system. The city has programs aimed at reducing or eliminating those pollutants and reports to Ecology. Acquisition will help reduce AG runoff and keep both properties from being developed. Development brings with it flow control and stormwater treatment problems that can't always be addressed with sweeping and catch basin cleaning.

The city would like to extend the Gateway (WQC-2019-EllePW-00012) trail up to the Cascade Palouse Trail since the stormwater retrofit LID project has been completed. That falls under the city's 6-year transportation improvement plan (TIP) that incorporates non-motorized transportation.

The parks department would like to build a park on the Pearson parcel. That falls under the city of Ellensburg Parks and Recreation Comprehensive Plan Update 2016. "In the future, a neighborhood park or even a community park will be needed in the northwestern areas of the city as residential housing grows around the UGA".

Outcomes and Public Benefit

*9. Given the goals and strategies of your collaboration and tasks described and summarized above, describe overall how your proposal represents a good investment of public funds.

This acquisition/project is an excellent use of public for funds for many reasons. It helps tie

together and complete a journey started in 2014 with FbD grant G1400637. This project was the beginning of acquiring land to someday build a flood/fish passable bridge on Dolarway, build a setback levee to contain Reccer/Currier Creeks, acquire the 56 acres to build the levee, build a flood swale that could someday be the channel for Whiskey Creek to join up with Reecer as a part of the WNCA Assessment to get native fish up into the Naneum Canyon. BNSF is working with the County Flood District to build a new fish passable culvert to connect whiskey to the swale/channel and the setback levee an swales will be built this summer. The journey looking forward with funding will acquire two more properties that are key to fish passage on Whiskey Creek and flood protection. This begins the next leg of funding journey to acquire more properties along Whiskey Creek and easements to achieve the WNCA. This acquisition will see the construction of a new city park and provide a non-motorized trail connection to the Cascade Palouse Trail. This is an excellent use of public funds as it provides flood protection, water quality improvement, fish enhancement and public recreation.

*10. Project outcomes and metrics. Upload a table to quantify the proposed project outcomes and metrics. If needed, you can find an example metrics template on the FbD grants webpage under the 'Additional grant information' section. If your project is funded, the metrics will be updated based on actual outcomes. For more information on metrics, see the FbD Funding Guidelines.

https://ecyeagl/IntelliGrants_BASE/_Upload/276571_965798-FbD2527_Metrics_Templatev2.xlsx

Readiness to Proceed

*11. Describe your readiness to proceed with your actions as soon as funding is received. Consider that, if chosen for funding, the grant agreement negotiation will not begin until the start of the biennium. Also consider potential unexpected delays (permitting, changes in landowner willingness, etc.).

If this application makes the short list late this summer 2024, the city will meet with both property owners and the real estate agent that is under contract with the city to begin negotiating title commitments and appraisals. It will be understood between all parties at this time that the properties will sign a legal intent to sell. These documents will be drafted by the city attorney and real estate agent. Ecology will be notified and receive the legal signed documents to assist with the Purchase and Sale Agreement as a part of the agreement with FbD should we get funded. We have met with both property owners several times and they understand the process. Internally we have already discussed the possibility of an inter-departmental loan. I want to be clear about this, the city does not have the funds to purchase the properties outright. That is why we're applying for funding. It is common for counties and cities to do interdepartmental loans to act on readiness to proceed if we know we're in agreement with you to get reimbursed. It speeds up the process for the sellers and show a reediness on our part.

*12. Project Contingencies. Is the successful completion of this proposal contingent on the success of another project being funded or completed? Are there factors that may delay implementation of one or more tasks within this proposal, including the staff and workload to manage the project? If so, please describe. If the project becomes delayed, describe how you would ensure the project would be completed.

The success of this proposal is not contingent on another project being funded or not funded. There are no factors that pose a delay or implementation of this proposal. If the acquisition/project

was not funded, we cannot ensure the proposal would be completed as the city does not have the funds to purchase the properties outright.

13. Describe the project team that will manage the proposal if funded. For each task, provide the names of primary staff, project partners, or consultants; organization name; staff role(s); relevant staff experience for this proposal; and the approximate amount of their time devoted to this proposal (e.g., % FTE).

Acquisition Team:

Jon Morrow Stormwater Utility Manager
Terry Weiner City Attorney
Heidi Behrends Cerniwey City Manager
Susan Ferrell Remax Real Estate
This team will work with the landowners to bring forth all the necessary paperwork to close the sale and sign at escrow. This team has purchased and acquired a lot of properties with grant funds and bonds. The experience level for this team is excellent. The amount of time is to be determined. Usually, a straight across the board acquisition with grant dollars is pretty straight forward from past experience and doesn't require a lot of time.

Project Team:
Arden Thomas Kittitas County Flood Control District
Becca Wassell Mid Columbia Fisheries Enhancement Group
Jennifer Nelson Washington State Fish and Wildlife
Brandon Rossi Yakama Nation
Brad Case Ellensburg Parks and Recreation Director
This team would only be activated if the acquisition/purchase sale agreement gets funded. As mentioned earlier, there is a lot of work with regards to floodplain enhancement, stream rehabilitation, trail connectivity and a city park that would be constructed only if this proposal get funded for acquisition.

*14. If the proposal includes land acquisition, conservation easements, or other real estate related actions, describe the current state of the transactions. Possible responses include (but aren't limited to): no landowner contact, landowner contacted and willing, purchase and sale agreement pending, purchase and sale agreement in place, land already owned by grant recipient or other committed partner, etc.

Both landowners have had numerous in person conversations with staff and are willing sellers. The current state is both properties are not publicly listed for sale, but they've indicated they would sell to the city if we got funded. They've also been told to sell if approached and don't want to wait out the grant process. Bottom line is this and I can't be more honest about this application, we will wait to see if this application makes the short list in August. If it does, then we will make contact with both owners, begin the process of locking up the properties and get ready to begin with acquisition. This would include but not limited to appraisals, purchase and sale agreement, title

commitment, etc. It needs to be made clear, we cannot bring on Trust for Public Lands (TPL) to begin the acquisition process and lock up the properties. TPL requires purchase in some form to lock up the properties and the city cannot afford to purchase outright unless funded through this proposal. We will have to wait and see if we make the short list in August.

15. If you currently have an active FbD grant that was extended past the original expiration date, please describe why these funds remain unspent, and what changes have been made for this proposal to ensure funds are spent in a timely manner.

We do not have an active FbD grant with Ecology.

Appendices

If you have additional documents to support the grant application, such as designs, permits, landowner agreements, and photos, please upload them below. Confirm each upload has a clear, succinct file description and file name, such as "[RiverName]_Levee_Photo".
Refer to the EAGL External Users' Manual for more guidance on the 35MB file size limit and file types that are acceptable.

Description

Upload

Total Eligible Cost (from General Information forms):
$8,000,000.00

Total Cost (from General Infromation form):
$8,000,000.00

Budget Task Cost

Use the tables below to estimate your proposal's total budget needs by task and by element.
In the Budget by Task table, the Task Cost is autopopulated based on previously completed Scope of Work Task forms. The Task Cost includes Ecology's share and the Recipient's match amount.
In the Budget by Element table, enter the cost for each element. When done, click the SAVE button. The Budget by Element total must equal the Budget by Task total. the element definitions are shown below the table or can also be found in the FbD Funding guidelines.

Budget by Task

Task Title	Task Cost
1. Grant Administration and Project Management	$50,000.00
Purchase and Acquisition	$7,950,000.00
Total	$8,000,000.00

Budget by Element

Element	Cost *
Salaries	$35,000.00
Benefits	$15,000.00
Salaries and Benefits Combined	$0
Contracts	$7,950,000.00
Travel	$0
Equipment	$0
Goods/Services	$0
Overhead/Indirect	$0
Total	$8,000,000.00

If the proposal is funded, Recipients are responsible for procuring professional, personal, or other services using sound business judgment and good administrative procedures consistent with applicable state, and local laws, orders, regulations, and permits. This includes issuance of invitation of bids, requests for proposals, selection of contractors, award of sub-agreements, and other related procurement matters.

1. Enter either the anticipated cost of Salaries and the Benefits line items separately, or the Salaries and Benefits Combined line item. Salaries are defined as, wages for staff implementing the project. Benefits are defined as, costs employers incur for providing benefits beyond salary or wages.

2. Enter the anticipated cost of contractual work in the Contracts line item, if applicable. Upload an itemized list of contractor costs in the uploads section below.

3. Enter the anticipated travel costs in the Travel line item, if applicable. Upload an itemized list of travel costs in the uploads section below.

4. Enter the anticipated equipment purchase costs in the Equipment line item, if applicable. Upload an itemized list of all equipment and explain why it is needed in the uploads section below. Equipment is defined as, tangible property other than land, buildings, improvements other than buildings, or infrastructure, which is used in operations and with a useful life of more than one year and cost $5,000 or more per functional unit or system.

5. Enter the anticipated cost of goods and services in the Goods/Services line item. Upload an itemized list of all Goods and Services in the uploads section below. Goods and Services are defined as, supplies and other material costs that are not equipment or contractual work. Land Acquisitions would be included in this category.

6. Enter the anticipated overhead or indirect costs in the Overhead/Indirect line item, if applicable. Overhead / Indirect costs cannot exceed 30% of Salaries and Benefits combined. These costs are defined as business or operational costs not directly associated to a specific objective of the project, such as utility costs, insurance, general office supplies, or rental space.

Upload budget documents

Upload budget documentation if you have any. click the Browse button. Select your file. Click Save, your file will appear in the List of uploaded documents. Repeat for each file. To Delete a file, select the Delete checkbox next to the file and click SAVE.

Description	Upload
Market Analysis by Realtor	https://ecyeagl/IntelliGrants_BASE/_Upload/275879_965858-EstimatedValue.pdf

Additional comments, if any:

If funded, this is a straight across the board land acquisition that requires little effort with regards to staff time and progress reports. From past experience this should only take one pay request and a close out progress report in EAGL if funded. It's possible the city might be able to float a departmental interfund loan to purchase the property upfront, but the interfund loan would have to be paid off within three months. This interdepartmental loan is at 5.5%. This could cost the city $150,000.00. The city would only allow this if we knew we were going to get into agreement with ECY. This should count as readiness to proceed and shows you the reviewer our commitment to this proposal. This does not mean in any way we the city has the funds to outright acquire the properties. What it does is speed up the payment to the owners while waiting on a check from ECY. We would hate to lose this deal while waiting on a check from ECY. My understanding is it can take a while to get a check from ECY? The inter departmental loan is only good for up to five months. Again, the city does not have the funds to purchase these properties outright but could pad the payment to the owners, so they don't get frustrated, and we potentially lose a deal. That's a huge commitment on our part.

Since there is no match, we could pay Susan Ferrell her commission out of the city's budget directly and not be a grant funded item. Her commission will be 2.5%. This should also count towards readiness to

proceed and shows you the reviewer our commitment to this proposal. This would all have to be negotiated with ECY during agreement and our Finance Department at that time should this proposal be accepted.

Cost Effectiveness and Budget

1. Describe the other (non-FbD) funding sources or previous leverage or investments (e.g., land purchases) that will contribute to this project. Provide dollar amounts and how the funds or other investments create a more successful project.

G1400637 was an FbD funded acquisition that purchased 6 business lots off Dolarway in 2017. It was the start of the project that is being proposed in this application. Following that acquisition, the city funded the purchase of 56 acres adjacent to the business lots with bond funding, which is not FbD dollars. See the watershed map provided uploaded in this application. The 56 acres had to be acquired to extend the levee and flood swales (future Whiskey channel) up to the BNSF Railway. The Public Works bond was for five million dollars. The bond was for acquisition, construction of the already completed flood bridge and future construction of the levee/flood swales. This proposal expands on that project and meets the needs of the WNCA.

Below are two very important uploads. FbD purchased the six business lots in 2017 (G1400637). We applied for FbD funding for the 56 acres but were unsuccessful. The city was committed to the Reecer Creek levee and Whiskey Creek projects and then decided to bond five million dollars to build the flood bridge on Dolarway, acquire the land so the flood swales (future Whiskey channel) and levee could be constructed. This should count as readiness to proceed and shows the commitment on the city's behalf for this proposal moving forward with the Pearson Kuchin land acquisition.

2. Upload a spreadsheet or similar document, including leveraged funds, showing past, current, and anticipated future funding for all phases of the project.

Description	Upload
Leveraged funds bond ordinance	https://ecyeagl/IntelliGrants_BASE/_Upload/275879_965863-EN5070V_20240425_144042.pdf
bond ordinance council authorization.	https://ecyeagl/IntelliGrants_BASE/_Upload/275879_965863_2-bondordinanceagenda.docx

3. Describe and provide calculations on how task costs were estimated. Explain how you calculated each cost and why it is necessary for the project. Include steps taken to ensure the accuracy of cost estimates.

Susan Ferrell our real estate agent has performed a market analysis for both properties. The dollar amount for both properties are in the range of .....
This is not an appraised amount. Appraisals cannot happen until we know that FbD wants to fund the proposal. Appraisals lock in the properties at a fixed dollar amount and if we did not get funded, the owners would be locked in at that amount for sale to an outside source and that could

become a legal matter. In this situation, it's best to wait and see if we make the short list, then proceed with appraisals, title commitment, letters of intent and prepare a purchase and sale agreement. This ensures us that we have accurate numbers before entering into agreement with ECY should the proposal be accepted.

4. Describe the process used to control costs and ensure this is a cost-effective proposal. Show the relationship between the costs and the proposed benefits achieved.

Uploaded in this section and the general uploads is a market analysis done by a licensed realtor who is under contract with the city (Susan Ferrell). Market analysis is an estimate and not an appraised value. That said, they are generally very close in dollar value and can be used to determine what properties would sell for in today's market. This is the only way to control costs and ensure its effective for this proposal. Based on discussions with Fabion Kuchin a few weeks ago he told me wanted 4 million for his 30.06 acres (Parcel Number 516133) and her analysis is very close to that number. This tells me the comparable and values are pretty accurate for this proposal. Again, I must remind the reader that both of these properties are highly developable even though they are in the floodplain. Current codes allow development if the builder raises the grade and provides compensatory storage. Development potential increases the costs of land in Kittitas County.

5. Upload a spend down plan for projected expenditures of the proposal, including a budget by task and calendar year.

Description	Upload
Spend down plan	https://ecyeagl/IntelliGrants_BASE/_Upload/275879_965867-Book1.xlsx

Match and Funding Request

Match is defined as a portion or share provided by the Recipient for the grant. Leverage is the total amount of all funding sources for the entire project and includes Recipient match (when match is required) but does not include Ecology's share of the FbD grant.

Applicants must demonstrate they have project leverage in the grant application. Those applicants that do not qualify for a match waiver must also demonstrate they have match. Both match and leverage can be demonstrated in the form of: Flood Control Zone District, city, town, county, or federal funds; other grant funding; value of land previously acquired as long as the land is used for implementation of the project; time spent working on a project; or in-kind costs. If you have any questions, contact your regional Ecology Project Manager.

Applicants must demonstrate that they qualify for the Economically Distressed Communities match exemption for Flooplains by Design using the process outlined in the FbD Funding Guidelines.

Total Eligible Cost is Ecology's share and the Recipient's match amount combined.

Ecology's share = Total Eligible Cost multiplied by 80%. For example, $1,000,000 (Total Eligible cost) x 80% = $800,000 (Ecology's share).

Recipient's match = Total Eligible Cost multiplied by 20%. For example, $1,000,000 (Total Eligible Cost) x 20% = $200,000 (Recipient's match).

Total Eligible Cost (from general Information form):	$8,000,000.00
Ecology's share:	$6,400,000.00
Recipient's match:	$1,600,000.00

Match Type

6. Does your project qualify for the Economically Distressed communities match exemption as defined in the FbD Funding Guidelines?
Please note, this application form will calculate the Recipient match amount as if it is required. Ecology will confirm whether applicants qualify for the match exemption after the applications are submitted.

- ✔ Yes. If yes, the 20% match requirement is waived. In the text field below, describe how your project qualifies for the Economically Distressed Communities match exemption as defined in the FbD Funding Guidelines. You may also upload a screenshot or other supporting documentation in Uploads below.

  No. If no, the 20% match requirement will be in effect for the life cycle of the grant.

  This is out of the FbD Guidelines for 2025-27 funding cycle.
  Median household income
  If an applicant can demonstrate the project area is in a location with a mean household income below 80% of the state median, they are deemed eligible for a match waiver and no additional justification need be provided. The U.S. Census Bureau provides median household income (MHI) data through the American Community Survey (ACS). MHI estimates for states, cities, towns, and census designated places (CDP) are included in a data series produced by ACS. If you have questions about MHI for your project area, please contact Ecology.
  https://data.census.gov/

  Ellensburg: MHI =$53,730 < 80%
  Washington State MHI= $91,306

Upload

7. Does your project have cash match?

Cash match is eligible cash expenditures paid by the recipient and not reimbursed by Ecology.

- Yes. If yes, describe the cash match amounts and sources below.
- ✔ No.

8. Does your project have in-kind match (in-kind other or in-kind local)?
In-kind contributions are property or services that benefit a project and are contributed to the Recipient by a third party without direct monetary compensation, such as interlocal costs, donated or loaned real or personal property, and volunteer services. In-kind other is where the third party making the contribution is not a government entity. In-kind interlocal is where both the grant recipient and the third party making the contribution are both government entities.

- ✔ Yes. If yes, describe the in-kind match amounts and sources below.

  No.

  We consider our contribution towards the realtors' commission and an inter department loan as in-kind match and show readiness to proceed and our commitment to the proposal.

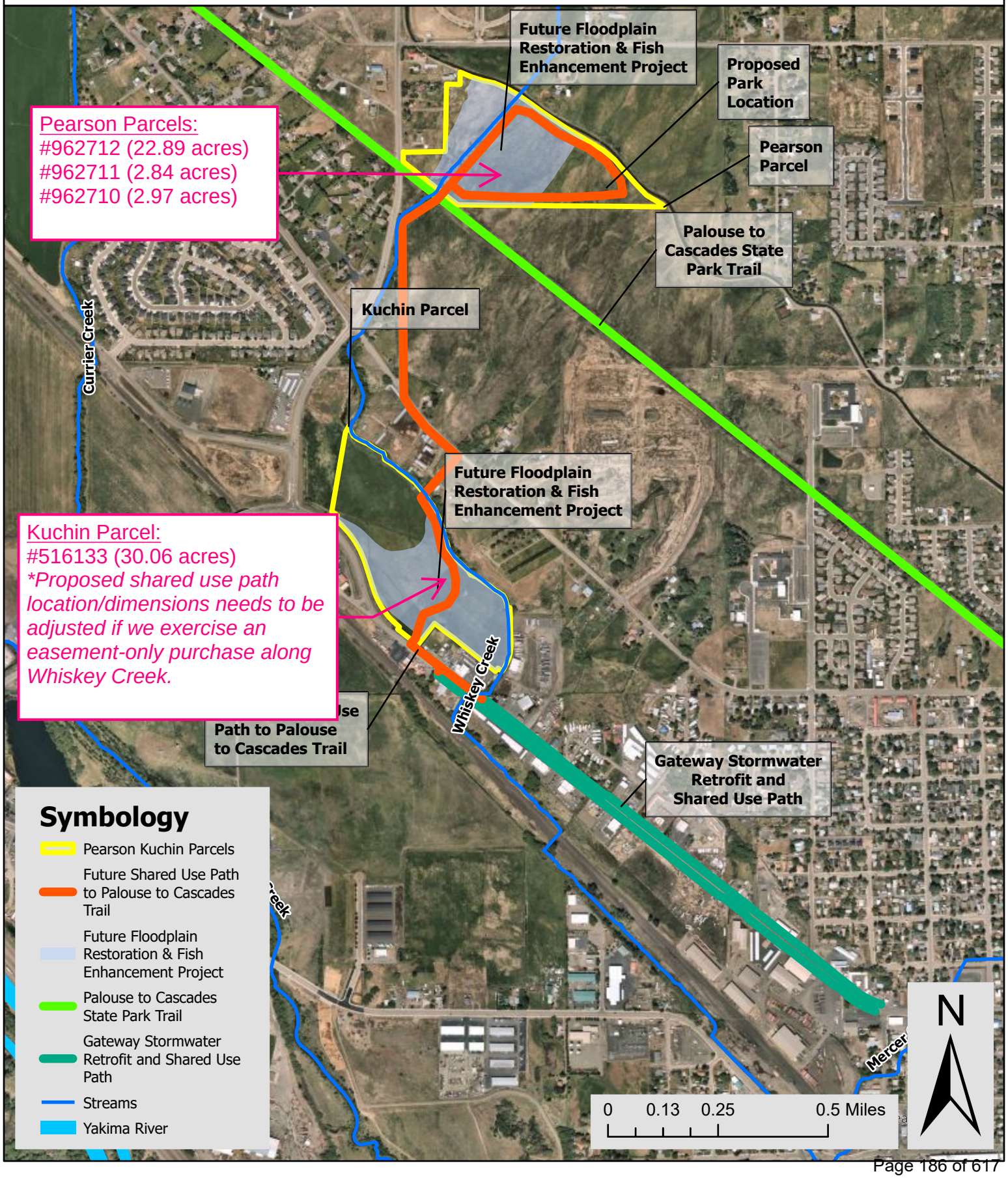
Uploads

Description	Upload
Letter to the Tribe	https://ecyeagl/IntelliGrants_BASE/_Upload/276693_884773-TribalNotification_TEMPLATE.docx
Realtor under contract with the City	https://ecyeagl/IntelliGrants_BASE/_Upload/276693_884825-EN5070V_20240419_100917.pdf
Yakima Basin Intergrated Plan Support	https://ecyeagl/IntelliGrants_BASE/_Upload/276693_884823-YBFWRBEllensburgFBDSupportLetter.pdf
Mid Columbia Fisheries Enhancement Support	https://ecyeagl/IntelliGrants_BASE/_Upload/276693_884823_2-2024-04-15FbDMCFLetterofSupport,Kuchin-Pearson.pdf
Letter from the County Flood District	https://ecyeagl/IntelliGrants_BASE/_Upload/276693_884823_3-Support_Eburg_FloodplainsbyDesign.pdf
Market Analysis by Realtor	https://ecyeagl/IntelliGrants_BASE/_Upload/276693_884823_4-EstimatedValue.pdf

PEARSON-KUCHIN LAND ACQUISITION

FLOODPLAINS BY DESIGN GRANT PROGRAM

SEAFBD-2527-ELLEPW-00016



Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject: New Voice over IP Telephone Services Provider
Submitted by: Jim Goeben, IT Director, Ben Faubion, IT Manager
Department: Information Technology

Suggested Motion/Action:
Authorize the City Manager to sign the six-year Voice over IP (VoIP) services contract with Ednetics.

Background/Summary:
NoaNet has been providing the City with VoIP phone service for over a decade. NoaNet notified the City on May 20th, 2026, that they would be discontinuing the VoIP services provided by their company on July 31, 2026. This date was extended to August 21, 2026.

Previous Council Action:
None

Analysis:
Staff recommends entering into a six-year Managed VoIP agreement with Ednetics for their Voice S1 service. The service will support 190 users and 202 devices across city departments, including 12 basic users, 190 advanced users, and 11 fax lines. The platform is hosted in Ednetics geo-redundant data centers and includes end-to-end monitoring, ongoing maintenance, day-to-day operational support, and full phone services access (local, long distance, and enhanced 911). All 213 existing telephone numbers will be ported to the new system at no cost under the proposed term. Handsets (127 Yealink SIP-T73W units) will be purchased by Ednetics on the City's behalf under Addendum 2 and are covered under manufacturer warranty for the agreement term, with full ownership transferring to the City at contract end. City staff is responsible for the placement and network connectivity of the devices. The service contract was procured through the WSIPC state cooperative contract, ensuring compliant pricing and terms. Current phones can be used with the new service. However, 127 of our current phones reach end-of-life in 2027 and should be replaced. Because the contract term is 6 years, Ednetics will waive the initial setup fees ($7,082.25) and the device costs ($16,943.72).

Financial Impact:
The monthly recurring service charge (users and fax lines) of $3,199.60 plus taxes and fees is anticipated to be within the current approved IT Budget. Costs for 2027/2028 will be incorporated as part of the biennial budget development process.

Budget Adjustment: No

Attachments:

1. A2888-Ednetics-Managed VoIP Master Agreement

Ednetics Contract #
EV-72-WACELL-190526-1A

WSIPC Voice Contract #
16-01 Unified Communications



VOICE SERIES 1

Managed VoIP

6 Year Agreement

May 19, 2026

City of Ellensburg, your impact in the community matters, and we're honored to be a part of that journey. Our team is here to help amplify your impact through thoughtful innovation, trusted collaboration, and technology that works for you and the people you serve. Thank you for letting us be a part of it.

Customer
City of Ellensburg
501 N Anderson St
Ellensburg, WA 98926-3147

Prepared for
Ben Faubion, IT Manager

Managed VoIP

6 Year Agreement

Service Summary

Ednetics Voice S1 is a managed unified communications service. The service offers a comprehensive suite of features purpose-built to provide customers with unprecedented levels of flexibility, customization, and ease of use. Hosted out of Ednetics geo-redundant datacenters, the service includes end-to-end monitoring, ongoing maintenance, and day-to-day operational assistance. Pricing is based on a fixed rate per user and includes all necessary Public Switched Telephone Network (PSTN) access including local calling, long distance calling, and enhanced 911.

Initial Setup Charges

Devices		
213 Device Configurations @ $19* each		4,047.00
Telephone Numbers		
213 Telephone Number Port Ins @ $14.25* each		3,035.25
Setup Subtotal	**$**	**7,082.25**
Initial Setup Discount for 5Yr Term		(7,082.25)
Setup Total	**$**	**0.00**

Monthly User Charges

Users		
12 Basic Users @ $8.55* each		102.60
190 Advanced Users @ $15.20* each		2,888.00
Lines		
11 Fax Lines @ $19* each		209.00
User Total	**$**	**3,199.60**

Monthly Total

Total Taxes and Fees not Included**	**$**	**3,199.60**

**Discount pricing through WSIPC Voice 16-01 Unifed Communications State Contract. **Government fees including state, local, and federal taxes are in addition to the above charges. These fees will be charged at the rates set by governmental entities and may change over the duration of the contract. *Discount pricing through WSIPC Voice State Contract. **Government fees including state, local, and federal taxes are in addition to the above charges. These fees will be charged at the rates set by governmental entities and may change over the duration of the contract.* All pricing in this document is valid for a period of 60 days from the date of issue. The quantities and pricing detailed above are based upon initial estimates only. Invoices will reflect the quantities established during installation of the Service and may increase prior to the start of the contract term. For full pricing information refer to Schedule 1 of the Agreement. Telephone number porting subject to availability.

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Appendix 1 **Master Agreement**

General Terms and Conditions

This Master Agreement ("Agreement") is between Ednetics and the entity identified as the customer ("Customer"), each referred to as a "Party" and collectively referred to as the "Parties." This Agreement consists of Service(s) Attachments ("Attachment(s)"), Service Order(s) and any forms or authorizations attached hereto and/or incorporated herein by reference and this Agreement. This Agreement will survive as long as there are working Service(s) associated with it. The Attachment(s) and Service Order(s) further describe the Service(s) Customer purchased and set forth any additional terms and conditions for those Service(s). In the event there is a conflict between this Agreement and the terms and conditions contained in an Attachment or Service Order, the terms and conditions in the Attachment(s) and/or Service Order(s) take precedence. The Parties agree to be bound by this Agreement and affirm that each have caused this Agreement to be executed by their respective duly authorized representatives on the dates written below their names.

1. **Obligations of the Customer**. Customer agrees to provide all information, access, and support for timely installation and proper use of Service(s) and to comply with all of the terms and conditions of this Agreement. Customer also agrees that Customer's use of Service(s) will at all times be consistent with the terms outlined in Ednetics Acceptable Use Policy ("AUP") and will not be used in an unlawful manner and will be used in such a manner as to prevent damage to Ednetics network and equipment. The Ednetics AUP is attached hereto as Exhibit A, and is made a part of this Agreement by reference. Updates to Ednetics' AUP will be made on the web site https://portal.ednetics.com and will apply to all Service(s). Customer agrees to accept a Material Staging Agreement, if required, provide all information required, access to the premises, support for timely installation, proper use of Service(s) and to comply with all terms and conditions of this Agreement. Customer acknowledges and accepts that not accepting the Material Staging Agreement may subject Customer to higher costs.
2. **Customer Representation**. Customer warrants they have the legal right and ability to enter into this Agreement and are authorized to act on behalf of the school, library, or state/local government entity. Customer represents and warrants that Customer name and contact information is true and correct. Customer acknowledges and agrees that Ednetics relies on the information supplied by Customer and providing false or incorrect information may result in delays in the provision and delivery of Service(s) and the suspension or termination of Service(s). Customer agrees to promptly notify Ednetics whenever billing information changes, including, but not limited to, Customer's name, address, e-mail address, telephone number, and credit card information, if appropriate.
3. **Term Commitment**. For each Service, the term commitment of the Service will begin as detailed within the associated Service Attachment(s) unless Customer advises Ednetics in writing that Service is in material non-compliance with the specifications contained in the Attachment(s) or Service Order(s), in which case the term commitment for the Service will not commence until such time as Ednetics and Customer mutually agree the issues with Service have been resolved and will continue for the number of months/years set forth in the applicable Attachment(s) or Service Order(s) ("Initial Service Term").
4. **Fees and Charges**. Customer shall pay for all Service(s) Ednetics supplies to Customer. Attachment(s) and Service Order(s) specify the fees Customer will pay for Service(s) during the Service Term. The fees on the invoice are categorized as "Monthly Charges", "Annual Charges" and "One Time Charges". Monthly Charges will be billed monthly in advance, Annual Charges will be invoiced as defined within the associated Service Attachment(s), and One Time Charges shall be billed as they occur. "Other Charges", when and if applicable, are generally actual usage charges and may not apply to all services. Ednetics will bill Customer and Customer will be responsible for other legal charges including, but not limited to Federal, state, county, or local taxes and fees. Customer's invoice will reflect all taxes and fees applicable to the Service(s) purchased.

5. **Payment**. Ednetics will provide Customer with invoices at defined intervals, as determined by the underlying Service Attachment. Invoices are due and payable thirty (30) days from the invoice date (the "Due Date"). In addition to monthly or annually recurring invoices, Customer may receive One-Time Charge invoices for fees relating to the installation of new equipment incorporated into the underlying Service, as well as for Support and other moves, adds or changes. The rate for these charges, if any, will be identified within each Service Attachment. A late payment fee may be applied on balances remaining unpaid thirty (30) days following the date of the invoice in the amount of one and one-half percent (1½%) per month of the amount of the unpaid balance from the date of invoice. In addition to the remedies contained in this Agreement, Ednetics reserves its right in law and equity including, but not limited to, its rights under the Uniform Commercial Code.
6. **Taxes**. Customer hereby acknowledges taxes represented within the Agreement are estimated, and are thereby subject to change over the term of the Agreement. Customer further acknowledges and agrees all pricing for Service(s) and other charges due hereunder, including sales taxes, duties, fees, levies or surcharges (including Universal Service Fund or similar surcharges, when applicable) imposed by, or pursuant to the laws, statutes or regulation of any governmental agency or authority, are the sole responsibility of Customer and shall be paid promptly when due by Customer and Customer agrees to indemnify and hold Ednetics harmless from any liability therefor. Except as set forth herein, all amounts payable by Customer under this Agreement shall be made without any deduction or withholding and, except to the extent required by any law or regulation, free and clear of any deduction or withholding on account of any tax, duty or other charges of whatever nature imposed by any taxing or governmental authority. If Customer is required by any law or regulation to make any such deduction or withholding, Customer shall, together with the relevant payment, pay such additional amount as will ensure that Ednetics actually received and is entitled to retain, free and clear of any such deduction or withholding, the full amount which it would have received if no such deduction or withholding had been required.
7. **E-Rate**. For Customers participating in the Universal Service Administrative Company's (USAC) E-Rate program, this Agreement, including Attachment(s) and Service Order(s), begin upon (i) their execution by both Ednetics and Customer and (ii) Customer's approval to proceed with service via a signed Notice to Proceed ("NTP"). Customer acknowledges the signed NTP affirms their acceptance of contractual obligations for the duration of this contract, whether Customer has received E-rate funding or not. The NTP is included with this agreement as Exhibit B, and is made a part of this Agreement by reference.
8. **Unauthorized Use of the Service(s)**. Customer accepts full responsibility for the charges and fees invoiced by Ednetics for the provision of all Service(s) to Customer regardless of whether Customer authorized the use of the Service(s). Customer shall indemnify and hold Ednetics harmless from any and all costs, expenses, damages, claims or actions arising from any fraudulent or unauthorized use of Service(s). Customer shall not be excused from paying Ednetics for Service(s) provided to Customer or any portion thereof on the basis that fraudulent use of Service(s) comprised a corresponding portion of the Service(s) for which charges and fees are invoiced.
9. **BACK-UP POWER**. CUSTOMER ACKNOWLEDGES AND AGREES THAT IF ACCESS TO AND USE OF SERVICE(S) IS DESIRED OR REQUIRED DURING A POWER OUTAGE, CUSTOMER IS SOLELY RESPONSIBLE TO PROVIDE APPROPRIATE BACK-UP POWER TO ANY EQUIPMENT LOCATED ON CUSTOMER'S PREMISES TO THE EXTENT SUCH EQUIPMENT MAY BE USED TO ACCESS AND USE OR IS OTHERWISE RELATED TO THE USE OF SERVICE(S). EDNETICS SHALL NOT BE RESPONSIBLE OR LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR THE UNAVAILABILITY OF SERVICE(S) DURING A POWER OUTAGE AS A RESULT OF CUSTOMER'S FAILURE TO PROVIDE NECESSARY BACK-UP OR SECONDARY POWER FACILITIES FOR USE OF SERVICE(S).
10. **Termination by Ednetics**. In the event Customer is in breach of any terms of this Agreement, Ednetics may provide written notice to Customer of such a breach, upon receipt of which Customer shall (i) have ten (10) days to cure such breach if the breach is due to Customer's non-payment of all undisputed

charges by the Due Date or (ii) have thirty (30) days to cure all other breaches of this Agreement. If such breach is not cured by Customer to Ednetics satisfaction, in its sole discretion, within the applicable cure period set forth above, Ednetics may terminate this Agreement and the affected Attachment(s) and/or Service Order(s), in whole or in part, and discontinue its provision of Service(s) under this Agreement effective immediately pursuant to Section 12. Notwithstanding the foregoing, in the event Customer's use of Service(s) violates the Ednetics AUP, Ednetics may suspend the provision of Service(s) to Customer or terminate this Agreement and the affected Attachment(s) and/or Service Order(s), in whole or in part, effective immediately.

11. **Termination by Either Party**. Either Party shall have the right to terminate Service(s) without liability including early termination fees in the following instances; (i) if Ednetics is prohibited from furnishing Service(s) under this Agreement. (ii) If Customer fails to obtain state or federal funding approval, through no fault of Customer; however, negotiations for a new agreement must be initiated. The requesting Party must provide thirty (30) days written notice to the other Party, which notice shall include a request to negotiate a new agreement. If negotiations for a new agreement are not successful and it was determined that the loss of state or federal funding was not the fault of Customer, Ednetics will waive Early Termination Fees. (iii) If any material rate or term contained herein is substantially changed by order of the highest court of any competent jurisdiction to which the matter is appealed, the Federal Communications Commission, or other local, state, or federal government authority. This does not apply to a decrease in state or federal funding, although Customer may request to negotiate a new agreement as outlined in (ii). In all cases, Customer will remain responsible for payment of the Service(s) up to the effective date of termination.
12. **Early Termination Due to Default**. If Service(s) are terminated by Customer or by Ednetics following an uncured default by Customer prior to the end of the Service Term, then commencing on the effective date of such termination, Customer will be subject to early termination fees equal to one hundred percent (100%) of the remaining value of the Agreement ("Early Termination Fees"). Customer and Ednetics acknowledge and agree that (i) the Early Termination Fees are a fair and reasonable estimate of damages that would occur in the event that the Agreement is terminated prior to the end of the Service Term; (ii) actual damages incurred by Ednetics as a result of the early termination of the Agreement would be difficult to determine; and (iii) the provisions regarding the Early Termination Fees in this paragraph are reasonable and appropriate measures of the damages for such early termination and not a penalty. Customer agrees to pay all such Early Termination Fees within thirty (30) days of Customer's notice of termination of Service(s) immediately upon receipt of Ednetics last invoice to Customer ("Final Invoice"). All requests to terminate Service(s) must be received, in writing to Ednetics, thirty (30) days prior to the termination effective date. A minimum of thirty (30) days will be billed to Customer from the date that the termination notice is submitted.
13. **Bill Disputes**. Customer's billing disputes or requests for adjustment, together with all supporting documentation, must be made in good faith and must be received in writing by Ednetics within ninety (90) days from the date of the invoice or Customer's right to raise such billing disputes is waived. Customer shall otherwise timely pay any undisputed amount. If Ednetics determines that a disputed charge was billed in error, Ednetics will issue a credit to reverse the amount incorrectly billed. If Ednetics determines the disputed amount was billed correctly, Ednetics will inform Customer of such determination and provide Customer with proof of correct billing. If Customer does not accept such proof as definitive, the dispute will be escalated for a supervisor review/resolution with Ednetics and Customer in accordance with this Agreement. In the event that the escalated dispute is resolved against Customer or in the event Customer accepts the foregoing proof as definitive (or if Customer fails to notify Ednetics within thirty (30) days that Customer does not accept proof as definitive), Customer shall pay the previously disputed amount within ten (10) days thereafter.

14. **Resolution of Disputes**. Except as otherwise provided, any dispute, controversy or claim (individually and collectively referred to hereinafter as a "Dispute") arising under this Agreement shall be resolved in accordance with the procedures set forth herein. In the event of a Dispute, and upon the written request of either Party, each of the Parties shall appoint, within five (5) business days after a Party's receipt of such request, a designated representative who has authority to settle the Dispute and who is at the higher level of management than the persons with the direct responsibility for administration of the Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the Dispute and negotiate in good faith in an effort to resolve such Dispute. The specific format for such discussions will be left to the discretion of the designated representatives; however, all reasonable requests for relevant information made by one Party to the other shall be honored. If the Parties are unable to resolve issues related to the Dispute within thirty (30) days after a Party's request is made for appointment of designated representatives as set forth above, either Party may seek any relief to which it is entitled, whether at law or in equity.
15. **Upgrades and Downgrades**. An "Upgrade" is defined as a change to Customer's existing Service(s) agreed to by Ednetics resulting in an increase in Customer's Monthly or Annual Charges and/or One Time Charges. Customer will be required to purchase the Upgrade for a term commitment that extends to the end of Customer's existing Term or the Customer may extend their term by providing written notification to Ednetics. A "Downgrade" is defined as a change to Customer's existing Service(s) or partial disconnect agreed to by Ednetics that will result in a decrease in Customer's Monthly Charges. If Customer Downgrades the Service(s) before the end of the Term and the Downgrade results in more than a fifteen percent (15%) decrease in the Monthly or Annual Charges of the Service(s) for which a Downgrade occurred, Ednetics, in its sole discretion, may charge Customer Early Termination Fees. Customer shall provide Ednetics with thirty (30) days prior written notice for all Downgrades. Any Downgrade of Service(s) must have a Term that extends at least to the end of the Customer's existing Term. Upgrades and/or Downgrades of Service(s) may require a Service(s) Order.
16. **Ednetics Owned Customer Premises Equipment**. Any Equipment owned and installed by Ednetics to perform or deliver Service(s) under the Agreement that was not purchased by the Customer, is the sole property of Ednetics and is referred to as "Ednetics CPE." Ednetics has the right to access, maintain, remove, replace or take any other action in connection with Ednetics CPE at any time for any reason. At all times, Customer shall: (i) refrain from physically tampering with or modifying Ednetics CPE, or authorizing another to do so; except to modify wiring supplied to the CPE; and (ii) provide Ednetics with reasonable, sufficient, and necessary access to Customer's facilities in order for Ednetics to fulfill its obligations under this Agreement. Customer shall provide Ednetics reasonable and necessary access to Ednetics CPE at all reasonable times in the event Ednetics needs to retrieve Ednetics CPE during or upon the expiration or termination of the applicable Service Term. Customer also agrees to cooperate with Ednetics in all communications with the property owner at the Customer's premises if requested by Ednetics even after the expiration or termination of the applicable Service Term so that Ednetics may retrieve physical possession of Ednetics CPE. Customer shall be responsible for any damages to Ednetics CPE caused by Customer, their end-users or any Customer authorized third party. Ednetics will not be responsible for any interference or interruption in Service(s) related to or caused by Customer CPE. Customer is responsible for the initial and ongoing configuration of any equipment provided by Customer. If any equipment provided by Customer is not compatible or may not be used with the Service(s) and Customer terminates this Agreement or Service(s) as a result, Customer will be responsible for all Non-Recurring Charges for Service(s) that are noted on the Service Order(s) as well as any third-party costs Ednetics may have incurred.
17. **Limitation of Liability**. Ednetics shall not be liable or responsible for any of the following: (i) the content of the information passing over Ednetics network; (ii) the Internet or any information contained thereon; (iii) unauthorized access to Customer transmission facilities or to Customer owned equipment;

(iv) unauthorized access or damage to, alteration, theft, destruction, deletion, failure to store or loss of customer records or data; (v) claims for damages caused by Customer through fault, negligence or failure to perform Customer's responsibilities; (vi) claims against Customer by any other party; or (vii) any act or omission of any other party furnishing services to Customer, or the installation and/or removal of any and all equipment supplies by any other services provider; or (viii) incorrect publication of listings or phone number in the directory, if applicable. Notwithstanding the foregoing, the liability of Ednetics, if any, for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in the Service(s) or equipment provided by Ednetics, if any, or for breach or warranties set forth in this Agreement, shall in no event exceed the Monthly Charges, or pro-rated Annual Charges, for Service(s) that are the subject of the claim. IF ANY LIABILITY IS IMPOSED ON EDNETICS, SUCH LIABILITY SHALL BE LIMITED AS PROVIDED IN THIS AGREEMENT, WHICH SHALL BE EDNETICS SOLE AND EXCLUSIVE LIABILITY REGARDLESS OF WHETHER LOSS OR DAMAGE IS CAUSED BY PERFORMANCE, NON-PERFORMANCE, OR NEGLIGENCE OF EDNETICS UNDER THIS AGREEMENT. EDNETICS SHALL HAVE NO LIABILITY TO CUSTOMER OR ANY THIRD-PARTY FOR OR WITH RESPECT TO ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY NATURE OR FOR THE LOSS OF REVENUE, LOST PROFITS, LOSS OF BUSINESS, LOSS OF PROSPECTIVE OR POTENTIAL BUSINESS OR ECONOMIC LOSS OF ANY KIND FOR ANY REASON WHATSOEVER, REGARDLESS OF WHETHER EDNETICS IS INFORMED OF THEIR POSSIBILITY.

18. **Liability of Customer**. In the event any claim, demand, lawsuit or liability is made or asserted against Ednetics or any of the officers of Ednetics by any third-party and the same arises out of, or is directly or indirectly related to, or is caused by any act or omission of Customer, then, and in such event, Customer shall indemnify, defend and hold harmless Ednetics and its officers, agents and representatives of and from any and all such claims, demands, causes of actions and liability, including the payment of reasonable attorneys' fees to defend such action.
19. **Warranties**. EDNETICS DOES NOT WARRANT UNINTERRUPTED OPERATION OF THE SERVICE(S) AND SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES NOT MADE IN THIS AGREEMENT, EITHER EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF TITLE, MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE. EDNETICS DOES NOT WARRANT AND DOES NOT ASSUME ANY LIABILITY FOR ANY CONSEQUENCES SUFFERED BY ANY PERSON AS A RESULT OF OBTAINING INTERNET ACCESS INCLUDING, WITHOUT LIMITATION, DAMAGES ARISING FROM INTERNET CONTENT OR FROM COMPUTER VIRUSES.
20. **Safeguarding Customer Proprietary Network Information**. Ednetics considers Customer Proprietary Network Information ("CPNI") as confidential. Ednetics will not share information specific to our Customers and/or their network with anyone other than the authorized representative(s) of Customer unless Customer sends written authorization to their Ednetics account manager. Such Letter of Authorization (LOA) must be signed by Customer's authorized representative stating the information Ednetics is to provide and to what party and/or company Ednetics is to disclose the information to upon request. This procedure extends during the term of the contract and will continue after the contract expires.
21. **Transfer and Assignment**. Customer may not sell, assign or transfer any of Customer's rights or obligations under this Agreement without Ednetics prior written consent. Ednetics may assign this Agreement upon notice to Customer.

22. **Force Majeure**. Any delay, interruption or nonperformance of any provision of this Agreement on the part of Ednetics caused by conditions beyond Ednetics reasonable control shall not constitute a breach of this Agreement and the time for performance of such provision shall be deemed to extend for a period equal to the duration of the conditions preventing performance. Such examples include, but are not limited to, acts of God, acts of civil or military authority, terrorist acts, riots, insurrections, epidemics, power blackouts, fire, explosion, vandalism, cable cut, adverse weather conditions, earthquakes, nuclear accidents, floods, governmental action, moratoriums or injunctions related to the construction and shortage of labor and materials (collectively a Force Majeure Event).
23. **Governing Law and Venue**. This Agreement shall be construed and governed in accordance with the laws of the state Customer is located in and venue for any actions arising under this Agreement shall be in the courts of county jurisdiction or the state Customer is located in, as appropriate.
24. **Non-Disclosure and Publicity**. The parties understand and acknowledge that if Customer is a governmental entity, State Laws and E-Rate program regulations may require Customer to disclose certain information relating to, but not limited to, their services, finances and E-rate applications. Customer shall not disclose the terms and conditions of this Agreement to any unnecessary third party without the prior written consent of Ednetics, except as required by law.
25. **Entire Agreement**. This Agreement is the complete agreement between the Parties, concerning any Service(s) provided by Ednetics hereunder, and replaces any prior oral or written communications between the Parties. Except for prior obligations of confidentiality and/or nondisclosure, there are no conditions, understandings, agreements, representations, or warranties, expressed or implied, which are not specified in this Agreement.
26. **Addition/Modification**. This Agreement and all attachments may only be modified, amended or waived through an amendment signed by an authorized employee of each Party.
27. **Severability**. In the event that any of the terms of this Agreement, which includes all attachments, or the applications of any such term shall be invalid by any court of any competent jurisdiction, the remaining terms of this Agreement or their application shall not be affected thereby and shall remain in full force and effect.
28. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute an Agreement. Facsimile signatures and electronic signatures (including electronically transmitted signed documents) shall be accepted and treated the same as an original.

29. **Notices**. All notices, requests, demands or other communications which are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of delivery if personally delivered by hand, (ii) upon the third day after such notice is (a) deposited in the United States mail, if mailed by registered or certified mail, postage prepaid, return receipt requested, or (b) upon the first business day following deposit if sent by overnight delivery by a nationally recognized overnight express courier, or (iii) by facsimile upon written confirmation (other than the automatic confirmation that is received from the recipient's facsimile machine) of receipt by the recipient of such notice.

Please complete this information.

Notice to Ednetics	**With a copy to:**	**If to Customer:**
Ednetics, Inc.	Ednetics, Inc.	City of Ellensburg
Attn: Lisa Tucker	Attn: Travis Pettyjohn	Attn: Jim Goeben
971 S. Clearwater Loop	971 S. Clearwater Loop	501 North Anderson St
Post Falls, Idaho 83854	Post Falls, Idaho 83854	Ellensburg, WA 98926
T (208) 618-4050	T (208) 777-4709	T (509) 925-8617
F (208) 619-4161	F (208) 777-4708	

The Parties have caused this Master Agreement to be executed by their respective duly authorized representatives as of the last date signed below ("Effective Date").

EDNETICS, INC.	**CUSTOMER**
SIGNATURE	SIGNATURE
Shawn Swanby PRINTED NAME	PRINTED NAME
Chief Executive Officer TITLE	TITLE
DATE	DATE

1. **General**. Ednetics does not actively monitor nor does Ednetics exercise editorial control over the content of any web site, electronic mail transmission, mailing list, News Group or other material created or accessible over Ednetics network. However, Ednetics reserves the right to remove any materials that, in Ednetics sole discretion, are potentially illegal, may subject Ednetics to liability, or violate this Acceptable Use Policy ("AUP"). Such material may include, but is not limited to, material that is inappropriate, obscene (including child pornography), defamatory, libelous, threatening, abusive, hateful, or excessively violent. Any violation of this AUP may result in the suspension or cancellation of Ednetics Service(s) without liability to Ednetics. Channeling any part of any such activity through Ednetics network resources shall constitute a violation of this AUP.
2. **SPAM**. Ednetics prohibits the transmission, distribution or storage of unwanted or offensive content. Prohibited transmissions include without limitation, viruses, Trojan horse programs, messages which include character sequences intended to control the recipient' s computer or display screen, make money fast schemes, pyramid or chain letters, fraudulent offers, threats, harassment, defamation, postings to a newsgroup in violation of its rules, charter or FAQ, unsolicited advertising (whether commercial or informational) and unsolicited e-mail ("SPAM"). Ednetics strongly opposes SPAM which floods the Internet with unwanted and unsolicited e-mail and deteriorates the performance and availability of the Ednetics network. All forms of SPAM and all activities that have the effect of facilitating SPAM are strictly prohibited. Violation of this provision will result in termination of any applicable Service Order(s) and/or Customer's entire Agreement. In the event any of the above occurs, Ednetics will provide notice pursuant to Section 11 of the Master Agreement and assist Customer where possible; however, if such prohibitive activities have the immediate potential to harm Ednetics network or are harming Ednetics network and/or other customers are experiencing issues due to the above activities, Ednetics, in its sole discretion, will take any action it deems necessary to prevent the transmission, distribution or storage of SPAM and to protect its network.
3. **Unlimited Voice Services**. Customer agrees to use the unlimited service plan for traditional voice or fax calling of duration comparable to that of an average business customer. Customer agrees they will not employ methods, devices or procedures to take advantage of the unlimited service plan by using the voice or fax services excessively or for means not intended by Ednetics. Excessive use is defined by Ednetics as use that substantially exceeds the average call duration used by all other Ednetics unlimited voice service plans caused by excessive local number conference calling, monitoring services, data transmissions of broadcasts or transmission of recorded material. Ednetics has the right to terminate Customer' s Service if, in its sole discretion, Ednetics determines that that Customer' s use of the unlimited plan violates this prohibition or is otherwise "unreasonable"; or results in abuse of the unlimited minute service plan.
    a. Examples of "unreasonable" use are:
        i. Re-sell, re-brand, re-supply, re-market or commercially exploit the unlimited service plan, without written consent, in order to aggregate traffic from more than one customer over an unlimited line or trunk;
        ii. Set up routing functionality such that only outbound long-distance traffic is sent over the unlimited service; or
        iii. Engage in any other conduct, which is fraudulent or results in significant network congestion or degradation.
    b. Examples of "abusive" use are:
        i. Autodialing;
        ii. Robocalling;
        iii. Continuous, repetitive or extensive call forwarding;

iv. Continuous call session connectivity;
v. Fax broadcasting;
vi. Fax blasting;
vii. Telemarketing; or
viii. Any other activity that would be inconsistent with reasonable business use that may cause network congestion or jeopardizes the integrity of Ednetics.

4. **Lawful Purposes Only**. Customer may use Ednetics Services for lawful purposes only. Customer may not use Ednetics Service or equipment in any way that is illegal, improper, or inappropriate. Illegal, improper or inappropriate uses of Ednetics Services and/or equipment include the following:
   a. Interfering with the ability to provide service to the Customer or other customers;
   b. Use of the Service to threaten, abuse, harass, defame, deceive, defraud, interfere or invade another's privacy or engage in any similar behavior;
   c. Use of the Service to impersonate another person, send bulk unsolicited messages, use data mining techniques, or other automated devices or programs to catalog, download, store, or otherwise reproduce or distribute information from Ednetics or use any automated means to manipulate the service; or
   d. Use the Service for transmitting or receiving any communication or material of any kind which would constitute a criminal offense, give rise to a civil liability, or otherwise violate and applicable local, state, national or international law or encourage conduct that would constitute a criminal offense, give rise to a civil liability, or otherwise violate any applicable local, state, national or international law.
5. **Right of Termination**. Ednetics reserves the right to terminate the Service immediately and without advance notice if Ednetics, in its sole discretion, discovers or reasonably believes Customer has violated any of the above restrictions.
6. **Theft of Service**. Customer may not use or obtain the Service in any manner that avoids Ednetics policies and procedures, including an illegal or improper manner. Customer will notify Ednetics immediately in writing if Customer believes the Service is stolen, used fraudulently, or otherwise being used in an unauthorized manner. If Customer notifies Ednetics of one of these events, Customer must provide an account number and a detailed description of the circumstances of the theft, fraudulent use, or unauthorized use of the Service.
7. **Revisions to this Acceptable Use Policy**. Ednetics reserves the right to revise, amend, or modify this AUP at any time in any manner. Any revision, amendment, or modification will be effective ten (10) days after Ednetics publishes such revision, amendment, or modification. Your continued use of our Services after such revision, amendment, or modification shall constitute your acceptance of the modifications to the AUP. Therefore, it is important that you review this AUP from time to time. IT IS YOUR RESPONSIBILITY TO CHECK EDNETICS PORTAL AT https://portal.ednetics.com REGULARLY, AS ALL OR ANY PART OF THIS AUP MAY CHANGE WITHOUT NOTICE. If you have questions about the AUP, or about your rights and responsibilities, please contact your Account Manager.

Exhibit B **Notice to Proceed**

This Notice to Proceed acts as Customer's Contract activation and receipt of Customer's firm approval to proceed with any service delivery activities, and will be considered as such upon execution by Customer's authorized party below. By signing this form, you are providing consent for Ednetics to proceed with the following Contract(s):

Service Name	Description	Contract #	Customer Requested Start Date
Ednetics Managed Voice	Base Contract	EV-72-WACELL-190526-1A	

Upon receipt of the signed Contract and signed Notice to Proceed, Ednetics will begin the work necessary to deliver your services.

Customer further understands and agrees any one-time installation charges, and all monthly or annually recurring charges as defined within the Contract(s), are Customer's firm contractual obligation for the duration of the Contract(s), whether Customer does or does not receive E-Rate funding, when applicable. If Customer cancels this Notice to Proceed, termination fees may apply, as referenced in the Terms and Conditions of the Contract.

City of Ellensburg

_____
CUSTOMER REPRESENTATIVE SIGNATURE

_____
PRINTED NAME

_____
CUSTOMER TITLE

_____
CUSTOMER DATE

Ednetics Voice S1™ is a full-featured managed Voice over Internet Protocol (VoIP) unified communications platform. For purposes of this Attachment, "Service(s)" shall be defined as a standardized set of unified communications subscription bundles hosted in Ednetics Data Centers and delivered over the public Internet. This Service combines traditional PBX features with the advanced functionality of IP Telephony, such as Unified Messaging, Collaboration and Mobility. Features and functionality vary depending on the subscription bundles selected. Additionally, the Service includes access to the Public Switched Telephone Network (PSTN). This Attachment, as well as any underlying Service Order(s), contain additional terms and conditions unique to Ednetics Voice S1™, and are incorporated into and made a part of the Agreement by reference.

1. **Acceptable Use Policy**. Ednetics reserves the right to revise, amend, or modify ("Update") the Acceptable Use Policy ("AUP") at any time and in any manner. Any Update will be effective ten (10) days after Ednetics publishes such Update. Your continued use of the Services after such Update shall constitute your acceptance of the Update. Therefore, it is important you review the AUP from time to time. It is your responsibility to check the website at https://portal.ednetics.com regularly, as all or any part of this AUP may change without notice. If you have any questions about the AUP or about your rights and responsibilities, please contact your Account Manager. Ednetics AUP is attached to the Master Agreement as Exhibit A and made a part of this Attachment by reference.
2. **E911 Disclosure Statement**. CUSTOMER ACKNOWLEDGES AND AGREES THAT VOIP SERVICES MAY, UNDER CERTAIN CIRCUMSTANCES, HAVE SIGNIFICANT LIMITATIONS WITH RESPECT TO 911 AND E911. THE 911 DISCLOSURE STATEMENT, ATTACHED HERETO AS EXHIBIT A TO THIS ATTACHMENT AND IS MADE A PART OF THIS AGREEMENT BY REFERENCE, DESCRIBES SOME OF THOSE CIRCUMSTANCES AND CONTAINS SIGNIFICANT INFORMATION, REQUIREMENTS AND LIMITATIONS OF LIABILITY WITH RESPECT TO 911 AND E911. CUSTOMER AGREES TO THE TERMS AND CONDITIONS OF THE 911 DISCLOSURE STATEMENT AND UNDERSTANDS IT IS A MATERIAL PART OF THIS AGREEMENT. Customer further represents and warrants that Customer registered location(s) for 911 are true and correct. Customer acknowledges and agrees Ednetics relies on the information supplied by Customer and providing false or incorrect information may result in delays in the provision and delivery of Service(s), the suspension or termination of Service(s) and the inability of a 911-dialed call to correctly route to emergency service personnel as further described in the 911 Disclosure Statement. The FCC requires the 911 Disclosure and requires Customer to acknowledge they have read it by their signature. Customer agrees to promptly notify Ednetics whenever personal or billing information changes, including, but not limited to, Customer' s name, address, e-mail address, telephone number, and credit card information, if appropriate.
3. **Payment**. Ednetics will provide Customer with monthly invoices that will be due and payable thirty (30) days from the invoice date (the "Due Date"). For the purposes of billing and adjustments, Ednetics assumes there are thirty (30) days in a month. Although the invoice date is the 10th of each month, the charges reflected are for the period from the 1st through the 30th of the month. All Monthly Charges are billed one (1) month in advance and all One Time Charges for installation and/or changes of service are invoiced on the first invoice following the date charges were incurred. Your initial invoice could contain One Time Charges, pro-rated charges for partial month' s services and Monthly Charges for services in advance and Other Charges which could be usage charges or any charges not categorized as Monthly Charges or One Time Charges. Mid-term service additions, as detailed in Schedule 1, will be added to the Customer' s monthly invoices beginning upon the date the additional service is incorporated into the Service, and at the rates established within Schedule 1. A late payment fee may be applied on balances remaining unpaid thirty (30) days following the date of the invoice in the amount of one and one-half percent (1½%) per month of the amount of the unpaid balance from the date of

invoice. Subject to any applicable state or federal regulations, in the event Customer has an outstanding balance of fees due and owing under this Agreement, Ednetics shall not be obligated to transfer transportable, toll-free, local or other numbers to another carrier. This may not apply to all Service(s). In addition to the remedies contained in this Agreement, Ednetics reserves its right in law and equity including, but not limited to, its rights under the Uniform Commercial Code.

4. **Term and Term Renewal**. The Agreement Term will begin upon Service Activation. Ednetics will begin the work required to deliver the Service no sooner than the Start Date identified on Customer' s completed Notice to Proceed (NTP). Upon expiration of the Initial Service Term and as long as Customer is not in default of the terms of the Agreement, and all equipment remains compatible with the Service, Customer may extend their Service(s) under the same terms and conditions as their initial term for a period of one (1) additional three (3) or five (5) year term, as applicable, upon notification to Ednetics in writing at least thirty (30) days prior to the expiration of the Service Term.
5. **Early Termination for Convenience**. If Service(s) are terminated by Customer for convenience prior to the end of the Service Term, then commencing on the effective date of such termination, Customer will be subject to early termination fees equal to one hundred percent (100%) of the remaining value of the Agreement(s) and any associated Service Orders ("Early Termination Fees"). Customer and Ednetics acknowledge and agree that (i) the Early Termination Fees are a fair and reasonable estimate of damages that would occur in the event the Agreement is terminated prior to the end of the Service Term; (ii) actual damages incurred by Ednetics as a result of the early termination of the Agreement would be difficult to determine; and (iii) the provisions regarding the Early Termination Fees in this paragraph are reasonable and appropriate measures of the damages for such early termination and not a penalty. Customer agrees to pay all such Early Termination Fees within thirty (30) days of Customer's notice of termination of Service(s) immediately upon receipt of Ednetics last invoice to Customer ("Final Invoice"). All requests to terminate Service(s) must be received, in writing to Ednetics, thirty (30) days prior to the termination effective date. A minimum of thirty (30) days will always be billed to Customer from the date that the termination notice is submitted.
6. **Letter of Authorization**. Customer will be required to execute a Letter of Authorization/Agency ("LOA") authorizing Ednetics to act as their authorized agent for ordering, porting numbers, and changing Customer's long-distance provider to Ednetics.
7. **Toll-Free Service**. Customer is responsible for all charges for toll free Service(s) provided by Ednetics. Ednetics assumes no liability where any claim arises out of Customer being provided with any toll-free number(s) other than the toll-free number(s) requested by Customer. Ednetics shall have no liability whatsoever for the use, misuse or abuse of Customer' s toll-free Service by third parties, including without limitation, Customer's employees or any member(s) of the public who dial the Customer's toll-free number(s) by mistake. See Schedule 1, Usage Pricing, attached hereto and made a part of this Attachment by reference. Toll Free Services will appear in the Other Charges section of your invoice.
8. **Long Distance Service(s)**. Customer is responsible for all local and long-distance Service(s) used with and without their knowledge. Ednetics provides long distance Service(s) at no charge within the U.S. and Canada, including Alaska and Hawaii, but excludes International calls. International calls will be billed to you at the rate shown in Schedule 1, which is made a part of this Attachment by reference.
9. **Recording Calls**. When selected as an option from Schedule 1, and incorporated into the Service, the Ednetics Voice S1™ platform includes functionality which provides the Customer and their authorized users of the Service with the ability to record calls and/or other communications. The recording of such calls and communications is solely under the control of the Customer and its authorized users. Customer acknowledges certain Federal, State and HIPAA Laws impose requirements, restrictions and prohibitions with respect to recording calls or communications, including without limitation, notice and consent from all of the parties and entities on the call prior to recording the call or communication. Customer further acknowledges its sole responsibility for informing itself and all its authorized users of

the Service of such Laws. Customer represents and warrants it is their sole responsibility to ensure their understanding of all Federal, State and HIPAA laws with respect to recording calls and other communications. Customer affirms, they and all other users of the Service will, at all times, comply with all Laws with respect to recording of calls and other communications.

10. **Handsets**. Handsets are not included as part of the Ednetics Voice S1™ service. Handsets may be purchased outright via an Ednetics Service Order directly through Ednetics as referenced in Section 11 below, or through a third-party finance partner of Ednetics. All handsets purchased for use with Ednetics Voice S1™ service must be compatible with Netsapiens SNAPsolution. As referenced in Section 13 below, warranty of customer owned handsets and/or equipment is not provided in this Agreement unless otherwise stated and may be purchased separately at Customer's expense.
11. **Equipment Provisioning**. Ednetics Voice S1™ allows for the provisioning of essential infrastructure as a Service. This includes, but is not limited to handsets, collaboration endpoints, network switch equipment, servers, associated software licensing and installation services as required to provide a complete solution. For Service Orders including a term length greater than one (1) year, a purchase exceeding Ten-Thousand Dollars ($10,000.00) is required. All provisioned services, other than Network Accessories and Data Cabling, are used to provide the Service(s) and remain the property of Ednetics for the duration of the term. All provisioned services require acceptance of a Service Order(s) for each instance. Full ownership of all provisioned equipment will transfer to the customer at the end of the Agreement term.
12. **Provisioning Pricing Structure**. Ednetics Voice S1™ Service Orders may be paid in advance, or annually in equal payments, beginning at the start of the term and on each anniversary for the remainder of the Service Order term. Service Orders may also be financed in full by the Customer through a third-party finance partner of Ednetics.
13. **Equipment Warranty**. Warranty of customer owned or new equipment, as referenced in Sections 10 and 14 of this attachment is not provided in this contract unless otherwise stated. Customer may choose to obtain manufacturer equipment warranties at an additional cost.
14. **New Equipment**. New equipment may be purchased outright by the Customer or ordered via a Service Order as referenced in Section 11. Customer understands Ednetics will only support legitimately sourced equipment compatible with Netsapiens SNAPsolution and purchased through an authorized reseller of said equipment. Customer may choose to either self-install or contract with Ednetics to configure and install any new handsets for use by the Service(s). Once new equipment has been installed, and the customer notifies and provides Ednetics with all necessary information, the equipment will be incorporated and supported under this agreement as part of the Service.
15. **Customer Owned Equipment**. Customer owned equipment may be eligible to receive Service as long as the Equipment is compatible with Netsapiens SNAPsolution and has not been deemed End of Life by the Original Equipment Manufacturer ("OEM").
16. **Installation Services**. Ednetics Voice S1™ does not include the physical installation or initial configuration of new equipment. New equipment may be self-installed by Customer or installed as part of a project outside of this Agreement. Customer purchased and/or self-installed handsets will be fully supported after Ednetics receives all necessary documentation and the device has been added to Customer network.
17. **Service Availability**. Ednetics is committed to providing reliable, high-quality Voice over Internet Protocol (VoIP) Service(s) to Customers. Customer agrees to provide unrestricted Internet access to Ednetics for delivery of the Service. Ednetics warrants Ednetics Voice S1™ will be available on a continuous, twenty-four hours per day, seven days a week basis, provided there is no interruption in the Customer's third-party Internet service delivery. Scheduled maintenance windows will be agreed upon between Ednetics and Customer. Routine maintenance will generally be scheduled outside of Customer's standard operating hours. Notification of a planned outage will generally be provided two (2)

or three (3) days prior to the event unless emergency maintenance is being performed and no advance notice is possible.

18. **Interruption of Service(s) Credit**. In the event there is any defect, error, omission, delay, mistake, interruption, suspension, or other failure in connection with furnishing Ednetics Service(s) or maintenance of the Service and the same is reported to and confirmed by Ednetics (an "Interruption"), the liability, if any, of Ednetics shall in no event exceed an amount equivalent to the proportionate charge to Customer for the affected Service for the time period during which the interruption occurred (the "Interruption Credit"). Ednetics shall not be liable nor shall any Interruption Credit be given to Customer for any Interruption which is: (i) caused by the willfulness or negligence of a third-party or any other entity other than Ednetics; (ii) due to failure of equipment and systems provided by Customer or any other entity; (iii) due to a force majeure event as set forth in Section 22 of Appendix 1; (iv) during periods when the Customer elects to use the Service(s) on an impaired basis; or (v) is the result of data services or data integrations interfaced with Ednetics Voice S1™. Ednetics will provide Interruption of Service(s) Credit based on seven hundred and twenty (720) hours in a thirty (30) day month. There is no credit applicable to the first two (2) hours after Customer notification is provided to Ednetics unless the reported trouble is determined to be due to the negligence of Ednetics or its underlying carrier. Customer hereby acknowledges and agrees that its sole and exclusive remedy for an Interruption shall be an Interruption Credit. Exceptions to Interruption Credit applicability to Service(s) are detailed in the appropriate Service(s) Attachment.
19. **Ednetics Support**. Technical support is limited to equipment and service(s) integral to performance or delivery of Service(s) under this Product Attachment. Technical Support of Customer owned or provisioned equipment is not provided in this contract, unless otherwise stated. Customer may choose to obtain a support contract from Ednetics at an additional cost.

Your initials below indicate your acceptance of these Ednetics Voice S1™ specific Terms and Conditions.

Initials: _____

1. **Enhanced 911 Service ("E911"):** When a caller from a registered location dials the digits 9-1-1 from any telephone that is associated with a phone number and a registered address, the phone number and address are automatically presented to the local emergency center serving the location.
2. **Basic 911 Service**: When a caller from a registered location dials the digits 9-1-1 using any telephone, the call is sent to the local emergency center serving that location, the telephone number and address associated with that telephone for call back and location purposes is not transmitted. The Basic 911 Service emergency center is not equipped to receive, capture or retain the telephone number associated with the caller's telephone service or the registered address. Accordingly, callers must be prepared to provide both call-back and address information. If the call is dropped or disconnected, or if the caller is unable to speak, the emergency operator answering the call will not be able to call the caller back or dispatch help to the caller's address if call-back and address information has not been provided by the caller.
3. **911 service will not work if you experience a power outage, service outage, or a network disruption**: Customer should maintain an alternate means of calling emergency services at all locations, such as 911 capable wireless handsets or wireline analog lines.
4. **You may not be able to reach the correct emergency services if your telephone number does not match your registered location information**: To accurately route 911 calls to the appropriate emergency call center, Customer must provide at least one Direct Inward Dial telephone number for each separate address location using VoIP telephone service as the call-back telephone number. To mitigate the possibility of not reaching the correct emergency services, Ednetics requires location information on all telephone number additions and/or changes that Ednetics or Customer perform.
5. **You may not be able to reach the correct emergency services if you move your phone to a location different from the address initially registered or change your telephone number**: Accurate location information must be registered each time Customer changes the phone's location or telephone number. If you do not, you may not be able to reach the correct emergency services and they may not be able to transfer your call to the correct emergency services. To mitigate this possibility, Ednetics will require this information on all moves, adds and/or changes Ednetics does for Customer and also of those that Customer performs.
6. **Customer responsibility**: It is Customer' s responsibility to keep your registered locations and telephone numbers updated with Ednetics at all times, to make sure others know of the 911 limitations above and what to do in an emergency. Customer is also responsible to place 911 stickers or easily seen signs on or near your phones warning of the situations in 2 (if applicable), 3, 4, and 5 above.

7. **Limitation of Liability and Disclaimers**. CUSTOMER SPECIFICALLY AGREES THAT IN NO EVENT WILL EDNETICS OR ITS DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, OR AGENTS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING, DIRECTLY OR INDIRECTLY, FROM OR IN CONNECTION WITH ANY USE OF, OR INABILITY TO USE, THE SERVICES OR WITH ANY USE OF,OR INABILITY TO USE, EMERGENCY 911 SERVICES IN CONNECTION THEREWITH. CUSTOMER ALSO AGREES TO RELEASE AND DISCHARGE EDNETICS, TOGETHER WITH ITS DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AND AGENTS, FROM ANY AND AGAINST ALL ACTIONS, LAWSUITS, CLAIMS, DAMAGES, JUDGMENTS, LIABILITIES AND EXPENSES, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES, THAT CUSTOMER MAY OTHERWISE HAVE IN CONNECTION WITH USE, WHETHER BY CUSTOMER OR BY ANY OTHER PERSON OF THE SERVICES THAT ARE PROVIDED TO YOU UNDER THIS AGREEMENT (COLLECTIVELY, "CLAIMS"). TO THE FULLEST EXTEND PERMITTED BY LAW, YOU WAIVE YOUR RIGHT (AND COVENANT NOT) TO BRING SUIT FOR SAID CLAIMS AGAINST EDNETICS OR ANY OF THE OTHER PERSONS MENTIONED ABOVE.

Acknowledged and Agreed

_____
CUSTOMER REPRESENTATIVE SIGNATURE

_____
PRINTED NAME

_____
CUSTOMER TITLE

_____
CUSTOMER DATE

Setup Fees	**One Time Fee**
Device Configuration (per device)*	$19.00
Telephone Number Port (per number)*	$14.25
Directory Listing Setup (per each line in the listing)	$8.50

Service Fees	**Monthly Fee**
Basic User*	$8.55
Standard User*	$10.45
Advanced User*	$15.20
Analog Device*	$11.40
eFax Line*	$19.00
Additional Active Telephone Number (per number)	$1.50
Additional Spare Telephone Number (per number)	$0.25
Toll Free Number (per number)	$1.25
Continuous Call Recording (activated per line)	$10.00
On Demand Call Recording (activated per line)	$2.50
Directory Listing (per each line in the listing)	$6.00

Usage Fees	**Charge**
International Calls (per minute)	$0.20
Toll Free Number Usage (per minute)	$0.20

**Discount pricing through WSIPC Voice State Contract.*

Addendum No. 1
Ednetics S1-Voice™
EV-72-WACELL-190526-1A

This Addendum is entered into between City of Ellensburg and Ednetics for the purpose of adding and/or changing negotiated terms and conditions to Ednetics S1-Voice™ Agreement No. EV-60-WACELL-190526-1A ("Agreement"). This Addendum, when signed by both Parties, becomes a part of the Agreement by reference.

The negotiated terms and conditions below change Appendix I | Master Service Agreement Sections 4, 5, 17 and 18, and Attachment J, Section 3.

Appendix I | Master Service Agreement

4. **Fees and Charges**. Customer shall pay for all Service(s) Ednetics supplies to Customer. Attachment(s) and Service Order(s) specify the fees Customer will pay for Service(s) during the Service Term. The fees on the invoice are categorized as "Monthly Charges" or "One Time Charges". Monthly Charges reflect the previous month's usage, and One Time Charges will be billed as they occur. "Other Charges", when and if applicable, are generally actual usage charges and may not apply to all services. Ednetics will bill Customer and Customer will be responsible for other legal charges including, but not limited to Federal, state, county, or local taxes and fees. Customer's invoice will reflect all taxes and fees applicable to the Service(s) purchased.
5. **Payment**. Ednetics will provide Customer with invoices at defined intervals, as determined by the underlying Service Attachment. Invoices are due and payable thirty (30) days from the invoice date (the "Due Date"). In addition to monthly recurring invoices, Customer may receive One-Time Charge invoices for fees relating to the installation of new equipment incorporated into the underlying Service. The rate for these charges, if any, will be identified within each Service Attachment. A late payment fee may be applied on balances remaining unpaid thirty (30) days following the date of the invoice in the amount of one and one-half percent (1½%) per month of the amount of the unpaid balance from the date of invoice or the maximum amount allowed by applicable law, whichever is lower. In addition to the remedies contained in this Agreement, Ednetics reserves its right in law and equity including, but not limited to, its rights under the Uniform Commercial Code.
17. **Limitation of Liability**. Ednetics shall not be liable or responsible for any of the following: (i) the content of the information passing over Ednetics network; (ii) the Internet or any information contained thereon; (iii) unauthorized access to Customer transmission facilities or to Customer owned equipment; (iv) unauthorized access or damage to, alteration, theft, destruction, deletion, failure to store or loss of customer records or data; (v) claims for damages caused by Customer through fault, negligence or failure to perform Customer' s responsibilities; (vi) claims against Customer by any other party; or (vii) any act or omission of any other party furnishing services to Customer, or the installation and/or removal of any and all equipment supplies by any other services provider; or (viii) incorrect publication of listings or phone number in the directory, if applicable. EDNETICS SHALL HAVE NO LIABILITY TO

CUSTOMER OR ANY THIRD-PARTY FOR OR WITH RESPECT TO ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY NATURE OR FOR THE LOSS OF REVENUE, LOST PROFITS, LOSS OF BUSINESS, LOSS OF PROSPECTIVE OR POTENTIAL BUSINESS OR ECONOMIC LOSS OF ANY KIND FOR ANY REASON WHATSOEVER, REGARDLESS OF WHETHER EDNETICS IS INFORMED OF THEIR POSSIBILITY.

18. **Liability of Customer**. In the event any claim, demand, lawsuit or liability is made or asserted against Ednetics or any of the officers of Ednetics by any third-party and the same arises out of, or is directly or indirectly related to, or is caused by any act or omission of Customer, then, and in such event, Customer shall indemnify, defend and hold harmless Ednetics and its officers, agents and representatives of and from that portion attributable to Customer of all such claims, demands, causes of actions and liability, including the payment of reasonable attorneys' fees to defend such action.

Attachment J | Ednetics S1-Voice

3. Payment. Ednetics will provide Customer with monthly invoices that will be due and payable thirty (30) days from the invoice date (the "Due Date"). For the purposes of billing and adjustments, Ednetics assumes there are thirty (30) days in a month. Although the invoice date is the 10th of each month, the charges reflected are for the period from the 1st through the 30th of the previous month. All One Time Charges for installation and/or changes of service are invoiced on the first invoice following the date charges were incurred. Your initial invoice could contain One Time Charges, pro-rated charges for partial month' s services and Monthly Charges for services in advance and Other Charges which could be usage charges or any charges not categorized as Monthly Charges or One Time Charges. Mid-term service additions, as detailed in Schedule 1, will be added to the Customer' s monthly invoices beginning upon the date the additional service is incorporated into the Service, and at the rates established within Schedule 1. A late payment fee may be applied on balances remaining unpaid thirty (30) days following the date of the invoice in the amount of one and one-half percent (1½%) per month or the maximum amount allowed by applicable law, whichever is lower. Subject to any applicable state or federal regulations, in the event Customer has an outstanding balance of fees due and owing under this Agreement, Ednetics shall not be obligated to transfer transportable, toll-free, local or other numbers to another carrier. In addition to the remedies contained in this Agreement, Ednetics reserves its right in law and equity including, but not limited to, its rights under the Uniform Commercial Code.

The parties have caused this Addendum to be executed by their respective duly authorized representatives as of the last date signed below ("Effective Date").

EDNETICS, INC.		**CUSTOMER**	
By:	_____	**By:**	_____
Name:	Shawn Swanby	**Name:**	_____
Title:	Chief Executive Officer	**Title:**	_____
Date:	_____	**Date:**	_____

Addendum No. 2
Ednetics S1-Voice™
Contract No. EV-72-WACELL-190526-1A

This Addendum outlines additional terms and items of understanding between Ednetics and City of Ellensburg pertaining to Ednetics S1 Voice™, Contract Number EV-72-WACELL-190526-1A ("Agreement").

Upon signature of the Agreement and this Addendum, Ednetics and City of Ellensburg agree to the following terms and items of understanding:

1. Ednetics will purchase the handsets and additional equipment included on attached Quote 94174 to support City of Ellensburg's new Ednetics S1 voice service.
2. Further, City of Ellensburg is responsible for the placement of the handsets within their environment(s), ensuring proper POE and network connectivity.
3. Any additional phones or supporting equipment required during the term of the Agreement will be the responsibility of City of Ellensburg and will be purchased separately from this Addendum.
4. All Ednetics supplied handsets and additional equipment included on Quote 94174 will be covered under the Manufacturer's standard warranties.
5. City of Ellensburg acknowledges if they terminate their Ednetics S1 Voice service prior to the expiration date of the Agreement, early termination fees will be accessed per Attachment J, Section 5 of the contract, as well as a one-time pro-rated charge, based upon the remaining months of the initial term, to cover the cost of the Yealink phones purchased by Ednetics on the Customer's behalf.

This Addendum, when executed by both Ednetics and City of Ellensburg, will become a part of the Agreement by reference. The Terms and Conditions in the Agreement will remain in place until the end of six (6) year term.

City of Ellensburg has caused this Addendum to be executed by their duly authorized representative as of the date signed below, the "Effective Date."

EDNETICS, INC.	**CUSTOMER**
By: _____	By: _____
Name: Shawn Swanby	Name: _____
Title: Chief Executive Officer	Title: _____
Date: _____	Date: _____

June 03, 2026
Quote Number 94174
This agreement utilizes WSIPC Voice: Contract 16-01 Unified Communications

Yealink Handsets (6 Year S1 Agreement)

Customer
City of Ellensburg
501 N Anderson St
Ellensburg, WA 98926-3147

Ben Faubion
faubionb@ci.ellensburg.wa.us
(509) 925-8612

Ship to
City of Ellensburg
501 N Anderson St
Ellensburg, WA 98926-3147
(509) 925-8612

Bill To
City of Ellensburg
501 N Anderson St
Ellensburg, WA 98926-3147
(509) 925-8612

Prepared By
Justin Hoff
justin.hoff@ednetics.com
P (208) 777-4709
F (208) 777-4708

Recommended Handsets

Line	Part Number	Description	Price	Qty	Ext. Price
Office Admin Phone (No Video)					
1	YEA-SIP-T73W	1301009 Ultra Business Phone Product URL: https://www.yealink.com/en/product-detail/ip-phone-t73w	$122.85	127	$15,601.95
Provisioning (Per Phone)					
2	PROVISIONING	Phone Provisioning	$0.00	127	$0.00
Recommended Handsets Subtotal					**$15,601.95**

Quote Summary

Recommended Handsets	$15,601.95
Subtotal	**$15,601.95**
Estimated Tax	**$1,341.77**
Total	**$16,943.72**

VOUCHER APPROVAL

I, THE UNDERSIGNED, DO HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED OR THE LABOR PERFORMED AS DESCRIBED, OR THAT ANY ADVANCE PAYMENT IS DUE AND PAYABLE PURSUANT TO A CONTRACT OR IS AVAILABLE AS AN OPTION FOR FULL OR PARTIAL FULFILLMENT OF A CONTRACTIUAL OBLIGATION, AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE CITY OF ELLENSBURG, AND THAT I AM AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM.

Jerica Pascoe Digitally signed by Jerica Pascoe
Date: 2026.06.10 08:09:07 -07'00'

AUDITING OFFICER _____ DATE _____

CLAIMS VOUCHERS AUDITED AND CERTIFIED BY THE AUDITING OFFICER HAVE BEEN RECORDED ON THE ATTACHED LISTING, WHICH HAS BEEN MADE AVAILABLE TO THE COUNCIL AS OF THIS **15TH DAY OF JUNE 2026.** THE COUNCIL, BY A VOTE, HAS APPROVED FOR PAYMENT THE VOUCHERS INCLUDED IN THE ABOVE LIST AND FURTHER DESCRIBED AS FOLLOWS:

Claims Fund				**Total Amounts**	
Check #'s	**174550**	TO	**174705**	$	345,162.18
EFT #'s	**7988**	TO	**8014**	$	532,818.19
Treasure Cash				**Total Amounts**	
EFT #'S	**1803**	TO	**1826**	$	677,488.80
Check #'s	**34600**	TO	**34613**	$	4,016.81
Payroll Fund				**Total Amounts**	
Check #'s	**96598**	TO	**96598**	$	2,194.00
Direct Deposits	**92409**	TO	**92696**	$	610,958.46

_____
COUNCIL MEMBER

_____
COUNCIL MEMBER

_____
COUNCIL MEMBER

_____
COUNCIL MEMBER

ATTEST: _____
CITY CLERK

	Residency Requirement	Members within City Limits	Members outside City Limits	CWU-Appointed	ESD-Appointed	Ex Officio (EHS-Appointed)	Utility Customers	Alternates	Total Members	Current Vacancies	Applicant Name
Access, Advocacy, Equity, & Engagement	Y	5	3	N/A	N/A	N/A	N/A	N/A	9	1	
Affordable Housing Commission	Y	5	1	N/A	N/A	N/A	N/A	N/A	7	1	
Arts Commission	N	5	2	N/A	N/A	N/A	N/A	N/A	7	0	
Civil Service Commission	Y	2	0	N/A	N/A	N/A	N/A	N/A	3	1	Charlie Divine
Ellensburg Transportation Advisory Committee	N	5	1	2	1	N/A	N/A	1	7	2 (1 alternate)	
Environmental Commission	Y	5	1	1	1	1	N/A	N/A	7	1 (EHS appointment)	
Landmarks & Design Commission	Y	6	1	N/A	N/A	N/A	N/A	N/A	7	0	
LEOFF Board	Y	3	1	N/A	N/A	N/A	N/A	N/A	5	1	
Library Board	Y	7	0	N/A	N/A	N/A	N/A	N/A	7	0	
Lodging Tax Advisory Committee	N	4	1	N/A	N/A	N/A	N/A	N/A	7	2	
Parks & Recreation Commission	Y	6	1	N/A	N/A	N/A	N/A	N/A	7	0	
Planning Commission	Y	7	0	N/A	N/A	N/A	N/A	N/A	7	0	
Utility Advisory Committee	N	7	0	1	N/A	N/A	4	N/A	7	0	

From: noreply@civicplus.com
To: Gretchen Delaford
Subject: [Ext] Online Form Submittal: Application for Appointment
Date: Wednesday, April 1, 2026 7:37:19 PM

CAUTION - EXTERNAL EMAIL: The email below is from an external source. Please exercise caution before opening attachments, clicking links, fulfilling requests, or following guidance.

Application for Appointment

Application for Appointment

For volunteering to serve on a Board or Commission.

Please note that information provided on this application form is subject to Chapter 42.56 RCW: Public Records Act. If recommended for appointment, your application will be submitted to the City Council in the public agenda packet.

Boards & Commissions	Civil Service Commission
Have you attended a meeting for the board or commission you are applying to?	No
Name of Applicant:	Charlie Divine
Address	[redacted]
Mailing Address (If Different)	*Field not completed.*
City	Ellensburg
State	WA
Zip	98926
Email Address	[redacted]
Phone Number	[redacted]
Length of Residency in Kittitas County	11 years

Do you live within the city limits?	Yes

ECC 1.12.120 Residency qualification. Except where a commission, board or committee specifically requires city residency as a condition of appointment, members of all other commissions, boards and committees shall maintain residency within the Kittitas County limits. “Residency,” as used herein, means residing within the city or county limits, as applicable, both at the time of appointment and for at least 270 days within each calendar year for the duration of the member’s term, but shall not include any period for which a member is absent due to military service.

Occupation Status and Background:	Currently I am a deputy coroner in Kittitas County. I previously worked in Healthcare for 25 years
Organization Affiliations:	None
Why are you seeking appointment?	I want to be a more involved citizen. I currently work alongside police officers at coroner scenes and I have been extremely impressed with the officers I have met.
Will you be able to attend meetings regularly if appointed?	Yes

If your first choice, as listed above, is not available, which other boards or commissions would you be interested in serving on?

Boards & Commissions	*Field not completed.*
Boards & Commissions	*Field not completed.*

Email not displaying correctly? View it in your browser.

TO: City Council
FROM: Civil Service Commission
DATE: June 15, 2026
RE: Recommendation of Appointment

Charlie Divine submitted an Application for Appointment to the Civil Service Commission on April 1, 2026. He was invited to attend the June 2, 2026, Civil Service Commission meeting. At the June 2, 2026 meeting he introduced himself to the members and observed the meeting. After the meeting staff confirmed that Mr. Divine wanted to proceed with the interview process.

The Civil Service Commission Chair, Rich Searle, and Trisha Weed, staff, conducted the interview on June 8, 2026.

The Civil Service Commission currently has one vacancy. Based on the interview and Charlie's interest in the Commission and becoming more involved with the Community, it is the recommendation that the City Council appoint Charlie Divine to the vacant Civil Service Commission position which will expire December 31, 2031.

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	2026 Summer Water Conservation Campaign Presentation (Public Comment Opportunity)
Submitted by:	Rebecca Springer, Water Resources Manager, Erin McGowan, Stormwater/Urban Forestry
Department:	Public Works

Suggested Motion/Action:
This item is for informational purposes only.

Background/Summary:
The Yakima Basin is in its fourth consecutive year of drought. In response to the 2026 drought declaration and as a follow-up to the City's 2026 request for voluntary water conservation, the Water Resources Team has been working to develop a public outreach campaign focused on reducing water consumption during the summer months. Historically, the City pumps 2-3 times more water during the summer than during other times of the year.

Previous Council Action:
No previous Council action.

Analysis:
The City has established a voluntary goal to reduce water consumption by 10% during the summer of 2026.The Conservation Campaign framework was presented to the Environmental Commission on May 13, 2026. During the Commission meeting, Commission members provided favorable input. Kittitas County also attended and expressed interest in collaborating on this outreach campaign.

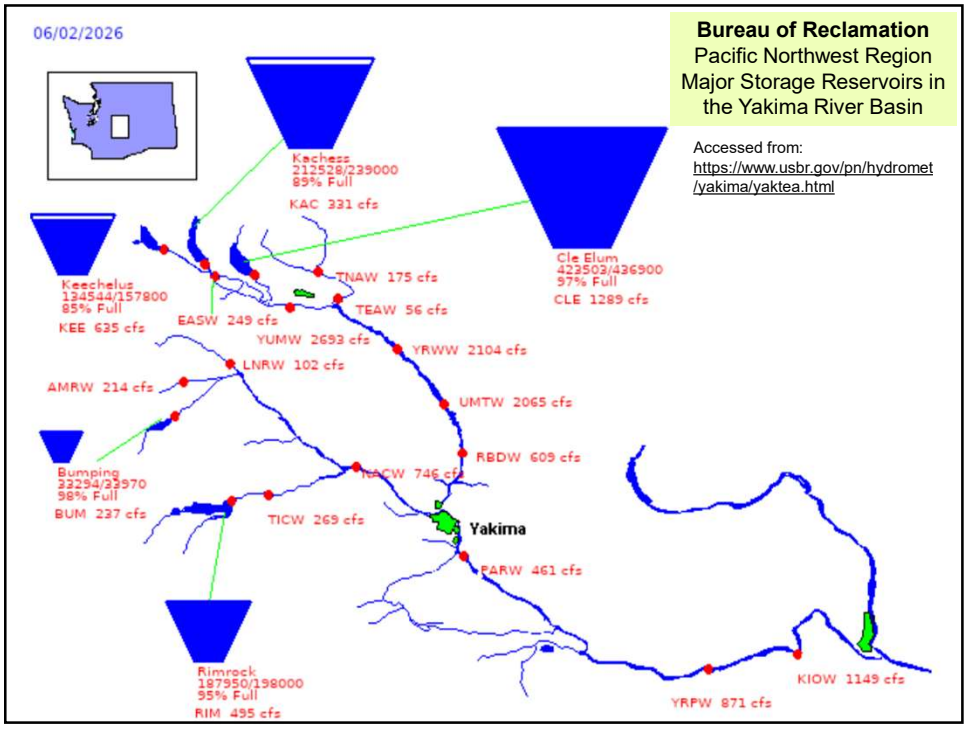
Financial Impact:
Sufficient budget authority exists in the water utility budget to produce and distribute public information materails related to this seasonal conservation campaign.

Budget Adjustment: No

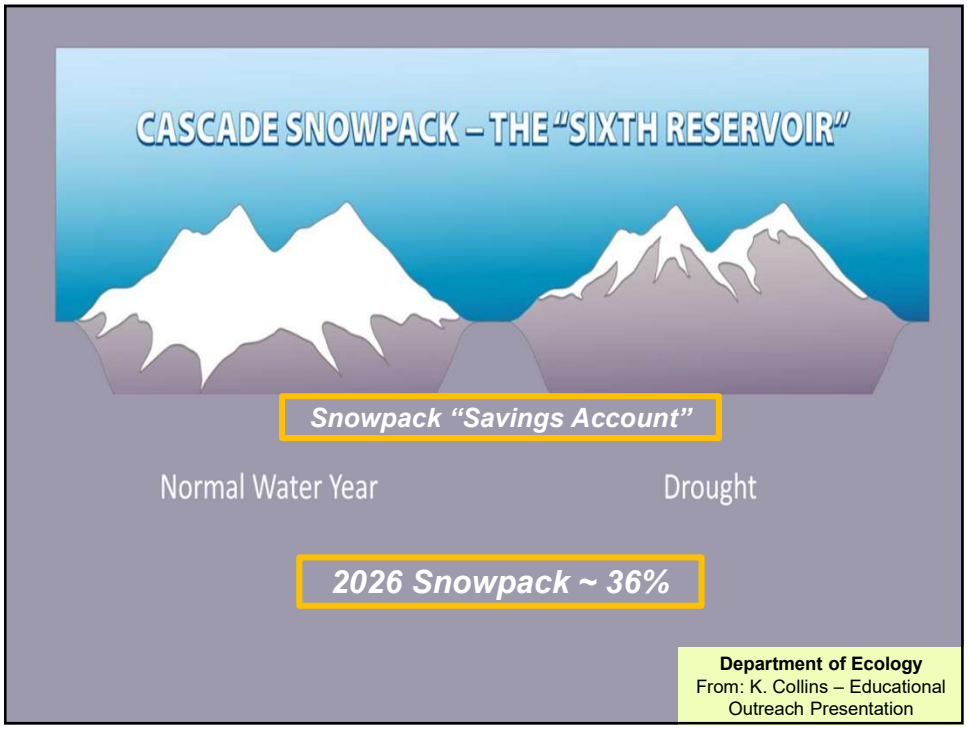
Attachments:
1. 2026 Water Conservation Campaign PowerPoint Presentation
2. June_Save Water This Summer - Flyer


2026 Voluntary Summer Water Conservation Campaign

1


06/02/2026
Bureau of Reclamation
Pacific Northwest Region
Major Storage Reservoirs in the Yakima River Basin
Accessed from:
https://www.usbr.gov/pn/hydromet/yakima/yaktea.html
Kachess
212528/239000
89% Full
KAC 331 cfs
Cle Elum
423503/436900
97% Full
CLE 1289 cfs
Keechelus
134544/157800
85% Full
KEE 635 cfs
TNAW 175 cfs
TEAW 56 cfs
EASW 249 cfs
YUMW 2693 cfs
YRWW 2104 cfs
LNRW 102 cfs
AMRW 214 cfs
UMTW 2065 cfs
RBDW 609 cfs
TEACW 746 cfs
Bumping
32294/33970
98% Full
BUM 237 cfs
TICW 269 cfs
Yakima
PARW 461 cfs
Rimrock
187950/198000
95% Full
RIM 495 cfs
KIOW 1149 cfs
YRPW 871 cfs

2



3

Yakima Basin – Surface Water Demand vs. Supply

Senior water rights	~1,220,000 acre-feet/year
Proratable water rights	~1,280,000 acre-feet/year
Junior water rights	~100,000 acre-feet/year
TOTAL	~2,600,000 acre-feet/year
Time Immemorial Right	Unquantified – protects all stages of fish life
Reservoir storage	**~1,070,000 acre-feet/year**

Remaining 1,530,000 acre-feet/year relies on snowpack

4

Ellensburg Municipal Water Supply





5

Water Shortages Affect Everyone



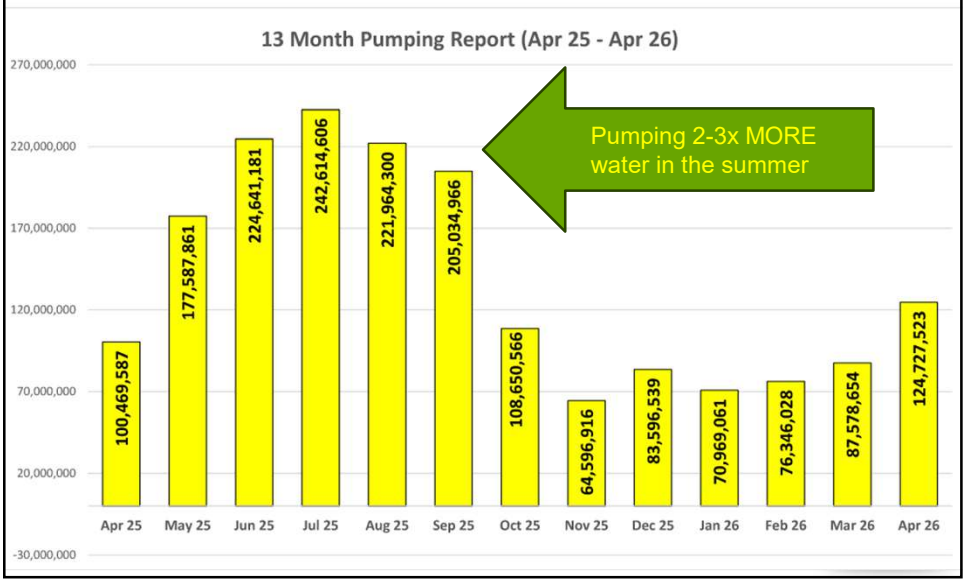






6

Summer Pumping Increase



7

2026 Water Conservation Campaign Goals

- **Support the Yakima Basin by being a good partner and neighbor.**
- **Reduce peak seasonal water demand by 10 %**
- **Increase public awareness of conservation practices**
- **Drive participation in conservation programs**
- **Strengthen community engagement**



8

Messaging Strategy - Overview

Keep messaging simple, actionable, and repeated across channels.

Core Themes

- "Save Water, Save Money"
- "Water Wisely This Summer"
- Our Lawn is Going BLONDE
- Drought-Tolerant Landscaping Initiative
  - Conservation Demonstration Garden – 2027

Behavioral Calls to Action

- Join the City's **Blonde Lawn Initiative**
- Water lawns no more than 3 days/week
- Water before 9 am or after 7 pm
- Fix leaks within 48 hours
- Install efficient fixtures

Align With

- State & Local Regulations (2026 Drought Emergency Declaration)
- Kittitas County and Yakima Basin Integrated Plan (YBIP) Municipal Subgroup Initiatives



9

Let Your Lawn Go Blonde Pledge

Interactive water conservation initiative for the Community

Pledge	Sign & Save	Learn
• Residents sign up beginning in June • City Hall lawn sets the example • Unified goal of 10% water use reduction	• Pledgers receive a yard sign • Save Water, Save Money! • Pledgers who reach the goal are entered into a drawing for a prize!	• Outreach Campaign with weekly messaging • Farmers Market Outreach • Collaboration with KC and KCCD



10

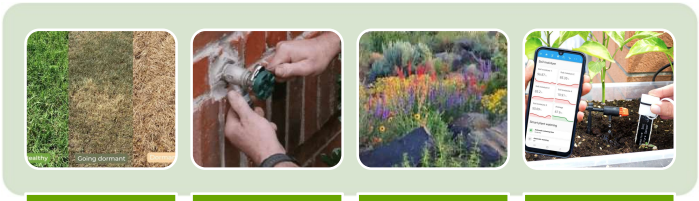


11

Content Calendar – Weekly Messaging

WATER CONSERVATION WEDNESDAYS

First Month Example



Cut Back on Outdoor Water Use	Tune Up Your System	Design a Low-Water Yard	Water Smart



12



13

Content Calendar – Monthly Themes

Save Water This Summer

- Reduce outdoor water use
- Tune up your system
- Design a low-water yard
- Water smart

Priority Plants

- Prioritize watering for balance
- New & establishing plantings
- Trees

Gearing Up for Fall Planting

- Introduce the Heritage Gardens program.
  Educate about Drought-tolerant & Xeriscaping options
- Continue conservation momentum to keep your water bill low during the fall and winter!
- Indoor water conservation tips and tricks



14

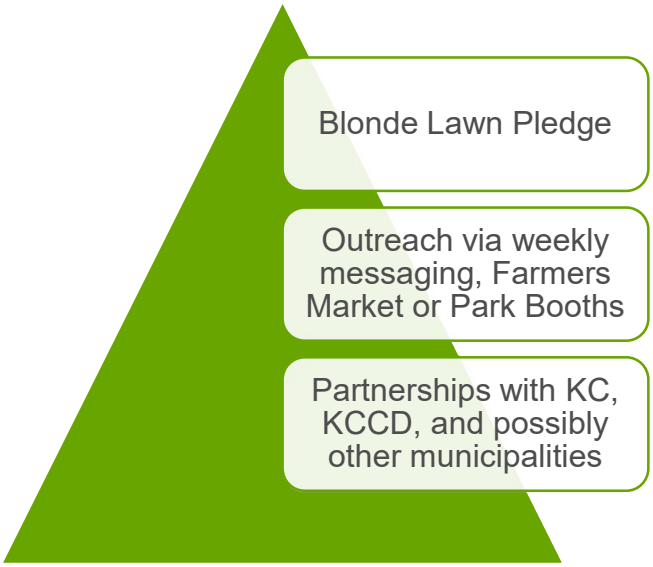
City Involvement & Examples

- City Hall Lawn is going BLONDE!
  - Working on a Conservation Demonstration Garden proposal for 2027
- Watering cessation or reduction at swales
- City Park facilities aiming for a watering reduction of 10%
  - Priority watering is focused on tourism-generating facilities, youth soccer fields (safety), trees.
  - Maintaining water features that benefit entire community (Unity Park offers free recreation during hot months)
  - Watering efficiently using timers.



15

Community Engagement





16

SAVE WATER THIS SUMMER

Simple Ways to Reduce Water Use







EVERY DROP MATTERS

Small changes at home make a big difference!

CUT BACK ON OUTDOOR WATER USE

- Let lawns go dormant — they may turn brown in summer and recover in cooler weather.
- Prevent overspray by adjusting sprinklers to avoid watering sidewalks and streets.
- Skip washing driveways or hard surfaces.



DESIGN A LOW-WATER YARD

A water-wise landscape saves time and money

- Replace small lawns with low-water landscaping.
- Plant drought-tolerant species.
- Group plants with similar water needs together.
- Use rock or mulch instead of turf.



TUNE UP YOUR SYSTEM

- Inspect irrigation systems, and fix leaks and broken or clogged sprinkler heads.
- Use efficient watering methods like drip irrigation and soaker hoses.
- Adjust sprinkler timers for seasonal conditions.

WATER SMART

- Water in the early mornings or evening to beat daytime evaporation.
- Add mulch to planting beds to retain moisture.
- Check soil moisture before watering, and only water plants when they need it.

REDUCE WASTE FIRST—That's where the biggest savings are!

City of Ellensburg WASHINGTON

QUESTIONS ABOUT WATER CONSERVATION?

Contact Public Works at (509) 962-7230
https://www.ellensburgwa.gov/conservewater

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Public Hearing (Legislative) - Review of Ordinance 4990, June 2026 Development Regulations Amendments (First Reading) (Public Comment Opportunity)
Submitted by:	Mark Rud, Associate Planner
Department:	Planning Commission

Suggested Motion/Action:
Conduct the Public Hearing, and move to approve first reading of Ordinance 4990 amending Ellensburg City Code Titles 3 and 15 as proposed.

Background/Summary:
City of Ellensburg staff have initiated an amendment cycle to Ellensburg City Code (ECC) development regulations, primarily those in Title 15, the Land Development Code (LDC). Amendments to the LDC are reviewed under Type V permit procedures, which include a recommendation from the Planning Commission to City Council on proposed amendments. This update contains several focus areas, with the general intention of compliance with imminent and future state law preemptions required for local development regulations, including a new SEPA exemption; revisions to landmarks designations and murals; clarifying existing process provisions including those applicable by statute; and several staff-initiated elements intended to implement adopted housing policies.

All amendments are incorporated into a single draft ordinance attached to this report. Summaries are provided below.

RCW 35A.21.312 Manufactured Housing
This existing statute last amended in 2019 contains narrow provisions that preempt compliance with setback and building separation standards for newly sited manufactured homes in certain circumstances, and which the City has not incorporated by reference. Changes proposed to incorporate the narrow preemptions would, combined with other housing changes proposed herein, potentially result in more expansive siting of HUD-approved manufactured homes both in manufactured home parks and as single-family homes where allowed by zone.

RCW 35A.21.440 “Housing in Existing Buildings” Requirements
In 2025, the Washington State Legislature passed HB 1757, which amended recently codified RCW 35A.21.440 that adopted narrow code city preemptions for development regulations, specifically regarding the addition of housing units within existing buildings. Provisions are required to be adopted into local development regulations by mid-year 2026. The narrow preemptions effectively require that code cities permit residential density up to 50% beyond the maximum allowed in an underlying zone that permits multifamily housing if

the project is constructed within an existing building. For such projects, it also restricts the authority of code cities to impose parking restrictions; require permits, impose design standard requirements, or impose exterior design or architectural requirements beyond those generally applicable to all residential development within the building's zone; prohibit ground floor residential except where ground floor commercial or retail spaces are required along "major pedestrian corridors" as defined by the code city; enforce Washington State Energy Code requirements in specific circumstances; deny building permit applications due to certain existing nonconformities; or require a transportation concurrency study. City Planners consulted with staff from the WA Department of Ecology's SEPA Division and WA Department of Commerce's Planning Division regarding the second clause of subsection 2(i) of this statute; in both Departments' interpretation, this subsection additionally exempts such projects from review under the State Environmental Policy Act (SEPA).

RCW 35A.21.443 Exterior Building Cladding Materials

In 2025, the Washington State Legislature passed SB 5571, later codified in RCW 35A.21.443. This section preempts code cities from either requiring or prohibiting exterior cladding materials on buildings if they comply with building codes, except they may be regulated on locally registered landmarks or in historic districts.

RCW 35A.21.450 Landmarks Designations

In 2025, the Washington State Legislature passed SHB 1576, revising requirements for designating historic landmarks and later codified in RCW 35A.21.450. While the City's existing provisions already incorporate key standards - namely, property owner's consent - the legislation newly provided exceptions to owner's consent for new designations in certain circumstances: where the proposed property is within a local landmarks district; or, where the property is at least 125 years old and the local commission considering the designation verifies the age in its findings. As part of required local standards, these exceptions must be adopted no later than July 27, 2026.

RCW 35A.21.460 Child Care Centers

In 2025, the Washington State Legislature passed ESSB 5509 later codified as RCW 35A.21.460, which obligates code cities to allow child care centers as an outright permitted use in all zones except industrial, light industrial, or open space zones. Day Care II Facilities are currently a conditional use in the R-S, R-L, R-M and R-H zones. These changes must be adopted no later than July 27, 2027.

RCW 36.70A.540 Affordable Housing Requirement

This section of the Growth Management Act (GMA) last amended in 2022 requires that where affordable housing units are developed under an affordable housing bonus incentive program, the units must be committed to continuing affordability for a period of at least 50 years. Ellensburg's density bonus for affordable housing currently states a minimum of 25 years is required.

RCW 36.70A.810, 36.70A.812 & 36.70A.813 – Height and Setback Exceedances

In 2025, the Washington State Legislature passed 2SHB 1183. This directed codification of two nearly identical sections of the GMA that restrict local governments planning under the Act from prohibiting exterior insulation that exceeds maximum height restrictions and minimum setback requirements up to eight inches when used either to retrofit existing

building for residential use (.810), or to meet passive house requirements (.812); in effect, the City must allow these height and setback encroachments for such insulation. It also directed codification of a new GMA section (.813), to restrict local governments planning under the Act from prohibiting roof-mounted solar panels that exceed maximum building heights by 48 inches; in effect, the City must allow for such solar panel height encroachments.

RCW 36.70B Permit Fees

In reviewing provisions applicable to the City of Ellensburg under recent amendments to the Local Project Review Act, staff recognized that owing to several previous actions by the City, and in adopting exceptions to preapplications for certain residential projects within this ordinance, all as identified under RCW 36.70B.160(1), that pursuant to RCW 36.70B.080(1)(l)(ii) the City is authorized to collect the full amount of permit fees by the time a project permit is deemed procedurally complete.

RCW 36.70B Reporting Requirements Inapplicable

In reviewing provisions applicable to the City of Ellensburg under recent amendments to both the Local Project Review Act and GMA, staff recognized that the City is not required to provide certain reports pursuant to RCW 36.70A.215(5) and 36.70B.080(2).

RCW 43.21C Statutory SEPA Exemptions

In reviewing general guidance from the WA Department of Ecology's SEPA Division, staff noted several SEPA Exemptions that are adopted by statute, but have not been incorporated into Categorical Exemptions codified by rule in WAC 197-11-800. As such, said projects are not specifically referenced as exempt from SEPA review under Chapter 15.270 ECC. In tandem with the exemption for new housing in existing buildings (above), new subsections are adopted to specifically cite likely local projects identified in RCW 43.21C.260 (solar energy generation panels, equipment or supporting structures up to 1,000 square feet), 43.21C.0382 (watershed restoration and fish habitat enhancement projects), and 43.21C.410 (installation of one or more battery charging stations or battery exchange stations).

Murals and Landmarks

Staff-initiated amendments revise certain existing provisions for murals and landmarks review. The intent of these is to remove from landmarks design review any new mural proposed on an existing painted surface, except for changes to or the restoration of historic murals. Amendments would also exempt the changing of sign-faces in existing sign structures/cabinets from landmarks design review; these are currently subject to a Certificate of Appropriateness requiring public notice. Changes would also remove negotiation provisions and references to the National Register of Historic Places from the Murals code.

Housing Amendments

Staff-initiated amendments revise several housing regulations. The ordinance would clarify an allowance to site any "designated manufactured home" (HUD-approved structure) for use as a single-family home or within manufactured home parks. Design requirements of detached accessory dwelling units (DADUs) are revised to permit more flexible placement in rear yards, provided fire safety provisions are met. DADU Alley setback standards are relaxed by removing reference to emergency vehicles. Additionally, projects resulting in no more than two dwellings on a single lot (such as duplexes) would no longer require a

preapplication meeting.

Code Clean Up
Proposed code cleanup items amend existing elements of the LDC (Division II) that contain internal contradictions, redundancy or lack clarity, particularly regarding review procedures, timelines, and noticing. Staff has noted gaps in the code that need process improvement. It is important to ensure that the LDC is clear and understandable, to ensure smooth development and permit review for staff and the community.

Previous Reviews

On April 1, 2026, the Ellensburg Affordable Housing Commission reviewed proposed changes for conformance with RCW 36.70.540(2)(e) (50-year affordability period), 35A.21.440 (housing in existing buildings), 36.70A.810 and .812 (permitted height and setback exceedances to insulate building exteriors for residential retrofits and to meet passive house requirements), and relaxation of DADU placement standards. The Commission endorsed adopting these amendments, which were reviewed prior to staff drafting manufactured home amendments.

The Planning Commission held a duly noticed public hearing to consider the proposed amendments during its May 28, 2026 meeting. At the conclusion of the hearing, the Commission unanimously moved to forward a recommendation of approval to the City Council, amending the draft ordinance as submitted to incorporate recommendations from the WA Department of Archaeology and Historic Preservation (DAHP) regarding unpainted brick and masonry - see more in Analysis. The attached draft reflects the Commission's motion, with the additional language as new subsection ECC 15.280.100(A)(2)(a)(i).

The Planning Commission also moved to forward an advisory, for consideration in the code amendment cycle concurrent with end-of-year Periodic Update adoption. The Commission intends to revisit and provide recommendation on existing regulations restricting ground-level residential within 30-feet of sidewalks along designated Storefront Streets, pursuant to ECC Figure 15.510.040(B) and Table 15.310.040-1, Note 7. Meeting discussion on these regulations concerned their applicability and impacts on potential new housing proposals several blocks from the core of downtown, versus changes of use to residential in existing commercial/mixed-use structures.

Washington State Department of Commerce Review, SEPA Review, and Notice of Public Hearings

The proposal was sent to WA Dept. of Commerce on April 10, 2026, with its 60-day review period concluding June 9, 2026. On June 4, 2026, staff from Commerce recommended the ordinance reference how adopted actions satisfy specific subsections of RCW 36.70A.160(1) to permit full collection of application fees pursuant to RCW 36.70B.080(1)(l)(ii). The attached Ordinance 4990 incorporates these references with detailed applicability into the second recitals paragraph.

The City issued a SEPA Determination of Non-Significance on May 7, 2026, with a public comment period ending May 21, 2026; this notice was published to the SEPA Register and

distributed to the City's interested parties email list. No written SEPA comments were received within the comment window.

The DNS notice was consolidated with public notice of the May 28 Planning Commission Public Hearing and both of the required City Council meetings considering this matter June 15, 2026 and July 6, 2026, published in the Ellensburg *Daily Record* on May 7, 2026 in accordance with ECC requirements.

Previous Council Action:
City Council approved the 2026 City of Ellensburg Long Range Work Program, as presented by Community Development staff at the February 17, 2026 regular Council meeting. Compliance with RCW 35A.21.440, 35A.21.450 and 35A.21.460, as well as ADU amendments and RCW 36.7A.540 50-year affordability requirements, were included as Items B.1(a),(b),(d) and under Item B.2, respectively, for June consideration. Permit fee and reporting amendments as eligible and applicable under multiple sections of RCW 36.70A and 36.70B, voluntary changes to clarify mural and landmarks reviews, and amendments to Chapters 15.210, 15.220 & 15.230 ECC, are likewise proposed pursuant to Work Program Item B.2 (general code cleanup/housekeeping); preapplication amendments impacting housing also fall under this general banner, in alignment with adopted housing goals.

Manufactured home regulations' consistency with RCW 35A.21.312 was previously proposed for end-of-year consideration under Item C.2, but are incorporated herein for proactive alignment with existing housing goals and action planning; additional changes for manufactured home parks may be proposed for later this year in accordance with the Work Program pending potential revisions to Comprehensive Plan Housing Element policies. RCW 36.70A.810, .812 and .813 requirements would be captured as part of the Comprehensive Plan Periodic Update's concurrent code amendment cycle at end-of-year for general consistency with the GMA, but due to the modest changes required in the LDC and potential benefit for housing and energy efficient projects, these have been proactively proposed with this cycle of revisions.

RCW 35A.21.443 preemptions are incorporated as required for code cities outside of the Work Program in order to comply with state law. Similarly, statutory SEPA exemptions under RCW 43.21C are likewise incorporated outside of the Work Program in order for staff to ensure administration of local regulations in compliance with state law.

Note: Amendments for parking compliance with RCW 36.70A.622 and 36.70A.817 (Work Program Item B.1(c)) were previously proposed for June but are not required until concurrent Periodic Update adoption, and will be incorporated into forthcoming code amendments at end-of-year.

Analysis:
<u>RCW 35A.21.312 Manufactured Housing Preemptions</u>
Several recommended changes to the following sections are required for compliance with this statute. Others would relax from the fullest extent of authorities that are granted to code cities by statute as currently adopted in code: specifically, by permitting any HUD-approved manufactured home to be sited as a single-family home where permitted by ECC

15.310.040. The intent of these changes is to create greater opportunities for HUD-approved manufactured housing units to be established on lots within the City of Ellensburg and conform with unreferenced preemptions in local code; existing provisions prohibit placement of some units in some circumstances. Therefore, staff recommends approval of the proposed amendments regarding manufactured housing, as found in the following ECC Sections:

- 15.240.060 - Nonconforming lots;
- 15.340.030 - Manufactured homes.

RCW 35A.21.440 “Housing in Existing Buildings” Requirements

Recommended changes to the following sections are required for compliance by the end of June 2026; RCW standards will preempt City code provisions within the intervening period of applicability until the adopting ordinance is in effect. The proposed updates are required, and do not go beyond the required language but seek to integrate the narrow preemptions for this specific type of residential project. Therefore, staff recommends approval of the proposed amendments including state agency SEPA exemption guidance for “housing in existing buildings”, as found in the following ECC Sections:

- 3.01.080 - Adoption—Codes Designated [Building Code];
- 15.130.190 - S definitions;
- 15.240.040 - Nonconforming use;
- 15.270.110 - Categorical exemptions—Adoption by reference;
- Table 15.310.040-1 - Residential uses;
- 15.510.050 - Storefront street standards; and
- 15.550.020 - Authority and application [Off-Street Parking]

RCW 35A.21.443 Exterior Building Cladding Materials

Recommended changes are required for compliance with this law. The proposed updates are intended to meet compliance with this section by only striking specific ECC provisions that require or exclude use of specific materials. Staff have incorporated the statute's local authority to review exterior materials (previously prohibited by code) for appropriateness when proposed on landmarks registered properties and in historic districts. Therefore, staff recommends approval of the proposed LDC Amendments regarding “exterior building cladding materials”, as found in ECC 15.530.050.

RCW 35A.21.450 Landmarks Designation Requirements

Recommended changes are required for compliance with this law by July 27, 2026. The proposed updates are intended to meet compliance with this section by only adding specific exceptions to owner’s consent prescribed by statute. Therefore, staff recommends approval of the proposed LDC Amendments regarding landmarks designations, as found in ECC 15.280.090.

RCW 35A.21.460 Day Care Facilities Preemption

Recommended changes are required to comply with this statute. The City must permit day care facilities as a land use “as of right” in all non-industrial and open space zones. Though not due until mid-year in 2027, the revisions could potentially expand childcare access in

Ellensburg and require minimal code revisions. Therefore, staff recommends approval of the proposed LDC Amendments regarding day cares, as found in ECC Table 15.310.040-2 for Day Care II Facilities.

RCW 36.70A.540 Affordable Housing Requirement
A single amendment – from 25 years, to 50 years – is required for compliance with this law. The proposed update is intended to meet compliance with this section by only making this single revision. Therefore, staff recommends approval of the proposed LDC Amendments regarding affordable housing incentive terms as found in ECC 15.330.020(E).

RCW 36.70A.810, 36.70A.812 & 36.70A.813 – Height and Setback Exceedances
Recommended changes are required for compliance with these statutes. The proposed updates are intended to meet compliance by only adding specific exceptions to setback and height provisions prescribed by law for exterior insulation and roof-mounted solar panels. Therefore, staff recommends approval of the proposed LDC Amendments regarding height and setback exceedances, as found in the following ECC Sections:

- 15.320.060 - Height exceptions; and
- 15.320.080 - Permitted projections.

RCW 36.70B Permit Fees
The City previously adopted provisions regarding collection of permit fees that may be waived if certain policies, agreements, and regulations are adopted by the jurisdiction. Despite the intent of these laws, collection of partial payments (maximum 80%) at submittal of project permit applications has led to significant administrative burden for the Community Development Department. Importantly, staff review has found the City eligible to be waived from this limitation by having already adopted sufficient policies, agreements, and regulations noted in the Recitals of the attached ordinance, along with additional provisions contained in the ordinance waiving preapplication meeting requirements for small residential projects (maximum 2 dwellings on a lot). Therefore, staff recommends approval of the proposed LDC Amendments regarding eligibility to collect full project permit fees at the time of application, as found in the following ECC Sections:

- 15.220.010 - Preapplication meeting;
- 15.220.020 - Application.

RCW 36.70A & 36.70B Reporting Requirements
The City previously adopted provisions for reporting of permit processing timelines that are not required based on Ellensburg's location and population. Therefore, staff recommends approval of the proposed LDC amendments that would repeal ECC 15.220.095 in its entirety.

RCW 43.21C Statutory SEPA Exemptions
RCW 43.21C.260, 43.21C.0382 and 43.21C.410 describe statutory categorical exemptions to SEPA for certain projects that are not duplicated in WAC 197-11, and thus not incorporated into the LDC by reference. These sections reference projects that staff anticipate most likely among statutorily exempt projects within the City. Therefore, staff recommends approval of the proposed LDC amendments that would adopt specific reference

to these exemptions in ECC 15.270.110's proposed new subsection C.

Murals and Landmarks

Multiple provisions overlap between ECC Chapters 15.280 and 15.285 regarding responsibility and criteria for review of murals, including historic murals, between the Arts Commission, and the Landmarks and Design Commission. The current organization lacks clarity. Proposed revisions are intended to clarify which Commission is responsible for which elements of review, and would result in new murals proposed on existing painted surfaces within historic districts or on landmarks properties no longer being subject to review by the Landmarks and Design Commission. Such murals would still require approval of a mural permit from the Arts Commission. Changes would also exempt replacement sign faces from landmarks review; such proposals have been universally approved with no controversy and rare public comment. New structural attachments on landmarks register properties or within historic districts (e.g. new sign cabinets), and any changes to historic murals would still require Landmarks review, as would proposals for new murals on existing unpainted surfaces on landmarks register properties or in historic districts. Amendments would also strike negotiation provisions and references to the National Register of Historic Places from a Murals section.

The City received feedback from DAHP after the close of the SEPA comment window on these proposed changes. Comments suggested any code changes that would explicitly permit new painting of historic brick or masonry should provide for surface permeability without creating a moisture barrier. The Planning Commission incorporated these amendments into its motion recommending approval of the ordinance, which has been revised accordingly in the attachment. Additional DAHP guidance indicated that proposed striking of references to the National Register of Historic Places was consistent with applicable state law: local rules only govern local designations.

Therefore, staff recommends approval of the proposed LDC Amendments regarding murals and historic district project review, as found in the following ECC sections:

- 15.280.100 - Review of changes to landmarks register properties; and
- 15.285.030 - Standards and guidelines [Murals].

Housing Amendments

Voluntary amendments would generally permit a wider array of HUD-approved manufactured homes for placement in manufactured home parks or as single-family homes, in zones permitting those uses. They would also provide greater flexibility for placement of DADUs from principal unit(s) on the same lot; notably, fire response vehicles do not use alleys within Ellensburg and sufficient access is not required, and structures can meet adopted fire safety provisions and building codes with closer separation than existing standards allow (15 feet). These relatively modest amendments are intended to forward existing housing policies of the City of Ellensburg by relaxing certain standards for siting affordable dwelling types, and projects would still require maintaining property open space as otherwise applicable under ECC Title 15, Division V. Therefore, staff recommends approval of the proposed LDC Amendments regarding manufactured homes and Accessory Dwelling Units, as found in the following ECC sections:

- 15.320.090 - Setbacks from alleys;
- 15.340.030 - Manufactured homes; and
- 15.540.040 - Accessory dwelling unit design standards (ADU)

Code Clean Up
Proposed code cleanup items amend existing elements of the LDC that contain internal contradictions, redundancy or lack clarity, particularly regarding review procedures and noticing. Several of these correct errant amendments from recent comprehensive clean-up adopted late 2025. Staff do not consider any of them to be substantive changes for permitted uses or regulatory standards, and their general intent is to clarify existing processes. Therefore, staff recommends approval of the proposed LDC Amendments for general LDC housekeeping, as found in the following ECC sections:

- Table 15.210.040(B) - Procedures for Permit Review Process Types;
- Table 15.210.040(C) - Notice Requirements for All permit Application Types, Unless Otherwise Stated;
- 15.220.030 - Determination of completeness;
- 15.220.080 - Public notice of final project permit decision;
- 15.230.080 - Open record hearing or open record appeal hearing proceedings;
- 15.230.090 - Closed record hearing or closed record appeal hearing proceedings; and
- 15.285.020 - Applicability [Murals].

DETAILED SUMMARY

A summary table of ECC section amendments is attached to this report as Exhibit A.

RECOMMENDATION:

The decision criteria that Council must consider are set forth in ECC 15.250.100(C) as follows:

1. The amendment is in accordance with the comprehensive plan; and
2. The amendment will not adversely affect the public health, safety or general welfare; and
3. The amendment is not contrary to the best interest of the citizens and property owners of the city.

Staff finds that the proposed amendments are in accordance with the three decision criteria. Therefore, staff recommends Council move to approve first reading of Ordinance 4990, amending Ellensburg City Code Titles 3 and 15 as found in Exhibit A.

Financial Impact:
None

Budget Adjustment: No

Attachments:
1. Ord 4990
2. EXHIBIT A - Ord 4990 ECC Amendments Summary Table

ORDINANCE NO. 4990

AN ORDINANCE RELATING TO REGULATING LAND DEVELOPMENT WITHIN THE CITY OF ELLENSBURG: AMENDING CHAPTER 3.01 “BUILDING CODES”; AMENDING CHAPTER 15.130 “DEFINITIONS”; AMENDING CHAPTER 15.210 “PERMIT REVIEW PROCESS “TYPES””; AMENDING CHAPTER 15.220 “PERMIT REVIEW PROCEDURES”; AMENDING CHAPTER 15.230 “GENERAL PROVISIONS FOR PERMIT APPLICATION HEARINGS AND APPEALS”; AMENDING CHAPTER 15.240 “NONCONFORMANCE”; AMENDING CHAPTER 15.270 “ENVIRONMENTAL PROCEDURES—STATE ENVIRONMENTAL POLICY ACT (SEPA)”; AMENDING CHAPTER 15.280 “ELLENSBURG LANDMARKS REGISTER AND PROCEDURES”; AMENDING CHAPTER 15.285 “MURALS”; AMENDING CHAPTER 15.310 “PERMITTED USES”; AMENDING CHAPTER 15.320 “BUILDING SETBACK AND INTENSITY STANDARDS”; AMENDING CHAPTER 15.330 “DENSITY BONUS INCENTIVES”; AMENDING CHAPTER 15.340 “INDEX OF SUPPLEMENTAL USE CRITERIA”; AMENDING CHAPTER 15.510 “SITE ORIENTATION”; AMENDING CHAPTER 15.530 “BUILDING DESIGN”; AMENDING CHAPTER 15.540 “HOUSING TYPE STANDARDS”; AND AMENDING CHAPTER 15.550 “OFF-STREET PARKING”.

WHEREAS, in recent years the Washington State Legislature has passed a number of pieces of legislation regarding code cities, growth management, and local project review that require local governments to implement obligations and preemptions thereto, including as required under the Revised Code of Washington (RCW) Chapters 35A.21 and 36.70A for the siting of manufactured housing, the addition of dwellings within the envelope of existing buildings, exterior building cladding materials, landmarks designations, child care centers, affordability periods for housing developed under density bonuses, retrofits of existing buildings for residential housing, passive house requirements, and roof-mounted solar energy panels; and

WHEREAS, the City of Ellensburg adopted Resolution 2026-06 imposing reasonable building and project permit fees, thereby satisfying RCW 36.70A.160(1)(b); adopted Ordinance 4975 in part revising minor project design review timelines from 100 days to 65 days from project permit determination of completeness per ECC Tables 15.210.040(B) and 15.210.050(A), thereby satisfying RCW 36.70A.160(1)(a); adopted the April 5, 2011 “Interlocal Agreement for Provision of Building Inspection and Plan Review Services” with Kittitas County, thereby satisfying RCW 36.70A.160(1)(c); and adopts amendments herein waiving preapplication meeting requirements for residential developments with two or fewer dwelling units on a lot, thereby satisfying RCW 36.70A.160(1)(g); and has therefore implemented adequate provisions set forth in RCW 36.70B.160(1) pursuant to the requirements of RCW 36.70B.080(1)(l)(ii) authorizing full project permit fee collections; and

WHEREAS, the City of Ellensburg is not subject to provisions of RCW 36.70B.080(2) pursuant to RCW 36.70A.215(5); and

WHEREAS, RCW 36.70B.110 provides for flexibility in methods of public notice between categories or types of project permits; and

WHEREAS, RCW 36.70B.140 allows local regulations to exclude administrative project permits from certain noticing requirements under the Local Project Review Act; and

WHEREAS, the City desires to provide appropriate regulations for uses of land and definitions thereto to create conformity between separate and related provisions within the Land Development Code for greater formatting clarity and the applicability of its existing and amended provisions.

NOW, THEREFORE, the City Council of the City of Ellensburg do hereby ordain as follows:

Section 1. The recitals set forth above are hereby adopted as the findings of the City Council and are by this reference incorporated herein as if set forth in their entirety.

Section 2. Section 3.01.080 of the Ellensburg City Code, as last amended by Ordinance 4981, Section 3, is hereby amended to read as follows.

3.01.080 Adoption—Codes designated.

The following codes and their amendments are found to be in conformance with the requirements of the State Building Code Act, enacted by the Legislature of the state of Washington, December 1991, chapter 19.27 RCW, and with adoptions and amendments by the Washington State Building Code Council made pursuant to chapters 19.27 and 70.92 RCW, and are adopted by reference as a part of the Ellensburg City Code, subject to RCW 35A.21.440:

A. The most current edition of the International Building Code (IBC) with Washington State amendments, published by the International Code Council, Inc., as adopted and amended by the Washington State Building Code Council, chapter 51-50 WAC, and including appendices C and D to the International Building Code; except that the following sections of the International Building Code are hereby further amended to read as follows:

   105.2 Work exempt from permit. Exemptions from permit requirements of this code shall not be deemed to grant authorization for any work to be done in any manner in violation of the provisions of this code or any other laws or ordinances of this jurisdiction. Permits shall not be required for the following:

   Building:

   1. One-story detached accessory structures used as tool and storage sheds, playhouses and similar uses, provided the floor area is not greater than 200 square feet (11 m^2).

   2. Fences not over 8 feet (2,134 mm) high.

3. Oil derricks.

4. Retaining walls that are not over 4 feet (1,219 mm) in height measured from the bottom of the footing to the top of the wall, unless supporting a surcharge or impounding Class I, II or IIIA liquids.

5. Water tanks supported directly on grade if the capacity is not greater than 5,000 gallons (18,925 L) and the ratio of height to diameter or width is not greater than 2:1.

6. Sidewalks and driveways not more than 30 inches (762 mm) above adjacent grade, and not over any basement or story below and are not part of an accessible route.

7. Painting, papering, tiling, carpeting, cabinets, counter tops and similar finish work.

8. Temporary motion picture, television and theater stage sets and scenery.

9. Prefabricated swimming pools accessory to a Group R-3 occupancy that are less than 24 inches (610 mm) deep, are not greater than 5,000 gallons (18,925 L) and are installed entirely above ground.

10. Shade cloth structures constructed for nursery or agricultural purposes, not including service systems.

11. Swings and other playground equipment accessory to detached one- and two-family dwellings.

12. Window awnings in Group R-3 and U occupancies, supported by an exterior wall that do not project more than 54 inches (1,372 mm) from the exterior wall and do not require additional support.

13. Nonfixed and movable fixtures, cases, racks, counters and partitions not over 5 feet 9 inches (1,753 mm) in height.

14. Replacement of residential domestic hot water heaters within a single dwelling unit.

105.5 Expiration. Every permit issued shall become invalid unless the work on the site authorized by such permit is commenced within one (1) year after its issuance, or if the work authorized on the site by such permit is suspended or abandoned for a period of one (1) year after the time the work is commenced. The building official is authorized to grant, in writing, one extension of time, for a period not more than one (1) year. The extension shall be requested in writing at least seven (7), but no more than sixty (60) calendar days prior to the date the original permit becomes invalid and justifiable cause demonstrated.

Appendix D Fire Districts.

D 101.2 Establishment of Area. For the purpose of this code, the fire district shall include that area bounded by public rights-of-way that are zoned as Central Commercial (C-C) in the city of Ellensburg as provided for in Title 13 of the Ellensburg City Code. Subsections D 101.2.1, D 101.2.2 and D 101.2.3 of Appendix D of the International Building Code are inapplicable to this section.

Section D101.3 General. Use of Easements for Fire Separation. Use of the area encompassed by a private property easement which prohibits the construction of

conflicting buildings may be used as the property line for the purpose of setbacks related to fire resistances and required building setbacks, subject to the following conditions:

1. Acceptance of the easement restricting any new buildings is subject to approval by the Building Official.

2. The decision of the Building Official shall be based upon the following factors:

A. Satisfactory arrangements for the placement of new and existing utility service lines on both the subject and the easement property. Any such work deemed necessary by the creation of the easement shall be borne by the Applicant.

B. Removal of all existing buildings in the proposed easement area which are deemed by the city's fire marshal to present a fire hazard by virtue of their proximity to the proposed new building location on the subject easement. Any such work deemed necessary by the creation of the easement shall be borne by the Applicant.

C. Construction of fences and other improvements other than buildings in the restricted easement area shall be subject to the review and approval of the Building Official.

D. Placement of building eaves or projections beyond the exterior wall which are contained on the subject building's property, and do not cause any material problems of drainage or other physical impact off the subject property.

3. The easement authorized by this section, if approved by the Building Official, may only be used to meet the fire resistance and opening protection requirements of the International Building Code. Use of the easement to meet other requirements or allow additional development is prohibited.

4. Such easement, if accepted by the Building Official, shall name the City of Ellensburg as one of the beneficiaries and holders of the easement. Further language describing and locating said easement shall be recorded with the Kittitas County Auditor as a covenant on the land, subject to all legal and customary conditions as they apply to easements. Further, such easement may not be eliminated or changed in any respect without the written permission of the City of Ellensburg.

5. The above provisions shall not apply to walls at right angles to the property line.

B. The most current edition of the International Residential Code (IRC) with Washington State amendments, including appendices A, B, C, and D thereto, published by the International Code Council, Inc., as adopted and amended by the Washington State Building Code Council, chapter 51-51 WAC; except that the following section of the International Residential Code is hereby amended to read as follows:

Section R105.5 Expiration. Every permit issued shall become invalid unless the work on the site authorized by such permit is commenced within one (1) year after its issuance, or if the work authorized on the site by such permit is suspended or abandoned for a period of one (1) year after the time the work is commenced. The building official is authorized to grant, in writing, one extension of time, for a period not more than one (1) year. The extension shall be requested in writing at least seven (7), but no more than sixty (60) calendar days prior to the date the original permit becomes invalid and justifiable cause demonstrated.

Recommencement after expiration. An expired permit may be recommenced one (1) time for a period not to exceed one (1) year subject to the following conditions:

C. The most current edition of the International Existing Building Code (IEBC) with Washington State amendments, published by the International Code Council, Inc., as adopted and amended by the Washington State Building Code Council, chapter 51-50 WAC.

D. The most current edition of the International Mechanical Code (IMC) with Washington State amendments, published by the International Code Council, Inc., as adopted and amended by the Washington State Building Code Council, chapter 51-52 WAC.

E. The most current edition of the International Fire Code (IFC) with Washington State amendments, including the following appendices as they relate to the general fire code standards: B, C, D, E, F, and G to the International Fire Code are hereby adopted and amendments thereto as referenced in chapter 3.03 ECC; provided, that notwithstanding any wording in this code, participants in religious ceremonies shall not be precluded from carrying hand-held candles. In accordance with chapter 19.27 RCW, the International Fire Code published by the International Code Council, Inc., together with any additions, deletions, and exceptions currently enacted or as may be amended from time to time by the state of Washington through its Building Code Council pursuant to the Washington Administrative Code (WAC), and as further amended in this chapter, is hereby adopted and incorporated by this reference. One copy of the International Fire Code and the appendices adopted below are on file with the city's fire code official. To the extent allowed by RCW 19.27.040, if a conflict exists between the provisions of the International Fire Code adopted and amended by the Washington State Building Code Council and the provisions of chapter 3.03 ECC, the Ellensburg City Code provisions shall govern.

F. The most current edition of the Uniform Plumbing Code (UPC) and Uniform Plumbing Code Standards, published by the International Association of Plumbing and Mechanical Officials, as adopted and amended by the Washington State Building Code Council, chapters 51-56 and 51-57 WAC.

G. The most current edition of the International Energy Code with Washington State amendments, as adopted by the Washington State Building Code Council, chapters 51-11, 51-11C and 51-11R WAC, subject to RCW 35A.21.440.

H. Uniform Code for the Abatement of Dangerous Buildings and amendments thereto, 1997 Edition, published by the International Conference of Building Officials.

I. Code precedence. In case of conflict among the codes enumerated in this section, the following shall be the order of precedence:

1. International Building Code, standards and amendments;
2. International Residential Code, standards and amendments;
3. International Mechanical Code, standards and amendments;
4. International Fire Code, standards and amendments;
5. Uniform Plumbing Code, standards and amendments.

(Ord. No. 4981, § 3, 4-6-2026; Ord. 4857 § 1, 2020; Ord. 4643 § 2, 2013; Ord. 4566 § 7, 2010; Ord. 4553 § 1, 2009; Ord. 4543 § 1, 2009; Ord. 4486 § 1, 2007; Ord. 4450 § 1, 2006; Ord. 4390, 2004; Ord. 4384, 2004; Ord. 4302, 2001; Ord. 4245, 2000; Ord. 4159, 1998; Ord. 4121, 1997; Ord. 4002 § 1, 1995; Ord. 3799 § 2, 1992; Ord. 3667 § 1, 1989; Ord. 3655 § 1, 1989; Ord. 3600 § 1, 1987; Ord. 3538 § 1, 1986; Ord. 3531 § 1, 1986; Ord. 3466 § 1, 1984; Ord. 3447 § 1, 1984; Ord. 3266 § 1, 1980; Ord. 3257 § 1, 1980)

Section 3. Section 15.130.190 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 12, is hereby amended to read as follows:

15.130.190 S definitions.

School means, for the purposes of chapter 15.370 ECC, an institution of learning for minors, whether public or private, offering regular course of instruction required by the Washington Education Code. This definition includes an elementary school, middle or junior high school, or high school.

Senior citizen assisted housing means housing in a building consisting of two or more dwelling units restricted to occupancy by at least one occupant 62 years of age or older per unit, and must include at least two of the following support services:

1. Common dining facilities or food preparation service;
2. Group activity areas separate from dining facilities;
3. A vehicle exclusively dedicated to providing transportation services to housing occupants;
4. Have a boarding home (assisting living) license from Washington State Department of Social and Health Services.

Senior housing means a residential complex containing multifamily dwellings designed for and principally occupied by senior citizens (over 62 years old). For the purpose of permitted uses in ECC 15.310.040, senior housing is a type of multifamily dwelling, unless it also meets the definition of senior citizen assisted housing, set forth in this section.

SEPA rules means chapter 197-11 WAC, as now existing or hereafter amended by the department of ecology. See chapter 15.270 ECC.

Shielding means that no light rays are emitted by a fixture above the horizontal plane running through the lowest point of the fixture.

Short plat or *short subdivision plat* means the map or representation of a short subdivision, both in preliminary and final short subdivision plat form, containing all of the pertinent information as required by this title. See chapter 15.260 ECC.

Short subdivision means the division of land into nine or fewer lots, tracts or parcels. See chapter 15.260 ECC.

Significant feature means, for purposes of chapter 15.280 ECC, any physical characteristic of a landmark, landmark site, or landmark district which the commission has stipulated in the designation as important to the historic value of the property, and for which a certificate of appropriateness is required prior to alteration.

Site development permit means a permit, issued by the city, to develop, redevelop or partially develop a site exclusive of any required building or land use permit. A site development permit may include one or more of the following activities: paving, grading, clearing, filling, tree removal, on-site utility installation, stormwater facilities, walkways, striping, wheelstops or curbing for parking and circulation, landscaping, or restoration. See ECC 15.250.020 for applicable standards.

Sleeping unit means an independently rented or owned and lockable unit that provides living and sleeping space. Sleeping units may not have both private sanitation and kitchen facilities; however, kitchenettes may be provided.

Small wind energy system means, for purposes of ECC 15.340.060, a wind energy conversion system with a rated output up to and including 20 kilowatts in residential zones and up to and including 100 kilowatts in commercial, industrial and public reserve zones and consisting of: wind turbine, tower, base and associated control or conversion electronics, as well as all anchors, guy cables and hardware.

Special valuation for improvements to historic property or *special valuation* means, for purposes of chapter 15.280 ECC, the local option program established under the authority of chapter 84.26 RCW which, once implemented, makes available to property owners a special tax valuation for rehabilitation of historic properties, under which the assessed value of an eligible historic property is determined at a rate that excludes, for up to ten years, the actual cost of the rehabilitation.

Start of construction includes substantial improvement and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, placement or other improvement was within 180 days of the permit date. The "actual start" means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading and filling; nor does it include the

installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers, or foundation or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start date of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

Storefront means a building located adjacent to the sidewalk and featuring nonresidential uses on the ground floor, an entry facing the sidewalk, and transparent window area along at least 70 percent of the ground floor facade between 30 inches and eight feet above grade.

Storefront street means any street designated as such under Chapter 15.510 ECC. For the purpose of this Title, storefront streets serve as "major pedestrian corridors" pursuant to RCW 35A.21.440.

Street means a thoroughfare including an alley which has been dedicated to the public and designated for public use as a street.

Strip commercial development means commercial development in a linear form along any public street. Characteristics of strip commercial development are:

1. Primary access is from one street.
2. Lot(s) are less than 300 feet deep.
3. There is little or no commercial development on the street to the rear of the lot(s).
4. Uncoordinated development of separate lots.

Structural alteration means any change, addition, or modification in the supporting members of a building or structure such as bearing walls, columns, beams or girders, floor joists or roof joists.

Structure means anything constructed or erected with a fixed location on the ground or attached to something having a fixed location on the ground. It shall also include but not be limited to buildings, manufactured homes, walls, fences, billboards and poster panels. For the purposes of the floodplain district provisions only, as set forth in division VI, the term "structure" shall be limited to mean a walled and roofed building including a gas or liquid storage tank that is principally aboveground, as well as a manufactured home. For the purposes of airport overlay zone regulations set forth in chapter 15.350 ECC, "structure" means an object, including a mobile object, constructed or installed by man, including, but without limitation, buildings, towers, cranes, smokestacks, earth formations, and overhead transmission lines.

Studio apartment means a dwelling unit no larger than 500 square feet with one habitable room together with a kitchen or kitchenette and bathroom facilities.

Subdivision means the division of land as governed by Washington State in chapter 58.17 RCW and by chapter 15.260 ECC and other applicable sections of the LDC.

Substantial damage means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

Substantial improvement means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the start of construction of the improvement. This term includes structures which have incurred "substantial damage," regardless of the actual repair work performed.

The term does not, however, include either:

1. Any project for improvement of a structure to correct pre-cited existing violations of state or local health, sanitary, or safety code specifications which have been previously identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions; or

2. Any alteration of a "historic structure," listed on the National Register of Historic Places or a State Inventory of Historic Places; provided, that the alteration will not preclude the structure's continued designation as a "historic structure."

Supplemental directional sign is a sign that is required under the Washington State Department of Transportation "Motorist Information Sign Program" to provide supplemental direction to assist interstate travelers to locate businesses advertised on interstate information signs through the state program. Such signs shall be no more than 24 inches by 12 inches in size, shall be of similar color and design as required under the state program for motorist information signs, and may be located at off-premises locations within the city.

(Ord. No. 4975, § 12, 11-17-2025; Ord. 4878 § 11, 2021; Ord. 4807 § 11, 2018; Ord. 4803 § 1, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 4. Section 15.210.040 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 16, is hereby amended to read as follows:

15.210.040 Permit review process types—Decision-making, procedures and notice requirements.

A. *Decision-making and appeal process.* Table 15.210.040(A) sets out the permit review decision-making and appeal processes for the permit review process types.

Table 15.210.040(A)
Decision-Making and Appeal Process for Permit Review Process Types

	Type I	Type II	Type III	Type IV	Type V
Final decision made by:	Director or designated decision-maker (see ECC 15.210.050(A))	Director or designated decision-maker (see ECC 15.210.050(B))	Designated decision-maker (see ECC 15.210.050(C))	Designated decision-maker (see ECC 15.210.050(D))	City council
Recommendation made by:	NA	NA	Designated body	Designated body	Planning commission
Open record predecision public hearing	No	No Except that landmarks and design commission holds an open record public hearing (see chapter 15.280 ECC)	Yes	Yes	Yes Multiple open record predecision hearings can be held
Open record appeal public hearing	Yes	Yes, except for landmarks and design commission decisions which have a closed record appeal to the hearings examiner	No	No	No
Closed record appeal hearing	No	No, except for landmarks and design commission decisions which are	Yes	No	No

		appealed to the hearings examiner			
Appeal to:	Superior court	Hearing examiner	Superior court or city council	Superior court	Superior court or to the growth management hearings board if GMA action
Judicial appeal (see ECC 15.230.100)	Yes	Yes	Yes	Yes	Yes

B. *Procedures.* Table 15.210.040(B) sets out the permit review procedures for the five permit review process types.

Table 15.210.040(B)
Procedures for Permit Review Process Types

	Type I[3]	Type II[3]	Type III[3]	Type IV[3]	Type V
Preapplication meeting (see ECC 15.220.010)[1]	No	No[1]	Yes	Yes	No
Notice of complete application (see ECC 15.220.030)	~~No~~Yes	Yes	Yes	Yes	No
Notice of application (see ECC 15.220.040)	No	Yes	Yes	Yes	No
SEPA determination (see chapter 15.270 ECC)	No	Yes, if applicable	Yes, if applicable	Yes, if applicable	Yes, if applicable
Notice of hearing (see ECC 15.230~~.020~~)	No	~~No~~Yes, if applicable	Yes	Yes	Yes

Notice of decision (see ECC 15.220.080)	Yes, if applicable	Yes	Yes	Yes	Yes
Review period (see ECC 15.220.070)[2, 3, 4]	65 days	100 days	120 days	120 days	No

Notes/conditions:

1. A preapplication meeting shall be required for all Type III or IV permits, multifamily projects, townhouses, commercial projects, industrial projects, major design review projects, binding site plans, and short subdivisions. See ECC 15.220.010.

2. Preliminary short subdivisions and preliminary long subdivisions have a 90-calendar-day deadline for issuance from date of filing, subject to eligible extensions pursuant to RCW 58.17.140(1). All final plats and short plats must issue in 30 calendar days from date of filing. See RCW 58.17.140, and ECC 15.260.060 & 15.260.120. "Date of filing" is the date an application is determined complete pursuant to ECC 15.220.030. SEPA threshold determinations must be made within ninety days from application completeness pursuant to RCW 43.21C.033; see Chapter 15.270 ECC.

3. Permit review periods are calculated from the date the application is determined complete; see ECC 15.220.030.

4. Review timelines do not include circumstances in which an applicant and the department agree in writing upon an extension to the processing timeline; any time in which the department is waiting on the applicant to submit information necessary for application processing that has been requested by the department in writing; or, any other exception of ECC 15.220.070.

C. *Notice requirements.* Table 15.210.040(C) sets out the notice requirements for the five permit review process types.

Table 15.210.040(C)
Notice Requirements for All permit Application Types, Unless Otherwise Stated.
See chapter 15.220 ECC.

	Send to property owners	Newspaper legal notice (see ECC 15.220.040)	Post property (see ECC 15.220.050)	Send to agencies with	Send to applicant	Send to parties who comment, testify, or

	within 300'			jurisdiction (for SEPA)		request notice
Notice of completeness (see ECC 15.220.040)					X	
Notice of application (see ECC 15.220.040)[1]	X, except for Type I permits	X, except for Type I permits	X, except for Type I and II permits	X		
SEPA Notice ~~determination~~ (see ~~chapter~~ 15.270.140 ECC)[1]	X	X	X	X	X	X
Notice of open record ~~predecision~~ hearing, if applicable	X	X	X, except for Type I and II permits	X, for SEPA appeals only	X	
Notice of decision (see ECC 15.220.080)[1]		X, except for Type I and II permits	X, except for Type I and II permits		X	X
Notice of closed record ~~or appeal~~ hearing, if applicable	X, for appeals only	X, for appeals only	X, for appeals only	~~X~~	X	X

Notes/conditions:

1. Any SEPA review requires applicable public notice; see ECC 15.220.040, 15.220.050, ~~080, 15.230.020(C)~~ and ~~Chapter~~ 15.270.140 ~~ECC~~.

(Ord. No. 4975, § 16, 11-17-2025; Ord. No. 4951, § 4, 12-16-2024; Ord. No. 4935, § 3, 12-18-2023; Ord. 4807 § 16, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 5. Section 15.220.010 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 18, is hereby amended to read as follows:

15.220.010 Preapplication meeting.

A preapplication meeting is required prior to submitting an application for any Type III or IV permit, major design review project (Type II review) permit, short plats (Type II review), binding site plans, ~~duplexes,~~ multifamily projects, townhouses, and commercial or industrial projects. Other applications may be required to have a preapplication meeting at the discretion of the director based on the complexity of the project; except, projects that result in a single dwelling on one lot, two principal dwellings on one lot (such as a duplex), or one principal dwelling plus one accessory dwelling on one lot (such as a single-family home and a detached ADU), shall not require a preapplication meeting.

Applicants for other permits are encouraged to request a preapplication meeting with the city. Preapplication meetings with staff provide an opportunity to discuss the proposal in general terms, identify the applicable city requirements and the permit review process including the permits required by the action, timing of the permits and the approval process.

The director shall specify submittal requirements for preapplication meetings, which shall include a critical areas information form if critical areas are involved with the project. Plans presented at the preapplication meeting are nonbinding and do not "vest" an application or a proposed project unless such plans have been submitted as part of a project permit application that previously has been deemed complete by the city. A summary of a preapplication meeting, including any documentation provided to the city by the applicant or to the applicant by the city, shall be made and included in the project file following the meeting.

(Ord. No. 4975, § 18, 11-17-2025; Ord. 4807 § 18, 2018; Ord. 4803 § 3, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 6. Section 15.220.020 of the Ellensburg City Code, as last amended by Ordinance 4951, Section 5, is hereby amended to read as follows:

15.220.020 Application.

A. *Who may apply.* An application may be submitted by:

1. The property owner or any agent of the property owner with written authorization of agency to submit the application for the property owner for any Type I, II, III or IV

permit. The city council, planning commission, or city staff may initiate a Type V application except for comprehensive plan amendments which are governed by ECC 15.250.090.

2. Each applicant submitting a project permit to the city shall designate a single person or entity to receive determinations and notices under this title. The applicant shall include the name, current address and current telephone number of the designated person or entity. The applicant shall be responsible for immediately notifying the city of any change of name, address or telephone number of the designated person or entity.

B. *Submittal requirements.*

1. The director shall prepare written submittal requirements for each type of permit application, including type, detail, and number of copies to be submitted for an application to be deemed complete. The director may waive specific submittal requirements determined to be unnecessary for review of an application. The director may require additional material such as maps, studies, or models when the director determines such material is needed to adequately assess the proposed project. Applicants may obtain application materials from the community development department.

2. In addition to the submittal requirements and conditions set forth above, the following project permit applications require specific submittal materials that are set forth in the identified LDC sections:

   a. Short subdivision, preliminary subdivision, and binding site plan submittal requirements are set forth in chapter 15.260 ECC;

   b. Certificate of appropriateness application requirements are set forth in chapter 15.280 ECC;

   c. Regional retail commercial master site plan application requirements are set forth in chapter 15.390 ECC; and

   d. Critical area determinations are set forth in division VI.

~~3. Eighty percent of all application fees are due at the time of application submittal. The remaining 20 percent is due prior to permit issuance. In the event the department does not issue a decision within the time limits established ECC 15.210.040(B), the remaining 20 percent of the permit fees shall be reduced by the following amounts:~~

~~a. Ten percent of the full permit fee if the decision was delayed no more than ten percent of the overall processing timeline.~~

~~b. Twenty percent of the full permit fee if the decision was delayed more than 20 percent of the overall processing timeline.~~

~~Example: A Type III process has a maximum processing timeline of 120 days from the date of notice of complete application. If the department processes a Type III application and issues the decision between 121 and 132 days, the applicant's complete permit payment will be reduced by ten percent. If the department issues a determination beyond 144 days, the applicant would receive a 20 percent reduction in the permitting fee.~~

~~c. The timelines established in ECC 15.210.040(B) do not include:~~

~~i. Circumstances in which an applicant and the department agree in writing upon an extension to the processing timeline.~~

~~ii. Any time in which the department is waiting on the applicant to submit information necessary for application processing, which has been requested by the department in writing.~~

~~iii. Any exception noted in ECC 15.220.070 or otherwise expressed in chapter 15.220.~~

(Ord. No. 4951, § 5, 12-16-2024; Ord. 4807 § 19, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 7. Section 15.220.030 of the Ellensburg City Code, as last amended by Ordinance 4929, Section 9, is hereby amended to read as follows:

15.220.030 Determination of completeness.

A. *Written determination.* Within 28 calendar days after receiving an application for a Type I, II, III or IV decision, the director shall provide to the applicant a written determination that the application is complete, or that the application is incomplete and what is necessary to make the application complete. If the director does not provide a written determination within the 28 calendar days, the application shall be deemed complete as of the end of the 28th calendar day.

B. *Additional information request and timeline.*

1. If the additional information requested by the director is not fully submitted within 90 calendar days from the date it was requested, the application shall be considered withdrawn and any unspent filing fees, as determined by the director, shall be returned to the applicant. The applicant may submit a written request for up to a 90-day extension of this deadline. The director may grant a single extension if there is a demonstration that the applicant is actively working on obtaining the requested information, and such extension is in the interests of the city.

2. Within 14 calendar days after receiving any additional information needed to make the application complete, the director shall provide to the applicant a written determination that the application is complete, or that the application is incomplete and what is necessary to make the application complete.

C. *Criteria.* A permit application is complete for the purposes of this section when it meets the submittal requirements established by the director in ECC 15.220.020, even though additional information may be required or subsequent project modifications may occur. The determination of completeness shall not preclude the director from requesting additional information or studies either at the time of the determination of completeness or later, if new information is required to complete review of the application or substantial changes in the permit application are proposed.

(Ord. No. 4929, § 9, 11-6-2023; Ord. 4807 § 20, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 8. Section 15.220.080 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 23, is hereby amended to read as follows:

15.220.080 Public notice of final project permit decision.

For final plat approvals and Boundary Line Adjustments, and all Type II, III, and IV project permits, the director shall issue and mail a notice of decision to any person who, prior to the rendering of the decision, requested notice of the decision in writing or provided substantive comment on the proposal, and to the Kittitas County assessor's office. The notice of decision may be a copy of the final report, and must include the SEPA threshold determination and critical area final determination if the project was not categorically exempt from SEPA and critical area determination. The decision notice must state procedures and timelines for eligible administrative appeals under Chapter 15.230 ECC, and state that affected property owners may request a change in valuation for property tax purposes notwithstanding any program of revaluation. For Type III and IV permits ~~and SEPA threshold determinations~~, the project permit notice of decision shall also be posted on the subject property and published in the city's official newspaper pursuant to the requirements in ECC 15.220.040(C) and 15.220.050.

(Ord. No. 4975, § 23, 11-17-2025; Ord. 4656 § 1 (Exh. O2), 2013)

Section 9. Section 15.220.095 of the Ellensburg City Code, as adopted by Ordinance 4951, Section 7, is hereby repealed in its entirety.

Section 10. Section 15.230.080 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 32, is hereby amended to read as follows:

15.230.080 Open record hearing or open record appeal hearing proceedings.

A. *Responsibility of director for hearing.* The director shall:

1. Schedule a predecision public hearing or an open record administrative appeal public hearing as applicable. If the matter is a predecision public hearing, the open record hearing shall be heard within 60 calendar days from the issuance of the notice of application, except for Type V hearings which shall be held pursuant to applicable provisions of Chapters 15.210 and 15.220 ECC. If the matter is an administrative appeal of a decision which provides for an open record hearing, such administrative appeal hearing shall be held and a decision made within ~~45~~ 60 calendar days from the date the appeal is filed unless otherwise established by statute.

2. Provide notice of public hearing as required per ECC 15.230.020.

3. Prepare the staff report on the application, which shall be a single report stating all of the decisions made as of the date of the report, including recommendations on a project permit that did not require an open record predecision hearing. The report shall state any mitigation required or proposed under the development regulations or the city's authority under SEPA.

4. Once a decision has been issued, prepare the notice of decision, if required by the hearing body, and mail a copy of the notice of decision to those required to receive such decision.

B. *Conflict of interest; ethics; Open Public Meetings Act; appearance of fairness.* The hearing body shall be subject to the code of ethics (RCW 35A.42.020), prohibitions on conflict of interest (RCW 35A.42.020 and chapter 42.23 RCW), open public meetings (chapter 42.30 RCW), and appearance of fairness (chapter 42.36 RCW) as the same now exist or may hereafter be amended.

C. *Ex parte communication.*

1. No member of the hearing body may communicate, directly or indirectly, regarding any issue in a proceeding before the hearing body, other than to participate in communications necessary to procedural aspects of maintaining an orderly process, unless such member provides notice and opportunity for all parties to participate, except as provided in this subsection:

   a. The hearing body may receive advice from legal counsel;

   b. The hearing body may communicate with staff members on code or procedural matters; and

   c. If, before serving as the hearing body in a quasi-judicial proceeding, any member of the hearing body receives an ex parte communication of a type that could not properly be received while serving, the member of the hearing body, promptly after starting to serve, shall disclose the communication as described in subsection (C)(2) of this section.

2. If a member of the hearing body receives an ex parte communication in violation of this section, he or she shall place on the record:

   a. All written communications received;

   b. All written responses to the communication;

   c. A statement of the substance of all oral communications received and all oral responses made; and

d. The identity of each person from whom the hearing body member received any ex parte communications.

3. Any person in the hearing audience may object to the participation in the hearing of any hearing body member who has placed an ex parte communication on the record and the hearing body member may choose to recuse himself or herself from the hearing or may provide rebuttal to said objection and indicate on the record that he or she believes that they can continue on to hear the matter in a fair and unbiased manner.

D. *Disqualification.*

1. A member of the hearing body who is disqualified through recusal shall not be counted for purposes of forming a quorum. Any member who is disqualified by recusal may do so only by making full disclosure to the audience, abstaining from voting on the proposal, vacating the seat on the hearing body and physically leaving the hearing room.

2. Except for Type V actions, a member absent during the presentation of evidence in a hearing may not participate in the deliberations or decision unless the member has reviewed the evidence received.

E. *Burden and nature of proof.* Except for Type V actions, the burden of proof is on the proponent to demonstrate that the project permit application is supported by proof established on the record that it conforms to the applicable elements of the LDC and comprehensive plan and that any significant adverse environmental impacts have been adequately addressed.

F. *Order of proceedings.* The order of proceedings for a hearing will depend in part on the nature of the hearing. The following shall be supplemented by administrative procedures as appropriate:

Before receiving information on the issue, the following shall be determined:

1. Any objections on jurisdictional grounds shall be noted on the record and, if there is objection, the hearing body has the discretion to proceed or terminate;

2. Any abstentions or disqualifications shall be determined;

3. The hearing body may view the area in dispute with or without notification to the parties, but shall place the time, manner and circumstances of such view on the record;

4. Information shall be received from the staff and then from proponents and then from opponents. The presiding officer may approve or deny a request from a person attending the hearing to ask a question. Unless the presiding officer specifies

otherwise, if the request to ask a question is approved, the presiding officer will direct the question to the person submitting testimony; and

5. When the presiding officer has closed the public hearing portion of the hearing, the hearing body shall openly discuss the issue and may not ask further questions of any person without reopening the public hearing, except that questions to staff of code or procedural clarification or legal question to the city attorney.

G. *Decision and notice of decision.*

1. Following the hearing procedure described in this section, the hearing body shall approve, conditionally approve, or deny the application. If the open record hearing is an administrative appeal, the hearing body shall affirm or reverse the decision that is on appeal.

2. The open record hearing body's written predecision, or final decision for open record appeals, shall be issued within ten working days after the hearing on the project permit application. The notice of any final decision shall be issued pursuant to ECC Table 15.210.040(B) and 15.220.080.

(Ord. No. 4975, § 32, 11-17-2025; Ord. 4807 § 26, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 11. Section 15.230.090 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 33, is hereby amended to read as follows:

15.230.090 Closed record hearing or closed record appeal hearing proceedings.

A. A closed record hearing or closed record administrative appeal hearing shall be heard and decided within ~~45~~ 60 calendar days from the date of a preceding open record hearing or the ~~matter~~ appeal is filed, unless otherwise established by statute.

B. The procedure for closed record hearing or closed record administrative appeal hearing shall be the same as set forth in ECC 15.230.080, except that:

1. The closed record hearing shall be limited solely to the record established in the open record hearing on which the recommendation or decision was made, and the hearing body shall be limited in its review to determining whether the previous recommendation or decision is supported by the record. The closed record hearing body may decide:

a. To uphold the decision as being supported by the record; or

b. Reverse the decision as not being supported by the record.

2. Participation in the closed record hearing shall be limited to the city, including all staff, the applicant for the proposal subject to appeal, parties of record as defined in ECC 15.230.060(B), and for closed record administrative appeals those persons or entities which have timely filed complete written appeal statements and paid the appeal fee. No new testimony or evidence can be entered into the record although the hearing body can seek clarification of the record.

3. Public noticing requirements for closed record hearings and closed record administrative appeals will be limited to persons and methods pursuant to ECC 15.230.025.

C. *Decision and notice of decision.*

1. The hearing body shall approve, conditionally approve, or deny the application when considering a predecision or recommendation. If the closed record hearing is an administrative appeal, the hearing body shall affirm or reverse the decision that is on appeal.

2. Where the closed record hearing provides for a final decision by a hearing body serving as decision-maker, the hearing body's written decision shall be issued within ten working days after the hearing on the project permit application. The notice of decision shall be issued pursuant to ECC Table 15.210.040(B) and 15.220.080.

(Ord. No. 4975, § 33, 11-17-2025; Ord. 4807 § 27, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 12. Section 15.240.040 of the Ellensburg City Code, as last amended by Ordinance 4656, Section 1, is hereby amended to read as follows:

15.240.040 Nonconforming use.

A. *Expansion of nonconforming uses.* No existing building, structure, or land devoted to a nonconforming use shall be expanded, enlarged, extended, reconstructed, intensified, or structurally altered unless the use thereof is changed to a use permitted in the district in which such building, structure, or land is located except as follows: When authorized by conditional use permit, a benign nonconforming use may be expanded, enlarged, extended, reconstructed, intensified, or structurally altered as long as the intensity of the benign nonconformity is the same or smaller.

B. *Change of nonconforming use.* When authorized by the director, a benign nonconforming use may be changed to a similar use that does not increase the intensity of impacts on surrounding conforming uses. For example, a change from a benign nonresidential use in a residential zone to another benign use shall be acceptable.

C. *Discontinuance of nonconforming use.* When a detrimental nonconforming use of land or a nonconforming use of all or part of a structure is discontinued or abandoned for a period of

12 months, such use shall not be resumed, notwithstanding any reserved intent not to abandon such use. Normal seasonal cessation of use, or temporary discontinuance for purposes of maintenance or improvements, shall not be included in determination of the 12-month period of discontinuance. Evidence that such use has been actively available and marketed for sale or lease shall be considered by the director in determining if a nonconforming use has been discontinued.

D. *Reversion to nonconforming use.* If a nonconforming use is changed to a permitted use, the nonconforming use shall not be resumed.

E. *Residential exception to nonconforming use status.* Legally established residential uses located in any zoning district shall not be deemed nonconforming in terms of use and density provisions and shall be a legal use.

F. *Residential exception for existing buildings.* Housing units shall be permitted up to 50 percent greater density than allowed in a property's commercial, mixed-use, or residential zone permitting multifamily housing. Any such housing pre-existing adoption of this exception, or new housing proposed in an existing non-conforming structure whose building envelope contains existing residential density within the limitation of this exception, shall be a legal use without review under this Chapter pursuant to RCW 35A.21.440.

(Ord. 4656 § 1 (Exh. O2), 2013)

Section 13. Section 15.240.060 of the Ellensburg City Code, as last amended by Ordinance 4656, Section 1, is hereby amended to read as follows:

15.240.060 Nonconforming lots.

A. *Residential zones.* In any residential zone, and in nonresidential zones where single-family dwellings are permitted, a single-family dwelling and customary accessory buildings may be erected or modified on any nonconforming lot of record, even though such lot fails to meet lot area and width requirements of the zone in which such lot is located; provided, that:

1. Such lot is in separate ownership; and

2. The proposed development meets other applicable development standards such as setbacks and building height.

B. *Other districts.* In any other district, permitted building and structures may be constructed on a nonconforming parcel or legal lot of record, provided applicable development standards such as setbacks, landscaping, and off-street parking requirements are met.

C. *Manufactured home exception.* Placement of manufactured homes on lots where existing setback or building separation requirements cannot be met is subject to the permissions established in ECC 15.340.030.

(Ord. 4656 § 1 (Exh. O2), 2013)

Section 14. Section 15.270.110 of the Ellensburg City Code, as last amended by Ordinance 4807, Section 37, is hereby amended to read as follows:

15.270.110 Categorical exemptions—Adoption by reference.

A. The city adopts by reference the following sections of chapter 197-11 WAC, as now existing or hereafter amended, as supplemented in this chapter:

197-11-305	Categorical exemptions
197-11-800	Categorical exemptions (except as noted in subsection (B) of this section)
197-11-880	Emergencies
197-11-890	Petitioning DOE to change exemptions

B. The city establishes the following exempt levels for minor new construction under WAC 197-11-800(1)(b):

1. Construction or location of up to nine detached single-family dwelling units (WAC 197-11-800(1)(b)(i).
2. Agricultural structures including construction of a barn, loafing shed, farm equipment storage building, produce storage or packing structure, or similar agriculture structure, covering up to 10,000 square feet and to be used only by the property owner or his or her agent in the conduct of farming the property. This exemption shall not apply to feed lots (WAC 197-11-800(1)(b)(ii)).
3. Construction of an office, school, commercial, recreational, service or storage building, up to 12,000 square feet and associated parking facilities designed for up to 20 automobiles (WAC 197-11-800(1)(b)(iii)).
4. Parking lots for 20 or fewer automobiles that are not associated with a structure.
5. Any fill or excavation of up to 200 cubic yards throughout the lifetime of the fill or excavation and any excavation, fill, or grading necessary for an exempt project listed in WAC 197-11-800(1)(b)(i), (ii), (iii), and (iv).

C. In addition to the foregoing, the city of Ellensburg acknowledges statutory SEPA exemptions for the following projects when applicable:

1. The addition of one or more residential units within an existing building, pursuant to RCW 35A.21.440(2)(i);
2. The placement of an array of solar energy generation panels or associated equipment of less than 1,000 square feet or construction of structures supporting such panels and equipment with a footprint of less than 1,000 square feet, pursuant to RCW 43.21C.260 but subject to the exceptions therein;
3. Watershed restoration and fish habitat enhancement projects pursuant to RCW 43.21C.0382; and
4. Installation of one or more battery charging stations or battery exchange stations, pursuant to RCW 43.21C.410.

(Ord. 4807 § 37, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 15. Section 15.280.090 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 44, is hereby amended to read as follows:

15.280.090 Ellensburg landmarks register.

There is hereby created an Ellensburg landmarks register.

A. *Criteria for eligibility to the register.* Any building, structure, site, object, or district may be designated for listing in the Ellensburg landmarks register if it is significantly associated with the settlement, development, architecture, politics, economy, social history, archaeology, or cultural heritage of the community; retains integrity of location, setting, design, materials, workmanship, feeling, and association; is at least 50 years old; and if it meets at least one of the following criteria:

1. Is associated with events that have made a significant contribution to the broad patterns of local, state, or national history;

2. Is closely linked with the life of a person important in the history of the city, state, or nation;

3. Embodies the distinctive visual characteristics of an architectural type, period, style, or method of construction;

4. Is an outstanding work of a designer, builder, or architect;

5. Has yielded, or may be likely to yield, important archaeological information related to history or prehistory; and/or

6. Because of prominent spatial location, contrasts of siting, age, or scale, it is an easily identifiable visual feature of its neighborhood and contributes to the distinctive identity of that neighborhood.

B. *Process for designating properties to the landmarks register (a Type II review process exception).*

1. Any person may nominate a building, structure, site, object, or district for inclusion in the Ellensburg landmarks register. Members of the commission or the commission as a whole may generate nominations. In its designation program, the commission shall consider the Ellensburg historic resource inventory and the Ellensburg comprehensive plan. Owner(s)' consent is required before the commission shall consider the nomination.

a. *Owner exception for historic districts*. The owner's consent shall not be required if a building, structure, site or object to be designated is located within a historic district established pursuant to this Chapter.

b. *Owner exception for age.* The owner's consent shall not be required if the nominator has provided documentation showing that a building, structure, site or object to be designated is more than 125 years old, subject to a written determination by the landmarks and design commission verifying its age.

2. Nominations shall be made on forms provided by the commission. Completed nominations received by the commission will be scheduled for review within 15 working days of a determination the application is complete.

3. The commission shall consider the merits of the nomination at a public hearing, in accordance with the criteria for eligibility set forth in subsection (A) of this section, and according to the nomination review process.

4. Adequate notice shall be given to the general public, the property owner(s), the author of the nomination, and lessees, if any, prior to the public hearing. Such notice shall include publication in a newspaper of general circulation in Ellensburg.

5. Within 100 days of a determination the nomination application is complete and within ten working days of holding the public hearing, the commission shall render a decision on whether a nominated property meets the criteria set forth in subsection (A) of this section. If the finding is that the nominated property meets the criteria set forth in subsection (A) of this section, the property shall be officially listed as a landmark, landmark site, or landmark district or part thereof. Notice of the decision shall be noticed pursuant to Chapter 15.210. If the listed property is adjacent to the boundary of an existing landmark district, said boundary shall be amended accordingly. If the listed property will create a new landmark district, then the listed area shall be designated on the official zoning map to indicate the district is on the landmarks register. An isolated property shall be designated on the official zoning map to indicate the property is on the landmarks register.

6. For individual landmark designations, the commission shall include in its designation the applicable criteria on which the listing is based, a legal description of the property, and a list of all significant features that contribute to its historic character.

7. For landmark district designations, the commission shall include in its designation recommendation the applicable criteria, a description of the boundaries of the district, and a list of all buildings, structures, sites, and objects which contribute to its historic character.

8. Whenever the commission rejects the nomination of all or any part of a property, the commission shall, within ten working days, issue a written decision including

reasons supporting the determination that the criteria set forth in subsection (A) of this section have not been met. Notice of the decision shall be noticed pursuant to Chapter 15.210 ECC.

9. The commission's decision on a COA may be appealed to the hearing examiner in a closed record appeal hearing.

10. Properties listed in the Ellensburg landmarks register shall be recorded on official zoning records with an "LR" (for landmarks register). This designation shall not change or modify the underlying zone classification.

C. *Downtown and residential historic districts.*

1. The existing downtown historic district, defined in ECC 15.300.070(B) and hereafter known as the "downtown historic district and the existing residential historic district, defined in ECC 15.300.070(C) and hereafter known as the "First Railroad Addition historic district," are hereby designated as Ellensburg landmark districts. The geographic area encompassed by each district is identified on the map attached to the ordinance codified in this chapter and made a part of this chapter by reference.

2. The commission shall compile existing historical data and property records, prepare Ellensburg landmarks register nomination forms, and create complete landmark files for each of the landmark districts.

3. The provisions of ECC 15.280 shall hereafter apply to the downtown historic district and the First Railroad Addition historic district.

D. *Change of status from noncontributing to contributing within a district.* The owner(s) of record of noncontributing property within a district may submit a COA application to the department for change of status of the property from noncontributing to contributing. The application shall identify all features of historical significance of the property in accordance with subsection A of this section and shall include the legal description and description of all interior and exterior features, and outbuildings, that contribute to its proposed designation as a contributing property.

E. *Effects of listing on the Ellensburg landmarks register.*

1. Listing on the landmarks register of historic places is an honorary designation denoting significant association with the historic, archaeological, engineering, or cultural heritage of the community. Properties are listed individually or as contributing properties to a historic district.

2. Prior to the commencement of any exterior work visible from a public right-of-way on a landmarked building or any property located within the boundaries of a district, excluding ordinary repair and maintenance, the owner must apply for and receive a COA from the commission for the proposed work. Violation of this rule shall be grounds for the commission to review the property for removal from the register.

3. This city is a certified local government (CLG), and therefore all qualifying properties listed on the Ellensburg and National Registers of Historic Places may be eligible for special tax valuation on their rehabilitation under ECC 15.280.130.

4. Prior to whole or partial demolition of a register property or contributing property within a district, the owner must apply for and receive a demolition approval pursuant to the requirements of ECC 15.280.110.

F. *Removal of properties from the register.* In the event that any designated landmark property is no longer deemed eligible for inclusion on the landmarks register by city staff or the commission, per requirements of subsections (A)(1)—(6) of this section, the commission may initiate removal of such designation by the same procedure as provided for in establishing the designation in subsection (B) of this section.

(Ord. No. 4975, § 44, 11-17-2025; Ord. No. 4935, § 6, 12-18-2023)

Section 16. Section 15.280.100 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 45, is hereby amended to read as follows:

15.280.100 Review of changes to landmarks register properties.

A. *Review required.*

1. No person shall alter, repair, enlarge, newly construct, relocate, or demolish any registered landmark building, or any structure located on a property within a landmark district~~, nor install any exterior sign or mural pursuant to subsection (A)(2) of this section,~~ without review by the commission and issuance of a COA or a demolition permit (ECC 15.280.110).

2. In the case of murals, review under this Chapter shall be limited to new murals where paint is applied to existing exterior surfaces, wood sidings with surface detail, or any other material that has a planar or flat character, where said existing surface is unpainted; and, to the restoration of historic murals. In these cases, the arts commission shall first review and provide recommendations to the landmarks commission regarding any proposal for a mural to be located on a registered landmark or within a

landmark district on an existing unpainted surface, or the restoration of a historic mural. Factors to be considered by the ~~arts~~ landmarks commission include media to be used, method of application, stability, building/site, mural location and practicability of project.

a. The design (not content) of new murals on registered landmarks and in landmark districts must be consistent and compatible with the architectural and historical character of the district as applicable, and the architectural features (column bays, windows, planar walls, cornices, beams, columns, trim, windows, doors, etc.) of the building on which they are located.

i. When such new murals are proposed on existing unpainted brick or masonry, the commission shall not find appropriate any proposal where products or treatments in the installation of a mural would use materials that create an impermeable moisture barrier.

b. Restoration of historic murals must comply with ECC 15.285.030(F).

3. This review shall apply to all exterior features of the building visible from a public right-of-way except as exempted by subsection B of this Section. This review applies whether or not a permit from the city of Ellensburg is required.

4. Review of alterations to Ellensburg landmarks register properties under this chapter is in lieu of design review required for projects and sign review per ECC 15.210.050(B).

B. *Exemptions.* The following activities are exempted from landmarks review and do not require a COA:

1. Ordinary repair and maintenance which does not visually alter exterior features of a building visible from a public right-of-way, and does not utilize substitute materials.

2. Repairs to or replacement of utility systems which do not alter exterior features visible from a public right-of-way.

3. Interior building construction, maintenance, remodeling, decoration, or other activities located within the building envelope.

4. Painting of previously painted exterior surfaces, including new murals that must otherwise comply with Chapter 15.285 ECC.

a. *Exceptions.* Alteration, repainting, painting out, removal, restoration or other disturbance of a historic mural must meet requirements of both this Chapter and ECC 15.285.030.

5. Construction on a landmarked property or within a landmark district that is not considered a structure per ECC 15.280.030, or a building per ECC 15.130. By way of example and not limitation, such work might include landscaping, fences, and detached arbors or gazebos.

6. Replacement of sign faces on existing permanent sign structures or within existing sign cabinets, or within right-of-way signs permitted by the city such as sandwich boards.

C. *Review process for proposed changes to registered landmark properties and properties located within a landmark district (a Type II review process exception 15.210.030(B)).*

1. Requests for review and issuance of a COA for proposed changes to a landmarked property, which can include demolition within the overall scope of work.

2. Application for a COA to a landmark property shall be made by filing an application with the preservation planner on forms provided by the department. A written description of materials required for the commission's review include but are not limited to; site plans, narratives, elevations, and material samples, and shall be provided to the applicant. Preliminary plans may be submitted to the preservation planner for review and an advisory opinion.

3. If an application is submitted to the department for any permit which affects a designated landmark, or a property located in a landmark district, the building official shall promptly refer such application to the preservation planner, and such shall be deemed an application for a COA if accompanied by the additional materials required for COA review. No city permit shall be issued, nor work begun, until the landmarks and design review process has been completed and a COA has been issued pursuant to this chapter.

4. Landmarks and design commission review.

a. At a regularly scheduled public hearing, the commission shall review the proposed work according to the relevant design provisions set forth in divisions IV and V of this title. After concluding the public hearing, the commission shall approve or disapprove the application. Approval of COAs or demolition permits shall be based upon appropriateness of proposal as reflected in said design provisions, and upon review of demolition standards per ECC 15.280.120.

b. The commission may approve with or without conditions or disapprove an application. A hearing on the application must be scheduled within 15 working days of a determination the application is complete unless the parties agree to an extension. The decision of the commission shall be rendered within 100 days of the date of a determination of a complete application and within 10 working days

of holding the public hearing on the matter. The commission's findings in support of any decision shall be in writing and shall cite the applicable design provisions.

c. If the commission makes a decision to issue a COA, such certificate shall be promptly issued to the applicant by the preservation planner and a copy of such certificate shall be transmitted to the building official.

d. If the commission denies the application, the applicant and the building official shall be notified of such denial, including the reasons why approval of the application is not warranted.

e. In the case of proposed demolition of a building or structure within a COA application that is listed in the landmarks register, the commission may require conditions of approval including, but not limited to, mitigation measures (e.g. to document the property, salvage significant architectural features of the building, install historical markers or plaques, prepare publications, etc., that provide historical context for the site).

f. The commission's decision on a COA may be appealed to the hearing examiner in a closed record appeal hearing pursuant to ECC 15.230.090.

(Ord. No. 4975, § 45, 11-17-2025; Ord. No. 4935, § 6, 12-18-2023)

Section 17. Section 15.285.020 of the Ellensburg City Code, as adopted by Ordinance 4975, Section 48, is hereby amended to read as follows:

15.285.020 Applicability.

The standards for murals set forth in ECC ~~15.720.030(A)~~ 15.285.030(A) through (C) shall apply to all individual properties within the city of Ellensburg. ECC ~~15.720.030(D)~~ 15.285.030(D) and (E) shall apply only to landmarks register properties and districts listed on the Ellensburg landmarks register or on the National Register of Historic Places. ECC ~~15.720.030(F)~~ 15.285.030(F) shall apply to historic murals.

(Ord. No. 4975, § 48, 11-17-2025)

Section 18. Section 15.285.030 of the Ellensburg City Code, as adopted by Ordinance 4975, Section 48, is hereby amended to read as follows:

15.285.030 Standards and guidelines.

Murals shall conform to the following requirements:

A. *Permit required.* Prior to installation, all murals require submission of an application and issuance of a permit subject to the following provisions:

1. Applications for murals not on landmarks register properties and not in districts listed on the Ellensburg landmarks register ~~or on the National Register of Historic Places~~ shall ~~first~~ be reviewed by the arts commission in a public meeting for a recommendation, which shall be forwarded to the community development department when issuing a permit.

2. Applications for new murals located on landmarks register properties or in districts listed on the Ellensburg landmarks register or restoration of historic murals ~~on the National Register of Historic Places~~ shall first be reviewed by the arts commission in a public meeting, as referenced in subsection (A)(1) of this section, and shall also obtain a certificate of appropriateness (COA) from the landmarks and design commission.

    a. When new murals are proposed on existing painted surfaces on registered landmarks or in a historic district, they are exempt from landmarks review pursuant to ECC 15.280.100. This exemption does not apply to the alteration, repainting, painting out, removal, restoration or other disturbance of historic murals.

3. The restoration of historic murals shall be subject to the same procedures of subsection A(2) of this Section, and additionally to the review standards of subsection F of this Section.

B. *Murals as signs.* Murals created after the effective date of the ordinance codified in this chapter that fall within the definition of a sign shall be regulated pursuant to the sign code, chapter 3.12 ECC, as currently enacted or hereafter amended.

C. *Installation and maintenance of ~~all approved~~ permitted murals and historic mural restorations.*

1. Murals shall be installed in a manner to ensure that they withstand the elements to the greatest degree that is feasible as determined by the community development department.

2. Murals shall use materials, coatings, or other protective techniques that will resist vandalism, weathering by sun, water, wind and graffiti to the greatest degree feasible as determined by the department.

3. Murals must be maintained by the building owner for the life of the mural or until the mural is removed.

D. *Location, design and style of murals ~~on landmark structures or in historic districts~~.*

~~1. The design (not content) of murals on landmarks register properties and in districts listed on the Ellensburg landmarks register or on the National Register of Historic Places must be consistent and compatible with the architectural and historical character of the historic district and the architectural features (column bays, windows, planar walls, cornices, beams, columns, trim, windows, doors, etc.) of the building on which they are located.~~

1~~2~~. ~~Murals shall not be permitted to be placed directly on unpainted brick, unpainted or painted stone, wood sidings with surface detail, or any other material that does not have a planar or flat character. An exception to this provision may be allowable is allowed in instances where new paint is applied onto the existing paint of a historic mural for the purpose of restoration, and for which a COA has been obtained.~~ Prior to the installation, the surface to which the mural will be applied must be in a condition that would allow the permanent attachment of the proposed mural.

2~~3~~. Murals may not have electrical or mechanical components.

3~~4~~. Three-dimensional murals are not allowed on registered landmarks or in historic districts.

4~~5~~. Murals must not damage or lead to accelerated deterioration of the building surface.

E. *Alteration and removal of permitted murals ~~on landmark structures or in historic districts~~.*

1. Alteration or removal of any ~~existing or~~ permitted mural ~~on landmarks register properties and districts listed on the Ellensburg landmarks register or on the National Register of Historic Places~~ requires a permit obtained through the process set forth in this Chapter ~~ECC 15.280.090. Alteration or removal of historic murals shall only be made pursuant to this subsection~~.

2. Alteration or removal of any ~~existing or~~ permitted mural shall not damage or lead to the destruction or deterioration of a building or structure, or adversely impact the architectural or historic character of any registered landmark or building located within a historic district.

3. Any associated materials that were used to affix the permitted mural to the surface must be removed at the time of the removal of the mural. This includes, but is not limited to, mounting hardware or brackets, caulk or grout, and adhesives or glues.

F. *Historic murals.*

1. The landmarks and design commission will conduct a survey of existing murals and include those deemed historic in the Ellensburg landmarks register.

2. New murals shall not be painted over historic murals as defined in ECC 15.130.080. Historic murals may not be altered, repainted, painted out, removed, restored or otherwise disturbed, unless the structural integrity of the building is at stake, without compliance with the following:

   a. Prior to the alteration, repainting, painting out, removal, restoration or other disturbance to the portions of an exterior surface inclusive of an historic mural, the property owner shall ~~obtain a COA~~ comply with provisions of this Chapter and Chapter 15.280 ECC. ~~Application for a COA shall in accordance with the procedures set forth in ECC 15.280.090(C) and 15.280.100 with the following exceptions:~~

      ~~i. The landmarks and design commission shall meet initially with the applicant to consider alternatives to the alteration or removal including available incentives for preservation of the mural. These negotiations may last no longer than 120 calendar days from the first meeting of the landmarks and design commission unless the applicant agrees to an extension. During these negotiations, the applicant should allow the commission to review the site and plans for the alteration and/or removal of the mural. An alteration and/or removal notice must also be placed on the property and published in the newspaper.~~

      ~~ii. If no request for an extension is made and no alternative has been agreed to and the applicant has made a showing that such action is necessary to provide a reasonable beneficial use or reasonable economic return, the landmarks and design commission shall issue a COA to the applicant.~~

   b. Prior to the permitted disturbance of an historic mural, photographic documentation of the mural shall be collected and made available to the landmarks and design commission by the department.

3. Any person aggrieved by any action of the landmarks and design commission in denying or approving the applicant's request may file a notice of appeal as set forth in Chapter 15.230 ECC~~; however, such appeals shall be to city council rather than to the hearing examiner~~.

4. ~~The landmarks and design commission will review the possibility of initiating a program to restore historic murals.~~ Any associated materials that were used to affix the historic mural to a building surface must be removed at the time of a permitted removal of a historic mural. This includes, but is not limited to, mounting hardware or brackets, caulk or grout, and adhesives or glues.

a. Exceptions may be made where affixing materials are on a registered landmark or on a building within a historic district, and the landmarks commission determines their removal does not satisfy appropriateness criteria of Chapter 15.280 ECC.

(Ord. No. 4975, § 48, 11-17-2025)

Section 19. Section 15.310.040 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 49, is hereby amended to read as follows:

15.310.040 Use tables.

Table 15.310.040-1
Residential Uses

Use	R-S	R-L	R-M	R-H	R-O	C-N	C-H	C-C	C-CII	I-L	NC-MU	RC-MU	I-H	P-R	MHP
RESIDENTIAL, GENERAL															
Dwelling, single-family* (ECC 15.540.020)	P	P	P		P										P
Dwelling, cottage* (ECC 15.540.050)	P	P	P		P									A[6]	
Dwelling, duplex* (ECC 15.540.030)	P[2]	P[2]	P		P			P[7]	P[7]					A[6]	
Dwelling, townhouse* (ECC 15.540.060)	P[2]	P[2]	P	P	P	P[3]		P[7]	P[7]		P	P		A[6]	

Dwelling, multifamily* (Division V of this title)	P[1, 5]	P[1, 5]	P	P	P	P~~3~~	C[3]	P[7]	P[7]		P	P		A[6]	
Co-living housing*	P[1]	P[1]	P	P	P	P~~3~~	C[3]	P[7]	P[7]		P	P		A[6]	
Dwelling, live-work*	P[4]	P[4]	P[4]	P[4]	P[4]	P		P[7]	P[7]		P	P			
Manufactured home park* (ECC 15.340.040)	C	C	C	P	C									A[6]	P
GROUP RESIDENCES															
Boarding houses, lodging houses*		C	P	P	C			P[7]	P[7]		P	P		A[6]	
Adult family home*	P	P	P	P	P	P		P[7]	P[7]		P	P		A[6]	
Community residential facility*			C	C	C	C		P[7]	P[7]		P	P		P/A[6]	
Senior citizen assisted housing*			P	P	P	P		P[7]	P[7]		P	P		A[6]	
Transitional housing*	P[5, 9]	P[5, 9]	P[9]	P[9]	P[9]	P~~3~~[, 9]	C[3, 9]	P[7, 9]	P[7, 9]		P[9]	P[9]		P[9]	

Permanent supportive housing*	P[5, 9]	P[5, 9]	P[9]	P[9]	P[9]	P[3, 9]	C[3, 9]	P[7, 9]	P[7, 9]		P[9]	P[9]		P[9]	
Indoor emergency shelter*	C[9]	C[9]	C[9]	C[9]	C[9]	C[9]	P[9]	P[9]	P[9]		P[9]	P[9]		P[9]	
Indoor emergency housing*	C[9]	C[9]	C[9]	C[9]	C[9]	C[9]	P[9]	P[9]	P[9]		P[9]	P[9]		P[9]	
RESIDENTIAL ACCESSORY USES															
Accessory dwelling unit* (ECC 15.540.040)	P	P	P	P	P			P[7]	P[7]						
Home occupations* (ECC 15.340.020)	P	P	P	P	P	P	P	P[7]	P[7]	P	P	P	P	P[6]	P
Yard sale use	A[8]	A[8]	A[8]	A[8]	A[8]	A[8]	A[8]	A[8]	A[8]	A[8]	A[8]	A[8]	A[8]	A[8]	A[8]
TEMPORARY LODGING															
Bed and breakfast* (ECC 15.340.010)	P	P	P	P	P			P[7]	P[7]		P	P			

Development conditions:

1. Subject use may be permitted subject to density bonus incentives set forth in table 15.320.030 and chapter 15.330 ECC.

2. Duplexes and townhomes are permitted in the R-L and R-S zones on infill lots (preexisting legal lots of record as of December 31, 2021) notwithstanding the

maximum density limits in table 15.320.030. For lots recorded after this date, duplexes and townhomes are permitted in the R-L and R-S zones but must meet the density requirements of ECC 15.320.030.

3. ~~Residential uses are permitted in the C-N zone provided nonresidential uses occupy the ground floor of all buildings fronting on the street. For example, residential uses could be on upper levels of buildings fronting on the street or, for deep lots, subject residential uses may occupy any buildings away from the street and behind the buildings that front onto the street.~~ Conditions of approval for the addition of residential units within existing buildings in the C-H zone must comply with the limitations set forth in RCW 35A.21.440.

4. Nonresidential uses may be permitted within live-work dwellings subject to the permitted uses in the underlying zoning district.

5. Multifamily dwelling units shall not be located adjacent to existing single-family dwellings, except where such uses were approved on an individual plat.

6. All uses permitted in the P-R zone must be either outright permitted and operated as a public use or must be an accessory use to the primary public use (see ECC 15.310.050).

7. Except for lobbies or similar entrances, all permitted residential uses ~~in the C-C and C-C H zones~~ are prohibited within 30 feet of the sidewalk on the ground floor of properties fronting on storefront streets per ECC 15.510.050(E).

8. Yard sales are permitted as an accessory use to a dwelling; provided, that the following conditions are met:

    a. Only two yard/garage sales per dwelling unit not exceeding three consecutive days in duration are allowed per year;

    b. The occupant or tenant of the dwelling unit shall supervise and be responsible for the yard/garage sale activities including ensuring that there is no impediment to the passage of traffic on public roads and sidewalks adjacent to the sale;

    c. No goods are to be displayed in public rights-of-way without first obtaining a right-of-way use permit from the public works department; and

    d. Signs advertising the sale shall not be attached to any public structure, sign, sign or utility pole or traffic control devices and shall be removed within 24 hours of the sale completion.

9. Subject to the permanent supportive, transitional housing, emergency housing and emergency shelter facilities standards set forth in ECC 15.340.080.

Table 15.310.040-2
Nonresidential Uses

Use	R-S	R-L	R-M	R-H	R-O	C-N	C-H	C-C	C-CII	NC-MU	RC-MU	I-L	I-H	P-R
RETAIL														
Auto sales*							P	P[2]	P		P			
Auto fueling*						P	P	P	P		P	P		
Personal electric vehicle battery charging station*	P[1]	P[1]	P[1]	P[1]	P[1]	P	P	P	P	P	P	P	P	P
Farmers' markets*						P		P	P	P	P			
Fruit stands*	P	P	P	P	P									
Heavy retail*							P	P[2]	P		P	P	~~P~~	
Nurseries and greenhouses*	P						P	P	P	P	P	P	P	
Restaurants*	P[5,11]	P[5,11]	P[5,11]	P[5]	P[11]	P	P	P	P	P	P	P		A[6]
Taverns and brewpubs*						P	P	P	P	P	P	P		A[6]
Cafes*	P[5,11]	P[5,11]	P[5,11]	P[5]	P[11]	P	P	P	P	P	P	P		A[6]
Retail*, small scale	P[5,11]	P[5,11]	P[5,11]	P[5]	P[11]	P	P	P	P	P	P			A[6]

(<2,000 sf floor area)														
Retail*, medium scale (2,000—20,000 sf floor area)						P	P	P	P	P	P			A[6]
Retail*, large scale (20,001—60,000 sf floor area)						P[3]	P	P	P	P	P			
Retail*, very large scale (60,001—100,000 sf floor area)							P	C	C		P			
Retail*, super scale (>100,001 sf floor area)							C				C			
Regional retail commercial projects* (subject to the requirements in chapter 15.390 ECC)	P[8]	P[8]	P[8]	P[8]	P[8]	P[8]	P[8]			P[8]	P[8]	P[8]		
Marijuana retailer*						P[9]	P[9]	P[9]	P[9]	P[9]	P[9]			
PERSONAL AND GENERAL SERVICE														
Day care I facilities*	P	P	P	P	P	P	P	P	P	P	P	~~P~~		A[6]

Day care II facilities*	~~C~~ P	~~C~~ P	~~C~~ P	~~C~~ P	P	P	P	P	P	P	P			A[6]
Heavy services*							P		P		P	P	P	
Hotels/motels*							P	P	P	P	P			
Hospitals*	C	C	C		P			C	P		C			A[6]
Private parking lot*							C	C	C		C			
Freight truck parking lot*							P							P
Offices, medical*					P	P	P	P	P	P	P			P/A[6]
Kennels*							P		P			P		
Nursing homes*	C	C	C	P	P			P	P					P/A[6]
Marijuana cooperative*	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]
Personal service establishments*	P[5,11]	P[5,11]	P[5,11]	P[5]	P	P	P	P	P	P	P			A[6]
Laundromats and dry cleaners*			P[5,11]	P[5]	P[11]	P	P	P	P	P	P	P		
Places of assembly*	C	C	C	C	P	P	P	P	P	C	C	C		A[6]

Radio station*		~~C~~					P			P	P	C	C	A[6]
Veterinary clinic*					C	C	P	P	P	P	P	C		
BUSINESS SERVICE														
Conference center*							P	P	P	P	P			A[6]
Offices, business or professional*, small scale (<2,000 sf floor area)	P[5]	P[5]	P[5]	P[5]	P	P	P	P	P	P	P	P[4]		P/A[6]
Offices, business or professional*, medium scale (2,000—20,000 sf floor area)							P	P	P	P	P	P		P/A[6]
Offices, business or professional*, large scale (20,001—60,000 sf floor area)							P	P	P	P	P	P		P/A[6]
Miniwarehouse facility*												C		
INDUSTRIAL														
Light manufacturing*							P	P[2]	P[2]	P[2]	P[2]	P	P	

Light industry*								P[2, 7]	P[2, 7]	P[2,7]	P[2,7]	P	P	
Hazardous waste treatment (off-site)*												C	C	
Hazardous waste treatment (on-site)*							C		C			C	C	A[6]
Heavy industry*													C	
Marijuana processor*												P[14]	P[14]	
Marijuana producer*												P[14]	P[14]	
Tow vehicle storage area*												C	P	
Vehicle wrecking yard*													C	

Development conditions:

1. Vehicle battery charging stations are permissible for the primary use of residents and their guests in all residential zones. Battery charging station clusters are permitted for multifamily uses located in the R-M and R-H zones.
2. Use must be enclosed entirely within a building.
3. Grocery stores shall be the only retail uses permitted with more than 20,000 square feet of gross floor area.

4. Office uses that are accessory to a permitted use.

5. Subject nonresidential uses are permitted in these zones if the planned uses are at least 1,200 feet from commercial zone or mixed-use zone. Residential rental, leasing or management offices shall be permitted in the R-H zone for multifamily dwelling units on the same property.

6. All uses permitted in the P-R zone must be either outright permitted and operated as a primary public use or must be an accessory use to that primary public use. See ECC 15.310.050.

7. Includes light industrial activities that result in the production of goods placed for on-site retail sale. Special restrictions:

    a. No power tools or equipment are allowed which by their decibel, frequency, and/or other feature of their operation would negatively impact the surrounding area by reason of decibel levels, light (see chapter 15.580 ECC for standards), dust or other physical effect; and

    b. Production or manufacturing activity shall not occur between the hours of 10:00 p.m. and 6:00 a.m.

8. Regional retail is administered as an overlay zone pursuant to chapters 15.390 and 15.390A ECC, and only permitted within the designated boundaries identified in figure 15.390.040(A), the south interchange area, and figure 15.390.040(B), the west interchange area. Permitted uses and use restrictions within a regional retail commercial project are described in ECC 15.390.030. Design criteria for regional retail is governed by chapter 15.390A ECC.

9. All marijuana retail, production and processing facilities are subject to the requirements of chapter 15.370 ECC.

10. All marijuana cooperatives are subject to the requirements of ECC 15.370.030, chapter 314-55 WAC and chapter 69.51A RCW.

11. Use is only permitted on a lot abutting the intersection multiple public street frontages, such as a corner lot.

Table 15.310.040-3
Special Uses

Use	R-S	R-L	R-M	R-H	R-O	C-N	C-H	C-C	C-CII	NC-MU	RC-MU	I-L	I-H	P-R
PARK, OPEN SPACE AND RECREATIONAL														
Cemeteries, columbarium or mausoleums*	P	P												
Golf course*														P[11]
Golf driving range*							C				C			P[11]
Recreation—outdoor (commercial)*							P			P	P	C		A
Recreation—indoor (commercial)*					C		P	P	P	P	P	C		A
Recreation—small-scale indoor studios (commercial)*	P[13]	P[13]	P[13]	P	P	P	P	P	P	P	P	C		
Recreational vehicle parks* (ECC 15.340.050)							C							A
Parks, playgrounds (public or private)*	P[1]	P[1]	P[1]	P[1]	P[1]	P[1]	P[1]	P[1]	P[1]	P[1]	P[1]	P[1]		P
CULTURAL AND ENTERTAINMENT														

Adult entertainment establishment*							P[2]							
Art, performing arts, and recording studios*	C	C	C	C	P	P	P	P	P	P	P	P		P/A[7]
Museums*	C[1,2]	C[1,2]	C[1,2]	C[1,2]	P	P	P	P	P	P	P	P		P/A[7]
Theaters*					P	P	P	P	P	P	P	C		
EDUCATIONAL														
Schools*	C	C	C	C	C		C	C	C					P[5]
University*														P[5]
GOVERNMENTAL														
Court							P	P	P					P
Fire facility							P				P	P		P
Police facility						P[3]	P	P[3]	P		P	P		P
Public agency or utility office*						P	P	P	P	P	P	P	P	P/A
Public agency or utility yard	P[4]	P[4]	P[4]	P[4]	P[4]	P	P	C[4]	P			P	P	P/A
Utility facility*[8]	P	P	P		P	P	P	P	P			P	P	P
Fairgrounds														P
Public transportation							P	P	P		P	P	P	P

passenger terminals														
Public parking lot*								P						P/A[7]
RESOURCE														
Gardening or fruit raising (accessory use or noncommercial)	P	P	P	P	P	P	P	P	P	P	P	P	P	P/A[7]
Agriculture*	P[9]													
Small wind energy systems* (ECC 15.340.060)	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]	P[10]/A[7]
REGIONAL														
Airport*														PC[6]

Development conditions:

1. Lighting for structures and fields shall be directed away from residential areas through the use of exterior full cut-off shields or through optics within the fixture.

2. Adult entertainment is regulated pursuant to chapter 6.72 ECC. Zoning locational standards within the C-H zone for adult entertainment establishments are:

   All such establishments must be at least 1,000 feet from any residential zone, parks, schools, historic district, any dwelling, freeway, highway, interstate, or major arterial (see map on file in the city clerk's office).

3. Limited to "storefront" police offices. Such offices shall not have:

   a. Holding cells;

b. Suspect interview rooms (except in the C-N zone); or

c. Long-term storage of stolen properties.

4. Public agency or utility yard conditions:

a. Utility yards are only on sites with utility district offices; or

b. Public agency yards are limited to material storage, vehicle maintenance, and equipment storage for road maintenance, facility maintenance, and parks facilities.

5. Excluding private or nonprofit commercial schools or universities, for which the principal course work is business, vocational, or technical.

6. A conditional use permit is required for the following uses:

a. Facilities to sell, service and store airplanes, service airport patrons, and those ordinarily incidental and essential to operation of a municipal airport; and

b. Airport landing areas.

7. All uses permitted in the P-R zone must be either outright permitted and operated as a public use or must be an accessory use to the primary public use; see ECC 15.310.050. Subject uses must be managed by a public agency.

8. Wireless communication facilities, including wireless communication support towers and antenna arrays, are subject to the provisions of ECC 15.340.070 and chapter 15.395 ECC.

9. Agriculture uses are permitted in the subject zone provided the following conditions are met:

a. The raising of swine, poultry or goats shall be restricted to youth educational projects or limited household consumption occurring on the same lot, or lots of record;

b. No nuisances, such as noise, odor, air pollution, wastes, vibration, traffic or physical hazards, shall result therefrom; and

c. Fencing and housing adequate to certain livestock shall be provided where livestock are kept, and all livestock shall be kept and maintained in accordance with applicable laws and regulations.

10. Small wind energy systems on properties listed in the Ellensburg landmarks register are subject to landmarks and design commission certificate of appropriateness.

11. Subject use shall be permitted only if it is a public facility.

12. Museums within the R-S, R-L, R-M and R-H zoning districts are permissible within existing buildings, or if for new construction only if the building is 2,000 square feet or less, and for both options through approval of a conditional use permit.

13. Subject nonresidential uses are permitted in these residential zones if the planned uses are at least 1,200 feet from a commercial zone or mixed-use zone.

(Ord. No. 4975, § 49, 11-17-2025; Ord. No. 4955, § 111, 2-18-2025; Ord. No. 4953, § 8, 1-21-2025; Ord. No. 4929, § 3, 11-6-2023; Ord. 4887 § 22, 2022; Ord. 4807 § 44, 2018; Ord. 4804 § 3, 2018; Ord. 4769 § 13, 2017; Ord. 4728 § 4, 2016; Ord. 4724 § 4, 2016; Ord. 4696 § 3, 2015; Ord. 4669 § 3, 2014; Ord. 4656 § 1 (Exh. O2), 2013; Ord. No. 4936, § 5, 2-5-2024)

Section 20. Section 15.320.030 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 50, is hereby amended to read as follows:

15.320.030 Building setback and intensity standards table—Residential zones.

Table 15.320.030
Building Setback and Intensity Standards Table—Residential Zones

Topic	R-S	R-L	R-M	R-H
DEVELOPMENT INTENSITY AND CONFIGURATION				
Minimum lot area	None[1]	None[1]	None[1]	None[1]
Minimum frontage	None[1,2]	None[1,2]	None[1,2]	None[1,2]
Density, minimum (ECC 15.320.050)		6 du/acre[3]	8 du/acre[3]	15 du/acre
Density, maximum (base)[8] (ECC 15.320.050)	6 du/acre[12,13]	8 du/acre[12,13]	No limit	No limit
Density, maximum with bonus (see chapter 15.330 ECC)	12 du/acre[4]	16 du/acre[4]	No limit	No limit
Maximum building height	35 ft	35 ft	35 ft[5]	45 ft[5]
BUILDING PLACEMENT (see ECC 15.320.070 through 15.320.120)				
Minimum front yard setback[6, 7]	15 ft	15 ft	15 ft	15 ft

Garage front yard setback	22 ft	22 ft	22 ft	22 ft
Minimum rear yard setback	20 ft	20 ft	20 ft	20 ft
Minimum rear yard setback, accessory buildings (including garages)	5 ft[10]	5 ft[10]	5 ft[10]	5 ft[10]
Minimum rear yard setback, detached accessory dwelling unit (see ECC 15.540.040)	5 ft[10]	5 ft[10]	5 ft[10]	5 ft[10]
Minimum side yard setback (interior lot line)[9]	5 ft or 15 total ft[11]	5 ft or 15 total ft[11]	5 ft	10 ft[11]
Minimum side yard setback (exterior lot line)[9]	10 ft	10 ft	10 ft	10 ft
Minimum garage side yard setback (exterior lot line)	22 ft	22 ft	22 ft	22 ft

Development conditions:

1. Lot sizes may be variable provided they are sized and shaped sufficient to accommodate permitted uses and conform to applicable design and density standards.
2. New lots shall have access directly to a public right-of-way or may obtain access from a courtyard access (ECC 15.420.050(C)) or shared driveway (ECC 15.420.060(A)(2)).
3. The density minimum shall apply only to new subdivisions greater than one acre in size.
4. Exception: Projects complying with net zero energy provisions may exceed the maximum density limits as set forth in ECC 15.330.020(A).
5. For buildings, or portions thereof, with pitched roofs, the maximum height may be increased by five feet. Applicable roof slopes must be at least 4:12 to qualify for this additional height.
6. Porches and covered entries may project up to six feet into the front yard.
7. No front yard is required for buildings adjacent to designated "storefront streets."
8. Base maximum density refers to the maximum density allowed without utilizing density bonuses. Per ECC 15.310.040, duplexes and townhomes are permitted in R-S

and R-L zones on preexisting legal lots of record as of December 31, 2021, notwithstanding the maximum density requirements of this chapter. For lots recorded after this date, duplexes and townhomes must meet the density standards of this chapter.

9. Townhouses and zero lot line homes are exempt from side yard standards internal to a development. However, such uses shall meet applicable side yard standards for adjacent lots outside of the development.

10. Accessory buildings or accessory dwelling units~~, where built on top of an existing garage,~~ may be built to a property line abutting an alley, provided sufficient turning movement ~~and emergency vehicle access~~ is provided within the alley.

11. For lots 6,000 square feet or less in these zones, the minimum side yard shall be five feet on each side. For all other lots, the sum of side yard setbacks in the R-S and R-L zones shall be a minimum of fifteen feet with each side yard a minimum of five feet; and each side yard a minimum of 10 feet in the R-H zone.

12. Co-living housing sleeping units are calculated as 0.25 dwelling units for the purpose of maximum density calculations in the R-S and R-L zones.

13. Housing units shall be permitted up to 50 percent density above maximum base in the R-S or R-L zone when constructed entirely within an existing building envelope, pursuant to RCW 35A.21.440.

(Ord. No. 4975, § 50, 11-17-2025; Ord. 4887 § 24, 2022; Ord. 4807 § 46, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 21. Section 15.320.060 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 52, is hereby amended to read as follows:

15.320.060 Height exceptions.

The following structures may be erected above the height limits set forth in ECC 15.320.030, 15.320.040 and 15.320.045:

A. An additional two feet in height is allowed for structures with green roofs occupying at least 50 percent of the area of the roof;

B. Roof structures housing or screening elevators, stairways, tanks, rooftop wind generators, ventilating fans or similar equipment required for building operation and maintenance may exceed the height limit by up to ten feet in the C-C and C-C II zones.

Such structures constructed for nonresidential or multifamily uses are subject to screening standards in ECC 15.520.060;

C. Fire or parapet walls may exceed the height limit by up to ten feet in the C-C and C-C II zones; and

D. Skylights, flagpoles, chimneys, church steeples, crosses, spires, communication transmission and receiving structures, and similar structures.

E. Freeway-oriented on-premise signs in the C-H zone as provided in ECC 3.12.240(C).

F. Small wind energy systems as provided in ECC 15.340.060.

G. Wireless communication facilities as provided in ECC 15.340.070 and Chapter 15.395 ECC.

H. Additional insulation may exceed maximum allowable roof height by eight inches to retrofit existing buildings for residential housing, or to accommodate passive house requirements, pursuant to RCW 36.70A.810 and 36.70A.812.

I. Roof mounted solar energy panels may exceed maximum allowable roof height by 48 inches, pursuant to RCW 36.70A.813.

(Ord. No. 4975, § 52, 11-17-2025; Ord. 4887 § 27, 2022; Ord. 4807 § 46, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 22. Section 15.320.080 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 54, is hereby amended to read as follows:

15.320.080 Permitted projections into yards.

The following structures may extend into or be located in required setbacks:

A. Fireplace structures, bay or garden windows, enclosed stair landings, closets, or similar structures may project 30 inches into any yard, provided such projections are:

1. Limited to two per facade;

2. Not wider than ten feet; and

3. A minimum five feet of separation is maintained between these projections and a side or rear property line.

B. Eaves, cornices, and signs may not project more than thirty inches beyond a required setback or structural projection permitted by this Section.

C. Enclosed porches and enclosed covered entries may project up to six feet into the front or rear yard subject to conformance with any required site vision standards set forth in section 3, street standards, of the city's public works development standards applicable to the lot. A minimum five feet of separation must be maintained between these projections and a rear property line.

D. Unenclosed covered porches, similar entry features, and covered decks (with or without entries) may project up to six feet into the front, side or rear yards. A minimum five feet of separation must be maintained between these projections and a side or rear property line.

E. Storefront weather protection projections into the public right-of-way are acceptable, provided they don't interfere with street trees or extend beyond the edge of the sidewalk.

F. The following features may project into any front yard or any external side yard:

1. Mailboxes and newspaper boxes;
2. Fire hydrants and associated appendages;
3. Bus shelters; and
4. Monument signs.

G. The following features may project into any yard:

1. Telephone poles and lines;
2. Power poles and lines;
3. Cable TV and internet lines;
4. Light and flagpoles;
5. Sprinkler systems;
6. Trellises not exceeding eight feet in height, not wider than ten feet;
7. Culverts and underground water, sewer, and accessory facilities for the provision of utilities, such as drains;
8. Electrical equipment cabinets and similar utility boxes and vaults;
9. Surface and stormwater water management facilities;
10. Fences per ECC 15.320.130;

11. Uncovered patios and decks not exceeding 18 inches above the finished grade; ~~and~~

12. Rockeries, retaining walls and curbs provided these structures do not exceed a height of six feet from the property line grade~~.~~; and

13. Exterior wall assemblies that include insulation to retrofit existing buildings for residential housing, or to accommodate passive house requirements, at a maximum of eight inches pursuant to RCW 36.70A.810 and 36.70A.812

H. No projections are allowed into a regional utility corridor or access easement.

(Ord. No. 4975, § 54, 11-17-2025; Ord. 4807 § 46, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 23. Section 15.330.020 of the Ellensburg City Code, as last amended by Ordinance 4953, Section 10, is hereby amended to read as follows:

15.320.090 Setbacks from alleys.

Accessory buildings and accessory dwelling units may be built to a property line abutting an alley, provided sufficient turning movement ~~and emergency vehicle access~~ is provided within the alley. Minimum side yard setbacks as required by table 15.320.030 ~~would~~ still apply.

(Ord. No. 4953, § 9, 1-21-2025; Ord. 4807 § 46, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 24. Section 15.330.020 of the Ellensburg City Code, as last amended by Ordinance 4953, Section 10, is hereby amended to read as follows:

15.330.020 Density bonus system for the R-S and R-L zones.

Table 15.330.020 summarizes the types of bonus elements and the range of density bonuses by percentages for each element. Details and conditions for each bonus element are provided in subsections (A) through (E) of this section. Developments may use a combination of bonus elements provided they comply with the maximum density provisions set forth for the zone in table 15.320.030. An exception to the maximum density provisions is only provided for projects complying with net zero energy standards as set forth in subsection (A) of this section.

Table 15.330.020
Density Bonuses for the R-S and R-L Zones

Bonus element	Density bonus % increase	Special conditions
Energy efficient construction/Built Green, LEED or other similar	25—150%	See subsection (A) of this section for details

environmental certification		
Greater mix of housing types	10—15%	See subsection (B) of this section for details. This option may be applied to all development sites with at least 5 acres
Off-street trails	5—20%	See subsection (C) of this section for details
Historic preservation	15 to 50%	See subsection (D) of this section for details
Affordable housing	15 to 100%	See subsection (E) of this section for details

A. *Energy efficient construction.*

1. *Table of green building and energy efficient density bonuses.* Four tiers of density incentives are employed to promote increasing levels of green building performance and higher energy efficiencies (via a green building rating system) in new developments. Applicable green building rating systems shall be indicated on the plat and confirmed with individual building permit application as directed in subsection (A)(2) of this section, project certification. The following table outlines density bonuses associated with specific green building rating systems for single-family, duplex and townhouse developments in the R-S and R-L zones.

Table 15.330.020(A)
Energy Efficiency Density Bonuses for the R-S and R-L Zones

Density bonus	20%	50%	100%	150%
Compliance paths for single-family, cottages, duplexes, townhouses, and multifamily				
Certification level required*	LEED-Silver or Built Green 4-star	LEED-Gold or Built Green 5-star	LEED-Platinum	Living Building Challenge

Conditions/notes:

* Equivalent rating systems which require third party verification maybe be approved at the discretion of reviewing authority.

2. *Project certification.*

a. *Building permit.* The applicant shall submit a building permit that is consistent with all conditions of the land use permit approval. The applicant shall also submit documentation that the project has applied for certification by a green building rating system, such as LEED or Built Green. Proof of ongoing certification shall be required during construction and project certification must be completed prior to final occupancy.

b. *Living Building Challenge.* For projects pursuing the Living Building Challenge for the purpose of a density bonus, the applicant must show proof of pursuing ongoing certification during construction for all required elements. After construction and prior to issuance of the certificate of occupancy, the applicant must show proof of initial project compliance as to the site, materials, indoor quality and beauty/inspiration components of the Living Building Challenge and that the project is likely to achieve the elements of energy and water following 12 months of occupancy as required under Living Building Challenge certification. For those elements of energy and water that require occupancy of the building for 12 months for Living Building Challenge certification, the applicant must submit a report to the city following 12 months of occupancy, demonstrating its progress towards meeting these remaining elements of the Living Building Challenge standard. If certification of those elements has not been achieved, the applicant must provide quarterly reports of progress towards certification of these elements, including additional steps and timeline that will be taken to achieve certification.

B. *Mix of housing types.* Up to a 15 percent density bonus may be provided for providing a diversity of housing types.

1. Housing mix density bonus table.

Table 15.330.020(B)
Housing Mix Density Bonuses

Housing mix	Density bonus
At least 50% of the dwelling units are "alternative housing types" as defined below. At least 2 alternative housing types must be employed, with each type accounting for no less than 10% of the total units.	10%
At least 67% of the dwelling units are "alternative housing types" as defined below. At least 3 alternative housing types must be employed, with each type accounting for no less than 10% of the total units.	15%

2. Alternative housing types include:

a. Accessory dwelling units (ADU) complying with design provisions set forth in ECC 15.540.040. Also note that while ADUs do not count as a unit for the purpose of calculating density, they may be counted as an alternative housing type for the purpose of calculating the percentage of alternative housing types to total permitted units;

b. Small detached single-family dwelling units. This includes dwellings no larger than 1,400 square feet in gross floor area, excluding an attached or detached garage or other nonhabitable floor area. Such dwellings must comply with design provisions set forth in ECC 15.540.020;

c. Cottage dwelling units, complying with design provisions set forth in ECC 15.540.050. Also note that each cottage shall count as one-half of a dwelling unit for the purpose of calculating allowed density. However, for the purpose

of determining the percentage of alternative housing types, each cottage dwelling may be counted as a single unit;

d. Duplexes complying with design provisions set forth in ECC 15.540.030;

e. Townhouses complying with design provisions set forth in division V and notably ECC 15.540.060; and

f. Multifamily buildings, where permitted in the applicable zoning district, complying with design provisions set forth in division V.

3. The specific location, mixture, and amount of housing shall be indicated on the plat to ensure compliance with the density bonus provisions herein.

C. *Off-street trails.*

1. *Density bonus.* The density bonus percentage is based on the type and length of off-street trail with respect to the size of the development.

Table 15.330.020(C)
Off-street Trail Density Bonuses

Trail type	Trail extent	Density bonus %
Walking, soft surface	>1 lf of trail/4 lf of site perimeter length	5%
	>2 lf of trail/4 lf of site perimeter length	10%
Walking, hard surface	>1 lf of trail/4 lf of site perimeter length	10%
	>2 lf of trail/4 lf of site perimeter length	15%
Multi-use	>1 lf of trail/4 lf of site perimeter length	15%
	>2 lf of trail/4 lf of site perimeter length	20%

2. *Standards for trails.* Trails may either be a soft surface walking path, a hard surfaced walking path, or a wider hard surfaced multi-use pathway. As referenced in the nonmotorized transportation plan, federal, state, and professional guidance exists to ensure the system is designed to provide safe and accommodating facilities. Ellensburg relies primarily on:

a. The Federal Highway Administration's (FHWA's) National Bicycling and Walking Study: Case Study No. 24—Current Planning Guidelines and Design Standards Being Used by State and Local Agencies for Bicycle and Pedestrian Facilities, has detailed engineering solutions for many nonmotorized situations.

b. AASHTO Guide for the Development of Bicycle Facilities, 3rd Edition, offers guidelines and minimum design criteria for safe bicycle facilities.

c. AASHTO Guide for the Planning, Design, and Operation of Pedestrian Facilities, 1st Edition, has guidelines and minimum design criteria for pedestrian facilities.

d. WSDOT's Bicycle Facility Design Guidance (Chapter 1020) provides uniform minimum standards and criteria for the design and construction of bicycle facilities.

e. WSDOT's Pedestrian Design Guidance (Chapter 1025) serves as a standard for construction and design of pedestrian facilities.

f. The John Wayne Pioneer Trail, The Ellensburg Greenway: Reconnection Study (2001) will guide the planning and design of that trail.

g. ADA Accessibility Guidelines for Transportation Facilities is consulted to ensure facilities are available to everyone.

h. Manual on Uniform Traffic Control Devices for Streets and Highways, USDOT, FHWA; as adopted and modified by chapter 468-95 WAC provides standards for signs and other traffic control devices.

i. National Association of City Transportation Officials (NACTO) Urban Bikeway Design Guide.

3. *Context.* The trails must be integrated into the design of the development as an amenity. To accomplish this goal, tall fences separating dwellings from trails are prohibited. Fences that separate dwellings in the subdivision from trails shall be less than 42 inches in height or at least 33 percent transparent (those portions of the fence taller than 42 inches in height). Notes referencing these standards shall be included on the plat. Fences adjacent to mid-block trails that run alongside yards are exempt from this standard.

D. *Historic preservation.*

1. *Density bonus.* For each building that is preserved, the development shall qualify with a minimum of 15 percent and a maximum of 50 percent increase in on-site density for one acre of development. For example, if the development site covers ten acres, the density bonus qualifies for one of the ten acres.

2. *Eligibility.* Properties eligible for this density bonus option must feature a property that is eligible for historic landmark listing under the Ellensburg landmarks register, per ECC 15.280.080. Subject properties must be in habitable condition, or improved to habitable condition. Developments may also receive the density bonus credit if they are moved to another site within the city provided the applicable building/site meets applicable standards set forth in this title.

E. *Affordable housing.*

1. *Density bonus.* The available density bonus increase is based on the percentage of affordable housing units integrated into the subdivision, with a minimum of 15 percent to qualify and a maximum density bonus increase of 100 percent. The percentage shall be based on the number of affordable housing units divided by the base maximum density. Up to 50 percent bonus is available for developments affordable to residents earning up to 80 percent of the Kittias County Area Median Income (AMI) as identified annually by the U.S. Department of Housing and Urban Development (HUD).

   To receive density bonuses of more than 50 percent and up to 100 percent, the same calculation applies; plus at least 20 percent of the affordable-designated units must be restricted to and affordable for people earning no more than 60 percent of AMI.

Table 15.330.020(E)-1

Bonus percentage (of base density)	Requirements
15 to 50 percent	Affordability at up to 80 percent of AMI (affordable percentage equal to additional allowable percentage)
Above 50 percent up to 100 percent	Above requirements and calculation apply; plus at least 20 percent of affordable units must be affordable at no more than 60 percent of AMI

Bonus example 1: A project is eligible for a base maximum density of 60 units. To qualify for a 30 percent density bonus, or 18 additional units (78 total project units), at least 18 units across the project (30 percent of base) must be affordable up to 80 percent AMI. The affordable housing density bonus will be measured against the base maximum density, not the total density of other density bonuses.

Bonus example 2: A project is eligible for a base maximum density of 20 units. To qualify for a 75 percent density bonus, or an additional 15 units (35 total project units), at least 15 units across the project (75 percent of base) must be affordable up to 80 percent AMI; of the 15 affordable units, at least three (20 percent of bonus) must be affordable at not more than 60 percent AMI.

Table 15.330.020(E)-2 Example Density Bonus Calculations

Example #	Base maximum density	Affordable at <80% AMI	Affordable at <60% AMI	Bonus percentage applied	Total unit eligibility
1	60 units	18 units	0 units	30%	78 units
2	20 units	12 units	3 units	75%	35 units

2. *Affordable housing unit requirements.*

   a. *Affordability.* Units must be affordable (rent or mortgage and utility allowance do not exceed 30 percent of designated income) to persons with incomes at or below 80 percent of the median income for Kittitas County residents for a density bonus of 15 to 50 percent. For density bonuses of more than 50 and up to 100 percent, at least 20 percent of affordable units must be affordable (rent or mortgage and utility allowance do not exceed 30 percent of designated income) to persons with incomes at or below 60 percent of Kittias County median income.

   b. *Duration.* Affordable-designated units shall serve only income-eligible households for a minimum period of ~~25~~ 50 years from the later of the date when the affordability agreement between the housing owner and the city, as referenced in subsection (F)(3) of this section, is recorded, or the date when the affordable housing becomes available for occupancy as determined by the city.

c. *Designation of affordable housing units.* Prior to the issuance of any permit(s), the director shall review and approve the location and unit mix of the affordable housing units consistent with the following standards:

i. *Location.* The location of the affordable housing units shall be disbursed throughout the development, not separated in physical access or orientation from market rate units;

ii. *Tenure.* The tenure of the affordable housing units (ownership or rental) shall be the same as the tenure for the rest of the housing units in the development; and

iii. *Size (bedroom).* The affordable housing units shall consist of a range of number of bedrooms that are comparable to units in the overall development.

d. *Design.* The exterior design of the affordable housing units must be compatible and comparable with the rest of the dwelling units in the development and must comply with project design provisions specified in division V.

e. *Timing/phasing.* The affordable housing units shall be available for occupancy in a time frame comparable to the availability of the rest of the dwelling units in the development.

3. *Affordability agreement.* Prior to issuing any building permit, an agreement in a form approved by the director that addresses price restrictions, homebuyer or tenant qualifications, phasing of construction, monitoring of affordability, duration of affordability, and any other applicable topics of the affordable housing units shall be recorded with Kittitas County auditor's office. This agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the applicant. The city may agree, at its sole discretion, to subordinate any affordable housing regulatory agreement for the purpose of enabling the owner to obtain financing for development of the property.

4. *Monitoring and fee.* The city reserves the right to establish in the affordability agreement referred to in subsection (E)(3) of this section, monitoring fees for the affordable housing unit, which can be adjusted over time to account for inflation. The purpose of any monitoring fee is for the review and processing of documents to maintain compliance with income and affordability restrictions of the affordability agreement.

(Ord. No. 4953, § 10, 1-21-2025; Ord. 4807 § 47, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 25. Section 15.340.030 of the Ellensburg City Code, as last amended by Ordinance 4656, Section 1, is hereby amended to read as follows:

15.340.030 Manufactured homes.

A designated manufactured home is allowed in a manufactured home park pursuant to ECC 15.340.040. A ~~new~~ designated manufactured home is allowed in all zoning districts that allow single-family residences ~~(see ECC 15.130.130, definitions), and~~ provided it meets the following criteria:

A. Is comprised of at least two fully enclosed parallel sections each of not less than 12 feet wide by 36 feet long;

B. Was originally constructed with and now has a composition or wood shake or shingle, coated metal, or similar roof of nominal 3:12 pitch; and

C. Has exterior siding similar in appearance to siding materials allowed on conventional site-built single-family residences that are built pursuant to the applicable building code.

D. ~~A manufactured home (see ECC 15.130.130, definitions) is allowed in a manufactured home park pursuant to ECC 15.340.040.~~ When placed on a lot whose size and shape allows minimum yards or dwelling separations to be met per Chapter 15.320 ECC or 15.340.040, the placement of a manufactured home on such lot shall meet required setbacks and separations. A manufactured home may also be sited on an existing lot in cases where the sole noncompliance of the proposed siting is with adopted separation or setback requirements regulating distance between homes, provided all other applicable standards of the ECC are met, pursuant to RCW 35A.21.312(2)(b).

(Ord. 4656 § 1 (Exh. O2), 2013)

Section 26. Section 15.510.050 of the Ellensburg City Code, as last amended by Ordinance 4656, Section 1, is hereby amended to read as follows:

15.510.050 Storefront street standards.

The intent is to emphasize and/or reinforce a "Main Street" setting with storefronts placed adjacent to sidewalks. Storefront streets are Ellensburg's "major pedestrian corridors" as set forth in RCW 35A.21.440.

A. *Applicability.* The standards herein shall apply to all designated storefront streets per ECC 15.510.040.

B. *Building frontage.* Buildings shall be located adjacent to the sidewalk. Building setbacks from the public right-of-way may be permitted provided the space between the front property line and the building:

1. Is a widened sidewalk area; or

2. Is a pedestrian-oriented space, as defined in ECC 15.520.030(C).

C. *Parking location.* Parking shall be located to the rear, below, or above storefronts. Where some off-street parking (both surface and structured) adjacent to the storefront street is unavoidable, no more than 60 feet of frontage shall be occupied by parking

and vehicular access (see figure 15.510.050(B)). New parking lots adjacent to street corners shall be prohibited.

D. *Vehicular access.* Vehicular access (driveways) is discouraged on storefront streets. Where vehicular access is unavoidable, no more than one curb cut shall be allowed.

E. *Ground floor use.* Except for lobbies or similar entrances, residential uses are prohibited within 30 feet of the sidewalk on the ground floor of designated storefront streets.

F. *Building entry.* Building entries shall face the sidewalk.

G. *Weather protection.* Weather protection at least three feet deep is required over all primary entries. For south and west facing facades, weather protection at least six feet deep along a majority of the storefront is encouraged to provide shade in the summer months. Storefront all-weather protection projections shall not interfere with street trees, street lights, street signs, or extend beyond the edge of the sidewalk and they must maintain at least eight feet of clearance over the sidewalk.

H. *Storefront transparency.* Transparent window area along at least 70 percent of the ground floor facade between 30 inches and eight feet above grade is required. Display windows may count for up to 50 percent of the transparency requirements provided they are at least 16 inches of depth to allow for changeable displays. Tack on display cases shall not qualify as transparent window area. Departures to the transparency requirement will be considered pursuant to the provisions of ECC 15.210.060 and 15.510.120. Such departures may decrease the minimum amount of transparency by up to 50 percent (with no less than 35 percent of the ground floor facade between 30 inches and eight feet above grade).

I. *Ground floor and facade heights.*

1. The ground floor shall have a minimum floor-to-floor height of 15 feet, as measured from grade.

2. All storefront facades shall maintain a minimum height of 20 feet.

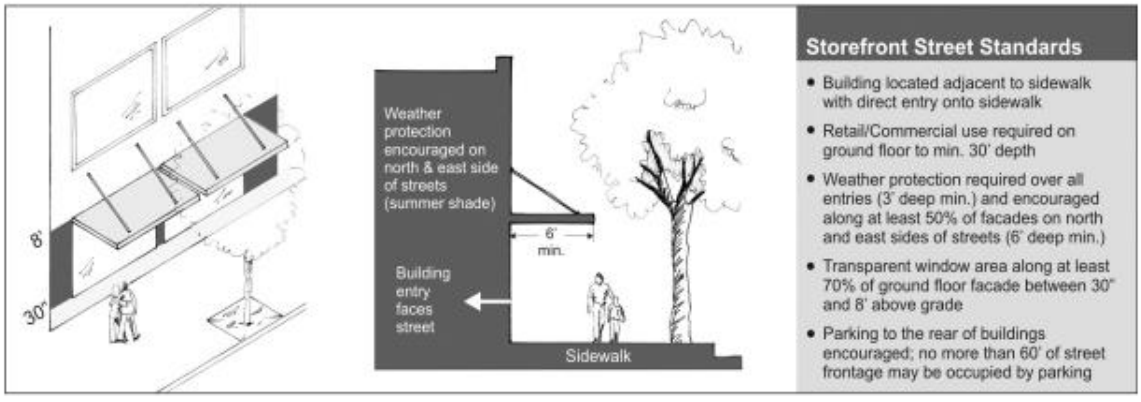


Figure 15.510.050(A). Summary of key storefront street standards.

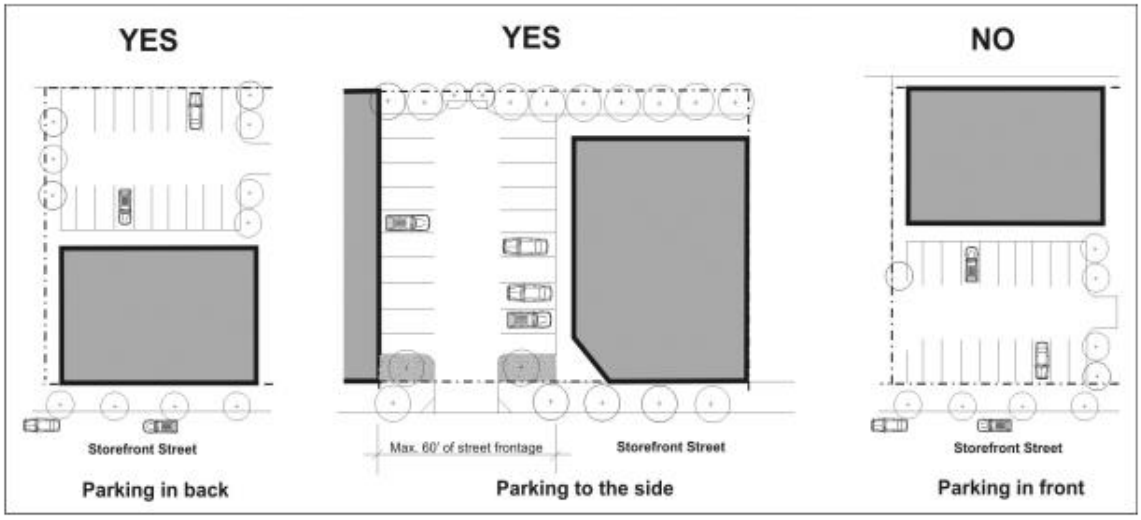


Figure 15.510.050(B). Parking location standards for designated storefront streets.



Figure 15.510.050(C). Current storefront examples. Note the large storefront windows and recessed entries in the left image. In the right image, note the relatively tall height of the single-story building. The height helps to add a sense of enclosure to the street.



Figure 15.510.050(D). These facades do not meet the storefront standards. The tack-on display cases in the left image do not qualify as transparent window area.

(Ord. 4656 § 1 (Exh. O2), 2013)

Section 27. Section 15.530.050 of the Ellensburg City Code, as last amended by Ordinance 4656, Section 1, is hereby amended to read as follows:

15.530.050 Building materials.

A. *Purpose.*

1. To encourage high-quality building materials that reinforce the historic small town character of Ellensburg.
2. To discourage poor materials with high life-cycle costs.
3. To encourage the use of materials that reduce the visual bulk of large buildings.

B. *Applicability.* All nonresidential and mixed-use buildings shall comply with the materials standards herein. Exception: buildings in the I-H zone and buildings in the I-L zones that do not face a street or contain a customer entrance are exempt from these standards.

C. *Metal siding standards.* Metal siding may be used, except new or replacement metal siding on landmarks register properties and within historic districts must receive approval pursuant to Chapter 15.280 ECC. ~~if it is incorporated with other permitted materials and it complies with the following:~~

~~1. It features visible corner molding and trim and does not extend lower than two feet above grade. Masonry, concrete, or other durable material must be incorporated between the siding and the ground plane;~~

~~2. Metal siding shall be factory finished, with a matt, nonreflective surface; and~~

~~3. The use of metal siding is prohibited on all landmarks register properties and within all historic districts.~~



~~**Figure 15.530.050(C). Acceptable and unacceptable metal siding examples. Notice the corner and window trim and use of concrete block near the ground level on the left image. The circled area on the right includes metal siding all the way to the ground, which is prohibited.**~~

D. *Concrete block standards.* Concrete block may be used if it is incorporated with other ~~permitted~~ materials and it complies with the following:

1. When used for the primary facade, buildings must incorporate a combination of textures and/or colors to add visual interest. For example, combining split or rock-facade units with smooth blocks can create distinctive patterns; and

2. Concrete block may comprise no more than 50 percent of a facade facing a public right-of-way or open space. Departures to this standard will be considered pursuant to ECC 15.210.060 provided design treatments are included to enhance the visual character of the building at all observable scales.



Figure 15.530.050(D). Acceptable and unacceptable concrete block examples. The left example uses a mixture of split-faced colored concrete block and smooth-faced concrete block, together comprising just under 50 percent of the whole facade. The large expanse of smooth-faced concrete block on the right is not desirable for Ellensburg facades.

E. *Standards for EIFS or other similar synthetic stucco finishes.* EIFS refers to "Exterior Insulation Finishing System." Such material/finishes (including other similar synthetic stucco materials) may be used, except new or replacement EIFS or other similar stucco finishes on landmarks register properties and within historic districts must receive approval pursuant to Chapter 15.280 ECC.~~if it is incorporated with other permitted materials and it complies with the following:~~

~~1. EIFS must be trimmed in wood, masonry, or other material and must be sheltered from extreme weather by roof overhangs or other methods and are limited to no more than 50 percent of the facade area facing a public right-of-way or open space. Departures to this standard will be considered pursuant to ECC 15.210.060 provided design treatments are included to enhance the visual character of the building at all observable scales;~~

~~2. Horizontal surfaces exposed to the weather must be avoided; and~~

~~3. EIFS and similar surfaces should not extend below two feet above the ground plane. Concrete, masonry, or other durable material must be used for wall surfaces within two feet of grade to provide a durable surface where damage is most likely.~~



~~**Figure 15.530.050(E). Acceptable and unacceptable stucco examples. The left image uses concrete block near the sidewalk, while the Petco maintains EIFS to the base of the facade.**~~

F. *Prohibited materials.*

1. Mirrored glass where used on more than ten percent of the facade;

~~2. T-111 siding and similar processed sheet products;~~

2~~3~~. Chain-link fencing (except for temporary fencing and for parks); and

~~4. Fiberglass products and similar sheet products; and~~

3~~5~~. Back-lit vinyl awnings used as signs.

G. *Certificate of Appropriateness Required:* Use of T1-11 siding and similar processed sheet products, and fiberglass products and similar materials, as exterior building cladding on landmarks register properties or within historic districts requires approval of the landmarks and design commission pursuant to ECC Chapter 15.280.

(Ord. 4656 § 1 (Exh. O2), 2013)

Section 28. Section 15.540.040 of the Ellensburg City Code, as last amended by Ordinance 4975, Section 63, is hereby amended to read as follows:

15.540.040 Accessory dwelling unit design standards (ADU).

A. *Purpose.*

1. To provide infill housing opportunities throughout residential zones in Ellensburg;

2. To provide affordable housing options; and

3. To provide an opportunity for rental income for property owners.

B. *Standards for all ADUs.* An ADU is designed and established to be a separate dwelling unit that is accessory to a principal unit. ADUs can be attached to the principal unit or detached. ADUs differ from duplexes in the zoning districts where they are allowed and ADUs are subject to specific size and design criteria relative to the principal unit. ADUs shall not be subject to any more restrictive setback requirements, yard coverage limits, restrictions on entry door locations or aesthetic requirements than the principal unit. If standards conflict, the principal unit standards shall apply.

Two accessory dwelling units are permitted on any lot of record in any zone that permits single-family dwellings and is currently developed or being developed with a principal unit provided all of the following conditions are met:

1. ADUs shall not exceed 1,000 square feet of gross floor area. Gross floor area is the interior habitable area under the International Residential Code, including basements and attics, where they meet height minimums, but does not include a garage or accessory structure; and

2. The presence of an accessory dwelling unit must be clearly identified on each entrance by proper numbering.

C. *Additional standards for a detached ADU (DADU).*

1. DADUs may be separate freestanding structures located to the side or rear of a primary dwelling unit or may be placed next to and/or above a garage. Existing structures or garages can be converted to an ADU provided the conversion does not impact the ability for the principal unit to demonstrate consistency with current parking standards at the time of building application. This conversion shall not make a legal nonconforming structure or garage more nonconforming in relation to setback or building size;

2. There shall be adequate fire separation ~~a minimum separation of 15 feet~~ between ~~the existing~~ a principal dwelling unit~~s~~ and the DADU~~, except where the DADU is~~

~~converted from an existing garage or structure or built on top of and/or next to an existing garage or structure~~.

(Ord. No. 4975, § 63, 11-17-2025; Ord. No. 4953, § 13, 1-21-2025; Ord. 4810 § 1, 2018; Ord. 4807 § 58, 2018; Ord. 4656 § 1 (Exh. O2), 2013)

Section 29. Section 15.550.020 of the Ellensburg City Code, as last amended by Ordinance 4656, Section 1, is hereby amended to read as follows:

15.550.020 Authority and application.

A. The regulations of this chapter apply to all off-street parking areas in all zoning districts within the city of Ellensburg.

1. *Exception.* The regulations of this Chapter are not applicable solely to the addition of one or more housing units within the envelope of an existing building, pursuant to RCW 35A.21.440(2)(b).

B. The regulations of this chapter apply to all new development applications, all new parking lot construction or enlargement. In addition, these regulations shall apply at the time of enlarging, moving or increasing the capacity of existing structures by creating or adding ~~dwelling units,~~ commercial or industrial floor space, or seating facilities, and shall also apply when an existing land use within an existing structure is changed to a category of land use as set forth below that is different than the category of land use (as set forth in table 15.550.040(A)) for which the existing parking facility was designed and installed.

1. Change of all or portion an existing building to residential use is subject to the exception of A(1).

C. Whenever a building or use is expanded, enlarged or altered, additional off-street parking will be required for such expansion, enlargement or alteration based on the additional square footage of the expansion, enlargement or alteration, not on the total square footage of the building. However, in the event of enlargement or alteration of a structure, no additional off-street parking need be provided where the number of parking spaces required for such expansion, enlargement, or alteration is less than ten percent of the off-street parking requirement specified in this chapter.

1. Alteration of an existing building for the addition of one or more new dwelling units is subject to the exception of A(1).

D. Before an occupancy permit may be granted for any new or enlarged building or for a change of use in any existing building, the use shall be required to meet the provisions of this chapter, subject to the exception of A(1) applicable to the change of all or portion of an existing building to residential use.

E. If this chapter does not specify a parking requirement for a land use, the director shall establish the minimum requirement based on a study of anticipated parking demand. Transportation demand management actions taken at the site shall be considered in determining anticipated demand. In the study the applicant shall provide sufficient

information to demonstrate that the parking demand for a specific land use will be satisfied. Parking studies shall be prepared by a professional engineer with expertise in traffic and parking analyses, or an equally qualified individual as authorized by the director.

1. *Exception.* A transportation concurrency study shall not be required based solely on the addition of one or more residential units within an existing building, pursuant to RCW 35A.21.440(2)(i).

(Ord. 4656 § 1 (Exh. O2), 2013)

Section 68. Severability. If any portion of this ordinance is declared invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portion(s) of this ordinance.

Section 69. Corrections. Upon the approval of the City Attorney, the City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 70. Effective Date. This ordinance shall take effect and be in force five (5) days after its passage, approval and publication.

The foregoing ordinance was passed and adopted at a regular meeting of the City Council on the 15th day of June, 2026.

_____
MAYOR

ATTEST: _____
CITY CLERK

Approved as to form:

_____
CITY ATTORNEY

Publish:

I, Beth Leader, City Clerk of said City, do hereby certify that Ordinance No. 4990 is a true and correct copy of said Ordinance of like number as the same was passed by said Council, and that Ordinance No. 4990 was published as required by law.

_____
BETH LEADER

AMENDED SECTION	RATIONALE
3.01.080 - Adoption—Codes Designated [Building Codes]	RCW 35A.21.440(2)(g),(h) narrowly preempt applicability of certain building and energy code standards for “new housing in existing buildings” in code cities.
15.130.090 - S definitions	RCW 35A.21.440(2)(f) provides that code cities may only restrict ground-level residential uses for “new housing in existing buildings” along “major pedestrian corridors” designated by the jurisdiction; this amendment adds a definition for “storefront streets” in existing ECC Title 15, Division V regulations and adopts their applicability as “major pedestrian corridors” by reference.
15.210.040 - Permit review process types—Decision-making, procedures and notice requirements	Cleans up Table 15.210.040(B) regarding Notices of Completeness and Decision, Notices of Hearing for Type II permits, and references SEPA timelines pursuant to RCW 43.21C.033. Relocates timeline extension provisions as a footnote to this table. Cleans up Table 15.210.040(C) regarding newspaper SEPA notices, Open Record Hearing notices, and Closed Record Hearing notices; revises Table’s Note references for clarity of existing provisions’ applicability.
15.220.010 - Preapplication meeting	Adopts new waivers to preapplication meeting requirement for residential projects that result in only one or two dwellings, such as duplexes, pursuant to RCW 36.70B.160(1)(g) and 36.70B.080(1)(l)(ii).
15.220.030 - Determination of completeness	Clarifies that Type I permits have a determination of completeness.
15.220.080 - Public notice of final project permit decision	Clarifies permit Types that must notice decisions to applicants, interested parties and the Kittitas County assessor. Strikes a previous amendment that would require SEPA determination notice board (second on-site posting).
15.220.095 - Permit processing timeline reporting	Repealed: state reporting requirements are inapplicable to the City of Ellensburg under RCW 36.70A.215(5) and 36.70B.080(2)(a).
15.230.080 - Open record hearing or open record appeal hearing proceedings	Clarifies Type V hearing procedures with ECC references. Revises open record appeal hearing/decision timeline to 60 days to match that for open record predecision hearings/decisions.
15.230.090 - Closed record hearing or closed record appeal hearing proceedings	Revises closed record appeal hearing/decision timeline to 60 days to match that for open record predecision or appeal hearings/decisions.
15.240.040 - Nonconforming use	Adopts reference to “new housing in existing buildings” preemptions impacting nonconforming use review pursuant to RCW 35A.21.440(2)(a).
15.240.060 - Nonconforming lots	References preemptions on placement of manufactured housing on existing lots re. nonconforming lot review pursuant to RCW 35A.21.312(2)(b).

15.270.110 - Categorical exemptions—Adoption by reference [SEPA]	Adopts by reference statutory categorical exemptions to SEPA for certain projects, including "new housing in existing buildings" pursuant to RCW 35A.21.440(2)(i), along with other likely projects provided under RCW 43.21C.260, .0382, and .410.
15.280.090 - Ellensburg landmarks register	Adopts required exceptions to owner's consent for landmarks register designations pursuant to RCW 35A.21.450(2)(b),(3).
15.280.100 - Review of changes to landmarks register properties	Revises applicability of mural review by the landmarks and design commission; includes provisions regarding moisture permeability. Relocates review criteria on landmarks properties from murals chapter. Exempts replacement of sign faces from certificates of appropriateness.
15.285.020 - Applicability [Murals]	Revises errant code references adopted in previous relocation of mural Chapter. Strikes references to National Registers; local regulations can only apply to locally designated landmarks register properties and historic districts.
15.285.030 - Standards and guidelines [Murals]	Revises applicability of mural review by the arts commission and landmarks and design commission. Relocates review criteria for murals on landmarks properties to landmarks and design chapter. Strikes negotiation provisions.
15.310.040 - Use tables [Zoning]	Revises Table 15.310.040-1, Note 3: strikes C-N zone ground floor residential prohibition pursuant to preemption of RCW 35A.21.440(2)(f); adopts a reference to statute to ensure compliance with limitations on conditions established on C-H zone residential Conditional Use Permits; strikes Note 3 from C-N zone uses, and adds to C-H zone uses. Revises Table 15.310.040-1, Note 7: strikes references to C-C and C-C II zones to clarify applicability to storefront street frontage type as Ellensburg's "major pedestrian corridors" (frontage type reference vs. zone reference), pursuant to RCW 35A.21.440(2)(f). Revises Table 15.310.040-2: amends Day Care II facilities from conditional to permitted use pursuant to RCW 35A.21.460(1).
15.320.030 - Building setback and intensity standards table—Residential zones	Revises Table 15.320.030: adds Table Note 13 to permit 50% density above maximum base in R-S and R-L zones (which have density caps) for new residential units added in existing buildings, pursuant to RCW 35A.21.440(2)(a); adds Note 13 to maximum base density under R-S & R-L zone columns.
15.320.060 - Height exceptions	Adds new Subsections H & I to reference height regulation preemptions for residential retrofits, passive house requirements, and roof-mounted solar energy panels pursuant to RCW 36.70A.810, 36.70A.812 and 36.70A.813.
15.320.080 - Permitted projections into yards	Adds new Subsection G(13) to reference setback regulation preemptions for residential retrofits and passive house requirements pursuant to RCW 36.70A.810 and 36.70A.812.

15.320.090 - Setbacks from alleys	Strikes reference to emergency vehicle access exception for accessory structures when proposed along a rear lot line abutting an alley.
15.330.020 - Density bonus program for the R-S and R-L zone	Revises minimum affordability period for density bonus housing from 25 to 50 years under subsection E(2)(b), in compliance with RCW 36.70A.540(2)(e).
15.340.030 - Manufactured homes	Revises manufactured home terminology to permit any HUD-approved structures in manufactured home parks or as single-family dwellings in zones permitting those uses. Revises subsection D to clarify applicability of non-conforming lot provisions under RCW 35A.21.312(2)(b).
15.510.050 - Storefront street standards	Adopts existing storefront streets as designated “major pedestrian corridors” pursuant to narrow ground-level residential prohibition authority for “new housing in existing buildings” preemptions under RCW 35A.21.440(2)(f).
15.530.050 - Building materials	Revises subsection C, metal siding, to generally permit use but require certificate of appropriateness in landmarks districts and properties, pursuant to RCW 35A.21.443(1),(3); strikes figure. Revises subsection D, concrete block, to strike reference to “other permitted materials”. Revises subsection E, EIFS and stucco finishes, to generally permit use but require certificate of appropriateness in landmarks districts and properties, pursuant to RCW 35A.21.443(1),(3); strikes figure. Revises subsection F, prohibited materials, to generally permit T1-11, fiberglass, and similar materials pursuant to RCW 35A.21.443(1). Adds new subsection G: requires landmarks approval for T1-11, fiberglass, and similar exterior cladding materials on registered properties or in historic districts, pursuant to RCW 35A.21.443(3).
15.540.040 - Accessory dwelling unit standards (ADU)	Strikes minimum 15-foot separation requirement for a detached accessory dwelling unit from principal dwelling(s) on the lot; replaced with minimum fire separation requirement (structures may be closer).
15.550.020 - Authority and application [Off-Street Parking]	Adds references preempting “new housing in existing buildings” from meeting minimum off-street parking conformance pursuant to RCW 35A.21.440(2)(b).

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Public Hearing (Legislative) to consider a Resolution adopting the City's Six-Year Transportation Improvement Plan (TIP) 2027-2032 and provide an annual 'Complete Streets and Traffic Safety Update' (Public Comment Opportunity)
Submitted by:	Josh Mattson, Assistant City Engineer
Department:	Public Works

Suggested Motion/Action:
Move to adopt Resolution 2026-12 approving the TIP for 2027-2032. Authorize staff to submit listed projects for funding as grant opportunities become available.

Background/Summary:
The City is required by law to annually update its Six-Year Transportation Improvement Plan (TIP) and file a copy with the State as well as the Quad County Regional Transportation Organization. In conjunction with the TIP, staff is providing an annual 'Complete Streets' update in accordance with Section 4.05.090 of the Ellensburg City Code (ECC) and an annual 'Traffic Safety Update' in accordance with its adopted 2025 Traffic Safety Action Plan.

Projects proposed in the TIP represent work remaining from previous plans and incorporates projects from the Transportation Element of the Comprehensive Plan, the Active Transportation Plan, the Transportation Safety Action Plan and several major maintenance/asphalt overlay projects. The adopted TIP may be amended by resolution at any time during the year should changes be required or additional funding opportunities become available. Council can also add, delete, modify or move the priority of projects.

In 2016, Council adopted a 'Complete Streets' policy by Ordinance (Chapter 4.05 ECC). This Ordinance calls for an annual update in conjunction with the TIP. 'Complete Streets' is defined in ECC 4.05.020 as "a road that is designed to be safe for drivers, bicyclists, transit vehicles and riders, and pedestrians of all ages and abilities."

In 2025, Council adopted the Transportation Safety Action Plan (TSAP) which calls for an annual traffic safety update with a traffic accident report. The following Vision Zero Fatality and Serious Injury Commitment was included in the approved plan: "50% reduction in roadway fatalities and serious injuries by 2035, with the eventual goal of zero roadway fatalities and serious injuries."

Previous Council Action:
June 16, 2025, Council accepted the City of Ellensburg Transportation Safety Action Plan and Adoption of the Vision Zero Fatality and Serious Injury Commitment.

June 16, 2025, Council conducted a public hearing and adopted the 2026-2031 Six-Year TIP through Resolution 2025-12.

January 5, 2026, Council conducted a public hearing and amended the 2026-2031 Six-Year TIP through Resolution 2026-01.

Analysis:
Several City transportation projects consistent with the 'Complete Streets' goals and objectives of ECC 4.05.090 have been completed and others are planned or under construction since the last report on June 16, 2025. The completed projects include the Water St Overlay from Manitoba Ave to Bender Rd, which also paved Manitoba Ave from Main St to Water St. Work included upgrading 145 curb ramps to current ADA standards along the roadway and installation of improved traffic video detection at all signalized intersections (Capitol Ave, 3rd Ave, 5th Ave, University Way, and 15th Ave) within the project limits.

The Pfenning Road Sidewalk Extension project from about 240 feet north of Vantage Highway to Radio Rd was also completed. The project installed frontage improvements and filled in a missing sidewalk link in the corridor including curb, gutter, bike lanes, street trees, stormwater buffer strips, and a new crosswalk at Radio Rd.

The University Way Bridge Repair over BNSF Railroad project replaced surface expansion joint seals and evaluated the drainage and water runoff from the bridge deck. Remaining work in 2026 includes the repair of two (2) girders, sealing exposed girder reinforcing steel. These projects all had multiple elements that enhanced Ellensburg's overall 'Complete Streets' system.

Attached is a matrix, Exhibit "A", of the proposed TIP showing transportation projects proposed for incorporation in the years 2027-2032. With Council's concurrence, staff will submit grant applications to the various funding agencies as grant opportunities become available.

This TIP continues the overlay program on the arterial street system. Of the listed projects, numbers 8, 19, and 36 are specifically asphalt overlay projects, and funding for these projects is proposed from state and federal grants, and sales tax/gas tax contributions.

Several public transit projects from the City's Transit Development Plan were included in the 2027-2032 TIP including project numbers 5, 6, 17, and 45-45. Several other projects incorporate public transit elements including bus turnouts or improved stops with shelters, benches, bike racks, and garbage cans.

Projects planned for construction in 2026 are also included in the TIP attachment (Exhibit A), shown as projects number five through nine. Canyon Rd from Umptanum Rd to Mountain View Ave will receive an asphalt overlay this year. Work includes upgrading curb ramps to current ADA standards and installation of improved traffic video detection at Mountain View Ave.

Project numbers 10 through 12 in the TIP are currently in the design phase. Construction is planned for these projects in later years as shown on the TIP.

The 2025 TSAP analyzed the traffic accident history for a standard five-year period from 2019 to 2023 with a goal to ultimately eliminate crashes resulting in fatalities and serious injuries. These most severe crashes are categorized as KSI, “killed or seriously injured.” During the five-year study period, 11 KSI crashes were reported – 10 of which were serious injury crashes, and one fatal crash. Of the 1,175 total crashes reported in the five-year period, 1% were KSI crashes.

During the five-year update period from 2020 to 2024, 12 KSI crashes were reported – 11 of which were serious injury crashes, and one fatal crash. Of the 1,169 total crashes reported in the five-year period, 1% were KSI crashes. The data is very similar to the 2025 report. It is interesting to note that Ellensburg’s annual KSI accident rate is much lower than the state average. The annual KSI reported by the Washington State Traffic Safety Commission is about 50 accidents for every 100,000 residents. This suggests about ten KSI per year for a city with a population of about 20,000 like Ellensburg. However, the 2024 data for the city showed a far lower actual incident rate of only two KSI – consisting of 2 serious injury crashes and no fatal crashes.

The Ellensburg Transportation Advisory Committee reviewed the TIP, the annual Complete Streets Update, and the annual Traffic Safety Update at its regular meeting on May 26, 2026.

Financial Impact:
The “S” or “P” designation next to each project number, designates whether a project has Secured (S) or Potential (P) funding. The projects shown with secured funding are all included in the 2025-2026 Budget. Most of the proposed plan relies on a combination of potential funding sources that include grants, motor vehicle fuel tax, federal allocations, sales tax, local improvement districts, and others.

Budget Adjustment: No

Attachments:
1. Exhibit A Six Year TIP 2027-2032
2. Resolution 2026-12 Six Year TIP 2027-2032

EXHIBIT A

CITY OF ELLENSBURG
6-YEAR TRANSPORTATION IMPROVEMENT PLAN
2027 TO 2032 (INCLUDES CURRENT WORK REMAINING IN 2026)

PUBLIC HEARING DATE: 6/15/2026
ADOPTION DATE: 6/15/2026
RESOLUTION NO. 2026-12

REVENUE BY YEAR (thousands)

SOURCE	2026*	2027	2028	2029	2030	2031	2032		TOTALS
ARTERIAL STREET	274	264	45	530	145	119	45		1,422
REGIONAL STBG	315	1,995	0	1,385	2,500	0	750		6,945
SALES TAX RESERVE	263	0	175	550	1,175	605	950		3,718
FEDERAL SAFE ROUTES TO SCHOOL & PEDESTRIAN/BICYCLE GRANTS	0	0	202	1,370	4,330	1,550	250		7,702
WSDOT SAFETY PROGRAM	0	0	0	4,590	1,900	0	0		6,490
TRANSPORTATION IMPROVEMENT BOARD (TIB) - GRANT PROGRAMS	0	641	899	0	3,000	5,900	3,875		14,315
DISTRESSED COUNTY SALES/USE TAX	0	0	0	0	744	0	0		744
1/4 CENT REAL ESTATE EXCISE TAX	0	276	656	350	690	250	0		2,222
TRANSPORTATION ALTERNATIVES PROGRAMS	0	0	0	0	0	475	0		475
DOE FISCAL YEAR WATER QUALITY GRANT	0	80	4,270	0	0	0	0		4,350
TRANSIT	424	684	476	126	1,126	126	126		3,088
OTHER AGENCY OR CITY DEPARTMENT	0	100	3,911	2,300	800	4,891	300		12,302
LOCAL IMPROVEMENT DISTRICT (LID) / DEFERRALS	0	0	0	1,600	4,405	695	8,200		14,900
TRAFFIC IMPACT FEES	746	744	1,175	1,575	600	990	480		6,310
NOT FUNDED	0	0	0	0	0	0	0		0
TOTAL REVENUE	**2,022**	**4,784**	**11,809**	**14,376**	**21,415**	**15,601**	**14,976**		**84,983**

EXPENDITURES BY YEAR (thousands)

	Funding (S/P)	PROJECT	2026*	2027	2028	2029	2030	2031	2032	*Future*	TOTALS
1	S/P	Bridge Inspections	5	5	5	5	5	5	5	*0*	35
2	S/P	Engineering Transfer	15	15	15	15	15	15	15	*0*	105
3	S/P	Signal Optimization	10	25	25	25	25	25	25	*0*	160
4	P	Alley Reconstruction (Semi-Annual)	0	90	0	0	0	100	0	*0*	190
5	S/P	Transit Stop Upgrades (Shelter & Amenities, ADA Upgrades, Lighting, Art Glass	289	116	116	116	116	116	116	*0*	985
6	S/P	Transit Service Connection Improvements (Active Transportation, Stop Impr)	135	135	10	10	10	10	10	*0*	320
7	S	Mountain View Ave and Bull Rd/Willow St Intersection Enhancements	946	0	0	0	0	0	0	*0*	946
8	S	2026 Canyon Rd Overlay, Umptanum Rd to Mountain View Ave	668	0	0	0	0	0	0	*0*	668
9	S	University Way Bridge Repair over BNSF	48	0	0	0	0	0	0	*0*	48
10	S	Umptanum Rd - Anderson Road Roundabout, Umptanum Rd Intersection	300	1,384	0	0	0	0	0	*0*	1,684
11	S	Vantage Highway Shared Use Pathway	325	1,993	0	0	0	0	0	*0*	2,318
12	S	3rd Ave. Paverstone Pathway and Historic Lighting	39	826	0	0	0	0	0	*0*	865
13	P	University Way Gateway II - Vista Rd to east City Limits	0	100	5,125	0	0	0	0	*0*	5,225
14	P	Capitol Ave Sidewalk Replacement - Main St. to Sampson St.	0	0	110	0	120	0	130	*0*	360
15	P	Alder St Sidewalk - One Side - 3rd Ave to Craig Ave	0	80	0	100	0	0	0	*0*	180
16	P	1st Ave Sidewalk Improvements - Ruby St. to Sampson St. - North Side	0	0	234	0	0	0	0	*0*	234
17	P	Add Transit Signal Priority	0	0	350	0	0	0	0	*0*	350
18	P	University Way and Water Street Intersection Enhancements and Widening	0	0	4,700	0	0	0	0	*0*	4,700
19	P	University Way Overlay - Cle Elum St to Alder St	0	0	0	1,700	0	0	0	*0*	1,700
20	P	Umptanum Railroad Crossing Improvements Feasibility Study	0	0	0	1,000	0	0	0	*0*	1,000
21	P	University Way and Wenas St Intersection Enhancements	0	0	0	1,570	0	0	0	*0*	1,570
22	P	Wildcat Way and 18th Intersection Enhancements	0	0	0	756	0	0	0	*0*	755
23	P	Mountain View Ave and Ruby St Intersection Enhancements and Widening	0	0		2,920	0	0	0	*0*	2,920
24	P	Umptanum Multi-Modal Improvements - Wilson Cr to IRRP	0	0	0	2,100	0	0	0	*0*	2,100
25	P	Helena Ave Imp (Water St to 3,200' west, Cora Connection, portion in KC jurisd	0	0	300	650	6,540	0	0	*0*	7,490
26	P	Bender Rd / Sanders Rd Corridor Improvements (Whiskey Creek to Alder St)	0	0	0	1,370	8,020	0	0	*0*	9,390
27	P	Walnut St and 18th Bike Lane - Dean Nicholson to Alder St	0	0	0	0	150	0	0	*0*	150
28	P	Anderson Rd Sidewalk Improvements - Umptanum to 5th Ave	0	0	0	0	4,300	0	0	*0*	4,300
29	P	Industrial Way Improvements - LID	0	0	0	0	1,280	0	0	*0*	1,280
30	P	Palouse to Cascades Reconnect Trail - Sanders to Bowers to Helena Ave/PTC	0	0	0	0	2185	7,805	0	*0*	9,990
31	P	Canyon Rd and Umptanum Rd Intersection Enhancements and Widening	0	0	0	0	0	3,390	0	*0*	3,390
32	P	Airport Rd Sidewalk Improvements - Dean Nicholson to N. City Limits	0	0	0	0	0	1,170	0	*0*	1,170
33	P	City to Canyon Trail - Umptanum Rd to Tjossem Rd	0	0	0	0	0	3,600	0	*0*	3,600
34	P	Capitol Ave. Sidewalk Improvements - Willow St. to Oak St.	0	0	0	0	0	0	1,525	*0*	1,525
35	P	14th Ave & Wildcat Way Corridor Ped/Bike Impr. - Water St to University Way	0	0	0	0	0	0	480	*0*	480
36	P	Mountain View Overlay - Canyon to Willow	0	0	0	0	0	0	1,500	*0*	1,500
37	P	Helena Ave Extension - PTC Trail to Dry Cr Rd	0	0	0	0	0	0	4,100	*0*	4,100
38	P	Cora Street Ext - PTC Trail to Bender Rd (portion in KC jurisdiction)	0	0	0	0	0	0	7,200	*0*	7,200
39	P	Periodic Overlay as Needed (Dolarway, 3rd Ave, 5th Ave)								*1,500*	1,500
40	P	Chestnut St and Walnut St Bike and Ped Improvements								*263*	263
41	P	Ruby St Corridor Improvements - Manitoba to University Way								*7,040*	7,040
42	P	Transit Service Connection Improvements (Active Transportation, Stop Impr)								*300*	300
43	P	Downtown Transit Bus Hub Improvements								*1,000*	1,000
44	P	Alternative Fuel (Electric/Hydrogen/Propane) Transit Bus Infrastructure Support								*3,500*	3,500
45	P	Transit Service Connection Improvements (Active Transportation, Stop Impr)								*250*	250
46	P	8th Ave LID (University Way to Maple St)								*1,061*	1,061
47	P	Trail Connection - 5th Ave to University Way (near CWU)								*250*	250
48	P	5th and Ruby Intersection Enhancements and Widening								*741*	741
49	P	3rd Ave and Ruby St Intersection Enhancements								*890*	890
50	P	Anderson/Umptanum/Railroad Ave. Road Widening/Overlay								*7,310*	7,310
51	P	Helena Ave and Walnut St Intersection Enhancements and Widening								*740*	740
52	P	Circle the City Trail - Enterprise Way to Faust Rd								*4,200*	4,200
53	P	Main St Sidewalk Improvements - University Way to 14th Ave								*1,450*	1,450
54	P	Helena Ave and Water St Intersection Enhancements and Widening								*936*	936
55	P	Manitoba Ave and Ruby St Intersection Enhancements and Realignment								*1,332*	1,332
56	P	University Way and Alder St Intersection Enhancements and Widening								*1,558*	1,558
57	P	Currier Creek Pathway - Univ. Way to Reecer Cr Rd to Currier Cr to PTC								*2,750*	2,750
58	P	University Way and Main St Intersection Enhancements and Widening								*3,338*	3,338
59	P	Water St and Bender Rd Intersection Enhancements								*966*	966
60	P	Airport Rd and Bender Rd Intersection Enhancements								*1,008*	1,008
61	P	Capitol Ave and Chestnut St Intersection Enhancements								*672*	672
62	P	Canyon Rd Sidewalk - I90 to Berry Rd to Existing Sidewalk on Berry Rd								*540*	540
63	P	Sanders Rd and Alder St Intersection Enhancements								*665*	665
64	P	Capitol Ave and Willow St Intersection Enhancements								*524*	524
65	P	15th Ave and Cora St Intersection Enhancements								*432*	432
66	P	18th Ave and Alder St Intersection Enhancements								*720*	720
67	P	Canyon Rd Overlay, Berry Rd to Umptanum Rd								*1,150*	1,150
		TOTAL EXPENDITURE	**2,780**	**4,769**	**10,990**	**12,337**	**22,766**	**16,236**	**15,106**	***47,086***	**132,069**
		ARTERIAL STREET FUND BEGINNING BALANCE (01/01/2026))	979	825	681	756	346	321	322		
		EST. GAS TAX REVENUE & SCHEDULED SALES TAX TRANSFER	120	120	120	120	120	120	120		
		ARTERIAL STREET FUND ENDING BALANCE	825	681	756	346	321	322	397		

*Current year projects shown for accounting purposes.

**TIP plans calls for road widening/impr. projects to be funded from Sales Tax Reserve, to replace the Federal STP funding which is now shown for potential asphalt overlay funding. (Average annual need to overlay the arterial street system on a 15 year cycle is in excess of $1,380,500 per year.)

RESOLUTION NO. 2026-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG adopting the City of Ellensburg's Six-Year Transportation Improvement Plan (TIP) for the years 2027 to 2032, inclusive, as recommended to the City Council by the Public Works Department.

WHEREAS, a public hearing on the TIPs was held before the Ellensburg City Council on June 15, 2026 in the manner required by RCW 35.77.010; and

WHEREAS, the Six-Year TIP has been updated for 2027 to 2032 in accordance with the State requirements; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Ellensburg, Washington, as follows:

Section 1. That the Six-Year Transportation Improvement Plan, attached hereto, for street and arterial street improvements for the years 2027 to 2032, inclusive, as now filed with the City Council of the City of Ellensburg, be and the same is hereby approved and adopted.

ADOPTED by the City Council of the City of Ellensburg this 15th day of June 2026.

_____
Mayor

ATTEST: _____
City Clerk

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Ordinance 4989 (Second Reading) - Amending the Ellensburg City Code Regarding the Fee Schedule for Public Records Requests (Public Comment Opportunity)
Submitted by:	Christopher Horner, City Attorney
Department:	City Attorney

Suggested Motion/Action:
Move to conduct second reading and adoption of Ordinance 4989 amending Ellensburg City Code regarding the process for adopting a fee schedule for public records requests.

Background/Summary:
Ordinance 4989 would amend City Code to remove the fee schedule for public records requests from City Code, and instead provides that the fee schedule will be adopted by resolution of City Council, and maintained by the City Clerk as a public document.

It is anticipated that Ordinance 4989 would reduce the staff time and administrative burden of updating and maintaining an accurate fee schedule for public records requests, as further modifications to the fee schedule would be accomplished more efficiently by resolution of the City Council instead of the code amendment process.

Previous Council Action:
City Council adopted Ordinance 4201 in 1999 to establish public records rules and processes for compliance with the Public Records Act.

City Council substantially revised the City's public records rules and processes through adoption of Ordinance 4754 in 2016, which was codified in Chapter 1.75 of the Ellensburg City Code.

City Council conducted first reading of Ordinance 4989 on June 1, 2026.

Analysis:
There has been a substantial increase in the volume and complexity of records requests submitted to the City since the City’s public records rules were last updated, resulting in increased cost and financial burden to the City in responding to these requests. As such, staff recommends updating the fee schedule for public records requests to allow the City to recover more of its actual costs in responding to records requests.

Ordinance 4989 by itself will not establish a new fee schedule for public records requests. Ordinance 4989 only specifies that the fee schedule will be established by separate resolution of City Council.

Staff has drafted a proposed resolution establishing a new fee schedule for public records requests, and a separate resolution establishing fees for requests to the Police Department for redacting and disclosing body worn camera footage. Drafts of these resolutions are included with this agenda item. If Council conducts first reading of Ordinance 4989, staff will present these two resolutions to Council when it considers second reading of Ordinance 4989.

Financial Impact:
Ordinance 4989 by itself will have minimal financial impact since it is simply modifying the process for adopting a fee schedule for public records requests. Future action by Council to update the fee schedule for public records requests could allow the City to recover more of its costs in responding to records requests.

Budget Adjustment: No

Attachments:
1. Ordinance 4989-Public Records Costs and Fees

ORDINANCE NO. 4989

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON, AMENDING THE ELLENSBURG CITY CODE REGARDING THE PROCESS FOR ADOPTING A FEE SCHEDULE FOR PUBLIC RECORDS REQUESTS.

WHEREAS, under Chapter 42.56 RCW, the Public Records Act ("PRA"), government agencies such as the City of Ellensburg ("City") are "to provide full access to public records" and the "fullest assistance to inquirers and the most timely possible action on requests for information" (RCW 42.56.100); and

WHEREAS, the City adopted its own public records rules for compliance with the PRA through adoption of Ordinance 4201 in 1999 (and substantially revised by Ordinance 4754 in 2016), which was codified in Chapter 1.75 of the Ellensburg City Code; and

WHEREAS, there has been a substantial increase in the volume and complexity of records requests submitted to the City since the City's public records rules were last updated, resulting in increased cost and financial burden to the City in responding to these requests; and

WHEREAS, the City Code currently allows charging only a minimal fee for responding to public records requests, even though the PRA would authorize the City to charge a schedule of fees that would allow the City to recover more of its actual costs in responding to records requests;

WHEREAS, removing the fee schedule from City Code, and instead adopting a fee schedule by resolution of City Council; and then directing the City Clerk to maintain a separate public records fee schedule, would reduce the administrative burden of updating and maintaining an accurate fee schedule;

NOW, THEREFORE, the City Council of the City of Ellensburg, Washington do hereby ordain as follows:

Section 1. Section 1.75.180 of the Ellensburg City Code, as originally adopted in Section 2 of Ordinance 4754, is hereby amended to read as follows (additions to this text are <u>underlined</u>, and deletions are shown by ~~strikeout~~):

1.75.180-Copying, delivery or inspection—Fees—Installments.

A. *Charges for copying.*

1. No fee is charged for the location or inspection of public records.

2. ~~Fees for copies of records shall be as follows:~~

~~a. Photocopying per page (eight and one-half inches by 17 inches maximum): $0.15 per page;~~

~~b. Compact disc: $1.00 per disc;~~

~~c. Postage: actual cost.~~

The fee schedule for public records requests shall be adopted by resolution of the City Council. The city clerk is directed to prepare and have on file as a public document a schedule of such fees, as approved by City Council.

3. ~~Payment of fees is required prior to release of records unless other arrangements have been made.~~ Fees may also include charges incurred for having nonstandard size or specialty documents (e.g. maps) copied; the requester will be notified in advance of such costs.

4. Payment of fees is required prior to release of records unless other arrangements have been made.

5. As provided in RCW 42.56.120, the city may also require a deposit of up to ten percent of the estimated cost of ~~copying records prior to copying any records for a requester~~ of providing copies for a request, including a customized service charge.

B. *When records are to be provided in installments*.

1. The city may require the payment of the costs of copying an installment as they accrue for each installment before providing that installment.

2. If, within 30 days of the notice of availability of the responsive records, the requester fails to inspect the set of records, pay the copying charge or claim one or more of the installments, the public records officer may stop processing the remainder of the request and close it.

(Ord. 4754 § 2, 2016)

Section 5. Severability. If any portion of this ordinance is declared invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portion(s) of this ordinance.

Section 6. Corrections. Upon the approval of the City Attorney, the City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 7. Effective Date. This ordinance shall take effect and be in force five (5) days after its passage, approval and publication.

The foregoing ordinance was passed and adopted at a regular meeting of the City Council on the _____ day of June, 2026.

_____
MAYOR

ATTEST: _____
CITY CLERK

Approved as to form:

_____
CITY ATTORNEY

Publish:

I, Beth Leader, City Clerk of said City, do hereby certify that Ordinance No. 4989 is a true and correct copy of said Ordinance of like number as the same was passed by said Council, and that Ordinance No. 4989 was published as required by law.

_____
BETH LEADER

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Resolution 2026-09 Adopting a Body Worn Camera Footage Redaction Fee Policy (Public Comment Opportunity)
Submitted by:	Dustin Davison, Assistant City Clerk
Department:	City Attorney

Suggested Motion/Action:
Move to approve Resolution 2026-09, which adopts a Body Worn Camera Footage Redaction Fee Policy for the City of Ellensburg.

Background/Summary:
The City of Ellensburg Police Department implemented a Body Worn Camera (BWC) program in 2021. Currently, all City police officers are equipped with body worn cameras. These devices capture recordings that are public records subject to redaction and disclosure pursuant to the Washington Public Records Act, Chapter 42.56 RCW (PRA). The PRA allows a law enforcement agency to charge certain requestors for the reasonable costs of redacting body worn camera footage prior to disclosure. Allowable redaction costs are in addition to other copying costs that agencies are legally allowed to charge requestors.

Previous Council Action:
Council adopted the current public records rules in Ellensburg City Code Chapter 1.75 in 2016. These rules do not currently provide for any fees for redaction of body worn camera footage.

Analysis:
Pursuant to RCW 42.56.240(14)(f), law enforcement agencies are permitted to charge certain requestors the reasonable costs of redacting videos prior to disclosure. Body worn camera footage is often redacted (meaning, faces and identifying items blurred or boxed out) before it is publicly released if it contains information that is generally offensive to the public or contains a situation where an individual has a reasonable expectation of privacy. Reasonable expectation of privacy generally means a video that contains images presumed to be highly offensive to a reasonable individual, such as if it contains images of: a medical facility; the interior of a place of residence; an identifiable minor; a deceased person; the identity or communications from a victim or witness of an incident involving domestic violence or sexual assault; and/or many other exemptions listed by state law. See RCW 42.56.240(14) for more detail.

In February 2017, the City of Seattle conducted a study to determine the staff costs of applying redactions to BWC video. The Seattle Police Department (SPD) then conducted a revised BWC redaction cost study in March 2018 to incorporate SPD's experience with applying redactions to BWC videos over the course of the previous year. The purpose of that

revised cost study was to determine reasonable costs for redacting BWC recordings, including determining reasonable estimated redaction charges to provide to requestors.

The City of Seattle's cost study is used by many other jurisdictions in Washington as a basis to develop reasonable costs for BWC redaction fees. The City of Seattle's cost study is also appropriate for the City of Ellensburg to use, as the City of Ellensburg Public Records Officer has reviewed the City of Seattle's cost study and determined the City of Seattle's redaction process is generally equal to and consistent with the process used by the City of Ellensburg.

The Seattle Police Department performed stopwatch-style time studies to determine the amount of time it takes to redact BWC recordings including how long it takes to fully blur and remove audio from an entire video, eliminate one minute of video, redact one minute of simple audio, redact one minute of complex audio, redact one minute of simple video, and redact one minute of complex video.

The City of Ellensburg employees who will primarily be performing BWC video redactions are the Law Enforcement Records Clerks. The average annual cost for a Law Enforcement Records Clerk is $95,574, averaging $0.76 per minute. This amount includes benefits paid to the Law Enforcement Records Clerk.

To simplify cost calculations and make payment simpler, the City intends to round down and charge requestors at the rate of $0.75 per minute of Law Enforcement Records Clerk time spent reviewing and redacting BWC videos in response to public records requests. Because this rate does not factor in the costs of redaction technology, the cost of BWC video storage, or other overhead costs, it does not exceed the actual costs the City of Ellensburg incurs for redacting BWC videos.

Financial Impact:
The proposed body worn camera footage redaction fee would have a positive financial impact to the City because more of the cost of staff time spent redacting body worn camera footage would be paid by the person requesting the footage.

Budget Adjustment: No

Attachments:
1. Resolution 2026-09 Adopting BWC Policy
2. Body Worn Camera Footage Redaction Fee Policy

RESOLUTION NO. 2026-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON ADOPTING A BODY WORN CAMERA FOOTAGE REDACTION FEE POLICY FOR STAFF TIME SPENT ON PUBLIC RECORDS REQUESTS REQUIRING REDACTION OF POLICE DEPARTMENT BODY WORN CAMERA FOOTAGE.

WHEREAS, the City of Ellensburg Police Department implemented a Body Worn Camera Program in 2021; and

WHEREAS, body worn camera recordings are public records subject to Chapter 42.56 RCW, the Washington State Public Records Act; and

WHEREAS, RCW 42.56.240 (f) authorizes agencies to require requestors pay the reasonable costs of redacting, altering, distorting, pixelating, suppressing, or otherwise obscuring any portion of the body worn camera recording prior to disclosure to the extent necessary to comply with the exemptions in chapter 42.56 RCW, or any applicable law; and

WHEREAS, the proliferation of requests for records and body-worn camera videos has increased the cost and staff time required to respond to requests; and

WHEREAS, RCW 42.56.240 (f) authorizes agencies to require requestors pay the reasonable costs of redacting, altering, distorting, pixelating, suppressing, or otherwise obscuring any portion of the body worn camera recording prior to disclosure to the extent necessary to comply with the exemptions in chapter 42.56 RCW, or any applicable law; and

WHEREAS, the City of Ellensburg examined a 2017 Body Worn Video Redaction Cost Study, and subsequent amendments, completed by the Seattle Police Department, which determined the amount of time it takes to redact such footage, and multiplied that amount of time by the Police Clerk's staff salaries to determine the "reasonable cost" for such redactions; and

WHEREAS, the City Council wishes to adopt an Ellensburg Police Department fee that will allow the City to recover the cost of staff time incurred by the City for redacting body worn camera recordings;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Ellensburg, Washington, as follows:

Section 1. The City of Ellensburg adopts the attached Body Worn Camera Footage Redaction Fee Policy. As such, the Ellensburg Police Department will charge requestors not exempted under RCW 42.56.240(14)(e) for the actual staff time cost incurred for redacting body worn camera footage, as detailed in the attached Body Worn Camera Footage Redaction Fee Policy.

Section 2. This resolution and the attached Body Worn Camera Footage Redaction Fee Policy shall be effective as of July 1, 2026.

ADOPTED by the City Council of the City of Ellensburg this 15th day of June, 2026.

_____
Mayor

Attest: _____
City Clerk

Body Worn Camera Footage Redaction Fee Policy

Background

The City of Ellensburg implemented a Body Worn Camera (BWC) program in 2021. Currently all City of Ellensburg police officers are equipped with body worn cameras. These devices capture recordings that are public records subject to the Washington Public Records Act, Chapter 42.56 RCW (PRA). The PRA allows a law enforcement agency to charge certain requestors for the reasonable costs of redacting BWC videos prior to disclosure (see RCW 42.56.240(14)(f)). Allowable redaction costs are in addition to copying costs that agencies are legally allowed to charge requestors.

In February 2017, the City of Seattle conducted a study to determine the staff costs of applying redactions to BWC video. The Seattle Police Department (SPD) then conducted a revised BWC redaction cost study in March 2018, and again in October of 2024, to incorporate SPD's experience with applying redactions to BWC videos over the course of the previous year. The purpose of that revised cost study was to determine reasonable costs for redacting BWC recordings, including determining reasonable estimated redaction charges to provide to requestors. The City of Ellensburg's Public Records Officer has reviewed the City of Seattle's cost study, and has determined it is sufficient to develop reasonable costs for BWC redaction fees for the City of Ellensburg. The City of Ellensburg's Public Records Officer further finds that the City of Seattle's redaction process is generally equal to and consistent with the process used by the City of Ellensburg.

The Seattle Police Department performed stopwatch-style time studies to determine the amount of time it takes to redact BWC recordings including how long it takes to fully blur and remove audio from an entire video, eliminate one minute of video, redact one minute of simple audio, redact one minute of complex audio, redact one minute of simple video, and redact one minute of complex video. The results of this study are reproduced in the table below. The City of Ellensburg's Public Records Officer finds that these time studies are generally accurate for City of Ellensburg staff and are accurate for providing reasonable cost estimates to requestors.

Redaction Type	Actual Time	Redaction Time
Targeted Video Redaction with or without Targeted Audio Redaction	1 Minute per individual or object redacted	10 Minutes per individual or object redacted
Targeted Audio Redaction Alone	1 Minute	5 Minutes
Screen Blur or Screen Blackout	1 Minute per segment	1 Minute per segment

Authority to Charge

Pursuant to RCW 42.56.240(14)(f), law enforcement agencies are permitted to charge requestors, not exempted under RCW 42.56.240(14)(e), the reasonable costs of redacting videos prior to disclosure. A video requested through the Public Records Act is redacted (faces and identifying items blurred or boxed out) when it is publicly released and contains information that is generally offensive to the public or contains a situation where an individual has a reasonable expectation of privacy — these instances are largely governed by state law (see RCW 42.56.240(14) for more detail). Generally, this means a video that contains images disclosure of which are presumed to be highly offensive to a reasonable individual to the extent that it contains images of a medical facility, contains images of the interior of a place of residence, contains images of an identifiable minor, contains images of a deceased person, contains the identity or communications from a victim or witness of an incident involving domestic violence or sexual assault, and many other exemptions listed by state law.

Goals

The City of Ellensburg recognizes that providing BWC videos in response to public records requests results in substantial costs and staff time. The City of Ellensburg, unlike most jurisdictions, has not previously charged a fee to provide BWC videos to requestors.

While being committed to transparency and the disclosure mandates of the PRA, the City of Ellensburg now seeks to offset the substantial costs that BWC video management, processing, storage, and redaction impose on the City. The City of Ellensburg will adopt the following standards in charging requestors for BWC video redactions:

- The City will charge for BWC video redactions based on the parameters of the PRA.
- The City will charge only for staff time spent reviewing and applying redactions to BWC videos. The City will not charge for other costs, such as the costs of storing BWC video recordings or the costs of redaction technology.

Cost

The City of Ellensburg employees who will primarily be performing BWC video redactions are the Law Enforcement Records Clerks. The average annual cost for a Law Enforcement Records Clerk is $95,574, averaging $0.76 per minute. This amount includes benefits paid to the Law Enforcement Records Clerks.

To simplify cost calculations and make payment simpler, the City of Ellensburg intends to round down and charge requestors at the rate of $0.75 per minute of Law Enforcement Records Clerk time spent reviewing and redacting BWC videos in response to public records requests. Because this rate does not factor in the costs of redaction technology, the cost of BWC video storage, or other overhead costs, it does not exceed the actual costs the City incurs for redacting BWC videos.

This fee may be amended based on actual staff salaries.

Based on the results of the cost study, the Law Enforcement Records Clerks will calculate estimated redaction costs at the following rates:

Redaction Method	Estimated Cost per Minute to Redact	Minutes to Redact per Minute of Raw Footage	Estimated cost of Redaction per Minute of Raw Footage
Targeted Video Redaction with or without Targeted Audio Redaction	$0.75 per individual or object redacted	10 per individual or object redacted	$7.50 per individual or object redacted
Targeted Audio Redaction Alone	$0.75	5	$3.75
Screen Blur or Screen Blackout	$0.75	1 minute per segment	$0.75/segment

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Resolution 2026-10 Adopting a Fee Schedule for Public Records Requests (Public Comment Opportunity)
Submitted by:	Christopher Horner, City Attorney
Department:	City Attorney

Suggested Motion/Action:
Move to adopt Resolution 2026-10, which adopts a fee schedule for public records requests.

Background/Summary:
RCW 42.56.120 authorizes agencies to impose fees for providing records in response to public records requests, including providing records electronically. Currently, the City of Ellensburg charges for photocopies, compact discs, and postage, but does not charge for the production of electronic records.

There has been a substantial increase in the volume and complexity of records requests submitted to the City since the City's public records rules were last updated, resulting in increased cost and financial burden to the City in responding to these requests. As such, staff recommends updating the fee schedule for public records requests to allow the City to recover more of its actual costs in responding to records requests.

Approval of Resolution 2026-10 would establish a revised and updated fee schedule for public records requests. This includes fees for body worn camera footage redaction, which is the subject of Resolution 2026-09, a separate item on this meeting agenda.

Previous Council Action:
City Council adopted Ordinance 4201 in 1999 to establish public records rules and processes for compliance with the Public Records Act.

City Council substantially revised the City's public records rules and processes through adoption of Ordinance 4754 in 2016, which was codified in Chapter 1.75 of the Ellensburg City Code.

City Council conducted first reading of Ordinance 4989 on June 1, 2026, to remove public records fees from City Code, and instead establish such fees by Resolution of Council, which is the purpose of Resolution 2026-10.

Analysis:
The City of Ellensburg currently receives over 1500 requests per year. Costs vary significantly from request to request depending on the size, complexity, level of legal review required, number of redactions required, the format of the records, and personnel (salary)

working on a request. For this reason, it would be unduly burdensome and impractical for the City of Ellensburg to calculate all of the “actual costs” of copying and producing public records on a case-by-case basis.

RCW 42.56.120(2)(b) and RCW 42.56.240(f) provide a list of default fees an agency may charge for providing public records in lieu of calculating all the actual costs. The fee schedule attached to Resolution 2026-09 reflects the fees listed in these statutes, but still authorizes the City to charge actual costs for certain items, such as the cost of USB drives or other storage drives, envelopes, postage, or customized service charges.

Resolution 2026-10 also establishes a threshold of $3.00 or under for waiving fees, which is approximately:

- 20 pages of black and white printed copies
- 30 pages of scanned records
- 240 electronic files, not including potential gigabyte charges

The purpose of waiving fees below $3.00 is to lessen the administrative burden on City staff in collecting fees; prioritizing placing the cost of larger requests onto the persons making the request, while also ensuring smaller requests can still be fulfilled at no charge to the requester.

The City recently purchased and implemented new public records act software, JustFOIA, to help manage records requests. Invoices for public records fees will be managed through JustFOIA and the City's credit card processor, PayGov.

Should the City need to start charging more of its actual costs for providing public records requests, this can be brought back to Council at a future meeting for discussion and decision.

Financial Impact:
Approval of Resolution 2026-10, which adopts a revised and updated fee schedule for public records requests, would have a positive financial impact to the City because more of the cost of producing public records would be paid by the person requesting the records.

Budget Adjustment: No

Attachments:
1. Resolution 2026-10 Setting PDR Fee Schedule

RESOLUTION NO. 2026-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON ADOPTING A FEE SCHEDULE FOR PUBLIC RECORDS REQUESTS

WHEREAS, RCW 42.56.120 authorizes agencies to impose a reasonable charge for providing copies of public records; and

WHEREAS, the City adopted fees for photocopies, compact discs, and postage in 2016, but does not charge for the production of electronic records; and

WHEREAS, the proliferation of requests for records and body-worn camera videos has increased the cost and staff time required to respond to requests; and

WHEREAS, RCW 42.56.240 (f) authorizes agencies to require requestors pay the reasonable costs of redacting, altering, distorting, pixelating, suppressing, or otherwise obscuring any portion of the body worn camera recording prior to disclosure to the extent necessary to comply with the exemptions in chapter 42.56, or any applicable law; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Ellensburg, Washington, as follows:

Section 1. A fee schedule for public records requests, to be maintained by the City Clerk and updated as costs change, is hereby adopted as set forth in Appendix A, effective July 1, 2026;

ADOPTED by the City Council of the City of Ellensburg this 15th day of June, 2026.

_____
Mayor

Attest: _____
City Clerk

Appendix A

Public Records Fee Schedule

It is unduly burdensome and impractical for the City of Ellensburg to calculate the "actual cost" of copying and producing public records on a case-by-case basis. The City currently receives over 1500 requests per year. Costs vary significantly from request to request depending on the size, complexity, level of legal review required, number of redactions required, the format of the records, and personnel (salary) working on a request. Therefore, the City adopts the costs listed below, as authorized by RCW 42.56.120(2)(b) and RCW 42.56.240(f). These charges shall go into effect July 1, 2026 and shall apply to all new and pending Public Records Act requests.

Method of Release	Fee
Inspection of Records	No charge-Please arrange an in-person appointment Monday-Thursday between 8:30 a.m. to 4:00 p.m. (excluding holidays).
City Website	No charge
Printed Copies	
Black and White	$0.15 per page
Large Plans or Maps (Outsourced)	Actual cost (Vendor Invoice)
Electronic Records	
Transmission of records via JustFOIA or other electronic format	$0.10 per gigabyte, and $0.05 per every 4 files
Scanning physical records to electronic format	$0.10 per page (single or double-sided)
USB or other Storage Device	Actual cost
Audio/Visual	
Police Body Worn Camera Recording	$0.75 per minute of redaction time, plus $0.10 per gigabyte
Police Dash Camera Recording	$0.75 per minute of redaction time, plus $0.10 per gigabyte
Postage or Delivery	
Container or Envelope to mail copies	Actual cost
Postage or delivery charge	Actual cost
Other	
Customized service charge (if the City estimates the request will require the use of information technology expertise to prepare data compilations. For example: creation of custom electronic GIS information/files)	Actual cost
Voluminous or frequently occurring requests	Alternative fee arrangement (requires written agreement)

If the estimated cost of producing requested records is $20.00 or more, the City reserves the right to collect a 10% deposit of the estimated fees before beginning work on the request. After the deposit is received, staff will commence work. Once the records are available, an invoice will be sent for the total actual cost minus the deposit amount. The records will be provided after full payment is received.

The City reserves the right to charge for each part of the installment as it is provided. If an installment of a records request is not claimed or reviewed, the City is not obligated to fulfill the balance of the request.

Charges above may be combined if more than one type of charge applies to a particular request.

***The City will waive the fees for requests $3.00 or under, which is approximately.**

- 20 pages of black and white printed copies
- 30 pages of scanned records
- 240 electronic files, not including potential gigabyte charges

***The City will normally waive the fees for government agencies or when in the City's interest.**

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Resolution 2026-13 Ellensburg City Council Commitment to Community (Public Comment Opportunity)
Submitted by:	Heidi Behrends Cerniwey, City Manager
Department:	City Manager

Suggested Motion/Action:
Move to adopt Resolution 2026-13 adopting Ellensburg City Council Commitment to Community.

Background/Summary:
At the Council meeting on March 17, 2026, Councilmember Goodloe requested the City Council make a collective statement to the community. Subsequent to that request, staff have worked with Council to develop a statement for consideration.

Previous Council Action:
City Council's adopted Rules of Procedure, most recently updated in Resolution 2025-13, section 5.2, provides for Councilmembers to request placement of items on the agenda.

Analysis:
A "Commitment to Community" statement has been developed for Council consideration. The statement frames a commitment to community values, listening and building connections, civil discourse, access and inclusion, and moving forward together.

Financial Impact:
No impact.

Budget Adjustment: No

Attachments:
1. Resolution 2026-13 - Council Commitment

RESOLUTION NO. 2026-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG WASHINGTON, DECLARING ITS COMMITMENT TO BE AN INVITING, EQUITABLE, SAFE, AND UNITED COMMUNITY FOR ALL PERSONS WHO LIVE, WORK, AND VISIT HERE

WHEREAS, the Ellensburg City Council believes that the strength and vitality of our community come from the rich diversity of people, cultures, traditions, experiences, and faiths represented throughout our city; and

WHEREAS, the City Council recognizes, respects, and welcomes the voices of residents, special interest groups, private and civic organizations, nonprofit organizations, public and private partners, faith-based communities, and others who actively participate in City government processes and programs to strengthen communication and deepen understanding of community needs; and

WHEREAS, the City Council recognizes and upholds the right of every individual to be treated fairly and to live with dignity, respect, and freedom from discrimination or targeting based on faith, race, national origin, sexual orientation, gender, gender identity, age, ability, ethnicity, housing status, economic status, or any other protected or marginalized status;

WHEREAS**,** the City Council believes that acts of harassment, bullying, intimidation, violence, or hate based on any such status threaten the strength, safety, and unity of this community; and

WHEREAS**,** the City Council believes that community leaders, together with every resident, share responsibility for building a strong and united community by refusing to remain silent in the face of discrimination, harassment, or hate, and by choosing instead to uphold human rights, fairness, public safety, and social well-being; and

WHEREAS, the City Council strives to foster a City environment where robust political discourse and peaceful dissent are valued while violence, intimidation and threats to individuals or groups are firmly rejected; and

WHEREAS**,** the City Council is committed to ensuring that the City of Ellensburg moves forward toward a future that is welcoming, equitable, united, and safe for every person who lives, works, and visits our community.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Ellensburg, Washington, as follows:

Section 1. Commitment to Community Values
As elected representatives, we invite all residents and visitors to join us in a shared commitment to making Ellensburg an inviting, equitable, safe, and united community for everyone.

Section 2. Commitment to Listening and Building Connections
The City Council affirms its commitment to continuing the work of listening, engaging, and building relationships across our community in a spirit of understanding, respect, and unity.

Section 3. Commitment to Civil Discourse
The City Council is committed to fostering a community where respectful and thoughtful political discourse, as well as peaceful dissent, are valued. At the same time, the Council firmly rejects violence, intimidation, and threats against any individual or group.

Section 4. Commitment to Access and Inclusion
The City Council further resolves to work in partnership with its advisory boards and commissions, community organizations, and community members to incorporate principles of access, equity, engagement, and inclusion for (full participation) in City programs, services, facilities, policies, and practices for all members of our community.

Section 5. Commitment to Moving Forward Together
The City Council is committed to working collaboratively with all members of the community to move forward in a manner that ensures every person is heard, respected, and valued.

ADOPTED by the City Council of the City of Ellensburg this 15th day of June, 2026.

_____
Mayor

Attest: _____
City Clerk

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Resolution 2026-14 Ellensburg City Council Strategic Vision 2026-2031 (Public Comment Opportunity)
Submitted by:	Heidi Behrends Cerniwey, City Manager
Department:	City Manager

Suggested Motion/Action:
Move to approve Resolution 2026-14 adopting the proposed 2026-2031 Ellensburg City Council Strategic Vision.

Background/Summary:
The Ellensburg City Council held a Retreat on February 6, 2026, and the Council reviewed priority-based budgeting process, considered strategic questions, and generally affirmed a shared vision for the future built on strategic priorities. Council reviewed results from the City's Community Survey on June 1, 2026, which outlined community priorities and opportunities for improved governance and services for the City.

Previous Council Action:
On May 20, 2024, Council approved Resolution 2024-14 adopting the 2024-2029 Ellensburg City Council Strategic Vision, which included five pillars: Sustainable Economic Development; Infrastructure and Energy; Safety, Civic Engagement, and Cultural Inclusion; Affordable Housing and Living; and Dedicated Parks and Recreation Resources.

Analysis:
The Strategic Vision represents the most important issues facing the City of Ellensburg and establishes precedence for expenditure of staff and other City resources. In addition, the Strategic Vision provides priorities for the City Manager, Department Staff, and City Council to use in the coming years. It is intended to be revisited on a regular basis and revised as necessary to reflect a common vision of the City Council.

In order to update the City Council's five-year 2026-2031 Strategic Vision, which will help guide evaluation of near-term investments for the 2027-2028 Biennial Budget, City staff consolidated and realigned the current 2024-2029 Strategic Vision based on community feedback and Council discussion.

Five pillars make up the proposed 2026-2031 Ellensburg City Council Strategic Vision:

1. Community Safety and Engagement
2. Infrastructure, Utilities, and Mobility
3. Economic Vitality and Workforce Resilience
4. Housing Opportunities and Neighborhood Stability

5. Organizational Excellence and Fiscal Stewardship

These pillars and proposed priorities are intended to align policy direction, community outcomes, organizational capacity, and fiscal decision-making in support of the 2027-2028 Biennial Budget and future City investments.

Budget Alignment Considerations
The proposed priorities are designed to help the City balance long-term community outcomes with fiscal sustainability, service delivery, and organizational capacity. As Council considers these priorities for the 2026-2031 Strategic Vision and Priorities as attached in the Resolution, staff will use the adopted framework to guide recommendations for:

- operating budget decisions related to staffing, service delivery, maintenance, and partnerships;
- capital investments related to infrastructure, facilities, housing-supportive planning, parks and recreation, and technology;
- external funding strategies, including grants, legislative requests, and interagency or public-private partnerships; and
- performance measures that track progress, support accountability, and inform future budget adjustments.

Financial Impact:
Financial impact will be evaluated according to subsequent work plans. Programs and policies will be approved through the City's adopted Biennial and/or Supplemental Budget process.

Budget Adjustment: No

Attachments:
1. Resolution 2026-14 Ellensburg City Council Strategic Vision 2026-2031 final

RESOLUTION NO. 2026-14

A RESOLUTION to adopt the Ellensburg City Council Strategic Vision 2026-2031, as follows:

WHEREAS, the Ellensburg City Council held a Retreat on February 6, 2026, to which the public was invited and the Council considered strategic questions and affirmed a shared vision for the future built on strategic priorities; and

WHEREAS, the Council reviewed results from the City's Community Survey on June 1, 2026, which outlined community priorities and opportunities for improved governance and services for the City; and

WHEREAS, the Strategic Vision represents the most important issues facing the City of Ellensburg and establishes precedence for expenditure of staff and other City resources. In addition, the Strategic Vision provides priorities for the City Manager, Department Staff, and City Council to use in the coming years; and

WHEREAS, the Strategic Vision is intended to be revisited on a regular basis and revised as necessary to reflect a common vision of the Ellensburg City Council; and

WHEREAS, the Strategic Vision guides actions of the City Manager to develop a strategic plan and recommend a budget to achieve priorities, establish performance measurements, and report impact and outcomes of investments over the coming years;

NOW, THEREFORE, BE IT RESOLVED, the Ellensburg City Council hereby adopts the following

2026-2031 Ellensburg City Council Strategic Vision

Strategic Vision Includes Five Pillars

1. Community Safety and Engagement
2. Infrastructure, Utilities, and Mobility
3. Economic Vitality and Workforce Resilience
4. Housing Opportunities and Neighborhood Stability
5. Organizational Excellence and Fiscal Stewardship

Strategic Vision and Priorities

1. Community Safety and Engagement

Promote a safe, welcoming, and connected community by strengthening public safety, expanding access to City services, improving public communication and engagement, and supporting partnerships that advance community well-being and quality of life.

Potential Actions

- Partner with health, education, law enforcement, and service providers on evidence-based approaches to public safety, behavioral health, and substance use response.

- Expand meaningful and engaging opportunities for community members to participate in City decision-making, including early engagement, clear feedback channels, and transparent use of public input.
- Improve City communication by using engaging, audience-appropriate digital, in-person, and emergency outreach tools.
- Support cultural events and civic education opportunities that build trust and strengthen community connection.
- Increase awareness of City boards, commissions, and other civic leadership pathways to broaden participation and representation.
- Improve education, compliance, and enforcement approaches that protect public health and safety, support neighborhood livability, and respond consistently to community concerns.
- Invest in parks, recreation, library, and other community-facing services that support health, connection, and quality of life.
- Increase staff capacity in accessibility, de-escalation, multicultural awareness, and customer service.
- Develop strategies to address misinformation and emerging public trust risks, including those associated with artificial intelligence.

2. Infrastructure, Utilities, and Mobility

Maintain and improve the infrastructure systems that support public health, safety, economic activity, and quality of life through safe, reliable, and affordable utility service, multimodal transportation, responsible asset management, and long-term planning for growth, resilience, and compliance.

Potential Actions

- Maintain and modernize core infrastructure, including streets, utilities, facilities, and transportation systems.
- Advance multimodal transportation options that improve safety, access, and mobility.
- Expand GIS-based asset management and condition tracking to guide investments based on need, risk, and service levels.
- Incorporate priority transportation, utility, broadband, and facility projects into capital improvement planning.
- Develop sustainable funding strategies for the maintenance, replacement, modernization, and expansion, of critical infrastructure, including utility assets.
- Improve energy reliability and resilience through smart technologies, demand management, and clean energy opportunities.
- Implement the Sustainability and Energy Plan through measurable projects aligned with state and federal requirements while maintaining utility reliability, affordability, and regulatory compliance.
- Prepare utility and transportation systems for electric vehicle adoption and other emerging technologies.
- Pursue public-private and intergovernmental partnerships where they improve delivery, timing, or affordability.

- Evaluate and implement parking strategies that maximize available capacity, improve access, and balance the needs of businesses, residents, visitors, and other transportation users.
- Plan for utility load growth, system capacity, and infrastructure expansion needed to support housing and business development.

3. Economic Vitality and Workforce Resilience

Strengthen a diverse and resilient local economy by supporting business retention and expansion, encouraging entrepreneurship, aligning workforce development with community needs, building on Ellensburg's regional assets, and ensuring infrastructure and utility readiness for growth.

Potential Actions

- Partner with local and regional organizations to implement shared economic development strategies.
- Focus recruitment and retention on businesses and industries that are sustainable, additive, and aligned with local strengths.
- Support entrepreneurship, small business growth, creative economy, and multicultural business development.
- Strengthen downtown and business districts through coordinated promotion, technical assistance, and place-based investment.
- Support rehabilitation and adaptive reuse of historic properties to preserve community character, strengthen Ellensburg's identity, and enhance heritage tourism and place-based economic activity.
- Increase tourism, sports, and event activity that generates outside spending and supports local business activity.
- Align workforce development with labor shortages in priority sectors, including trades, behavioral health, and other critical occupations.
- Improve freight and transportation coordination to enhance market access and economic efficiency.
- Continue diversifying the local business base to improve resilience during economic shifts.
- Coordinate economic development and utility planning to ensure service capacity, timely connections, and infrastructure readiness for business retention, expansion, and industrial recruitment.

4. Housing Opportunities and Neighborhood Stability

Support a community where residents can access safe and attainable housing, neighborhoods remain strong and connected, and people can reach the services and amenities needed for long-term stability and well-being.

Potential Actions

- Implement the Housing Action Plan to increase supply and address projected housing needs.
- Reduce regulatory and process barriers to a broader range of housing types.

- Encourage diversity in housing, including middle housing, accessory dwelling units, and other flexible housing models.
- Expand incentives and partnerships that support housing production, affordability, and long-term retention.
- Support policies and partnerships that reduce housing cost burden across income levels.
- Work with service providers and partner agencies to reduce homelessness and strengthen pathways to permanent housing.
- Plan neighborhoods with access to transportation, services, and community amenities.
- Support safe and stable neighborhoods by addressing property conditions, housing quality, and related compliance issues through coordinated education, assistance, and enforcement strategies.
- Identify gaps in the broader support system, including food security and other household stabilization needs.
- Coordinate housing growth with utility capacity, extension planning, and infrastructure investment.
- Support policies and partnerships that reduce housing cost burden across income levels, including energy efficiency and other strategies that lower total household utility burden while maintaining safe and reliable service.

5. Organizational Excellence and Fiscal Stewardship

Maintain a high-performing City organization through strong financial management, resilient operations, effective technology and data systems, and responsive service delivery aligned with community priorities.

Potential Actions

- Advance core organizational systems, including ERP, EAM, records management, cybersecurity, and data governance.
- Use priority-based budgeting that links expenditures to community outcomes, service levels, and long-term financial sustainability.
- Preserve healthy reserves, strengthen performance measures, and improve transparency around fiscal tradeoffs and funding needs.
- Update continuity of operations, risk management, and resilience planning across City functions.
- Use data and evidence to identify service gaps, measure and report results, and adapt to changing community needs.
- Improve operational efficiency in facility planning, service delivery, and internal business processes.
- Evaluate long-term funding strategies for major facilities, parks, recreation assets, and related service needs.
- Develop a long-term strategy for the City’s aquatic facility, including renovation or replacement options, funding, partnerships, operations, and lifecycle cost considerations.
- Pursue partnerships where they improve service access, cost-effectiveness, or long-term sustainability.

- Strengthen utility asset management, business system integration, and data tools to improve maintenance planning, outage response, capital forecasting, and service reliability.

ADOPTED by the City Council of the City of Ellensburg on this 15th day of June 2026.

_____
Mayor

ATTEST: _____
City Clerk

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Resolution 2026-15 (Joint Resolution with Kittitas County) Authorizing Funding for Opoid Abatement RFPs (Public Comment Opportunity)
Submitted by:	Christopher Horner, City Attorney
Department:	City Attorney

Suggested Motion/Action:
Move to approve Resolution 2026-15, adopting a joint resolution with Kittitas County, authorizing funding for opioid abatement RFPs.

Background/Summary:
The Kittitas County Public Health Department issued an RFP for Opioid Abatement Strategies, which opened on April 8, 2026 (with $380,000 of total funds available), based on a joint funding commitment from Kittitas County and the City of Ellensburg pursuant to an Interlocal Agreement.

Four proposals were submitted, and were reviewed by a committee comprised of County and City staff. The review committee recommended approval of all four proposals, which requested a total of $308,573.81, which was below the available funding amount, so no requests were denied or had reduced funding award.

Pursuant to the Interlocal Agreement, approval from both City Council and the Board of County Commissioners is required before any grant funds can be awarded. The Board of County Commissioners is scheduled to consider the joint resolution on Tuesday June 16.

Previous Council Action:
At the February 17, 2026 meeting, Council approved $100,000 in restricted Opioid Settlement Funds to be pooled with $300,000 of Kittitas County funds, for distribution in the 2026 grant cycle, as established through the Interlocal Agreement (ILA) between Kittitas County and the City of Ellensburg.

Previously, at the December 15, 2025, meeting, Council approved an Interlocal Agreement (ILA) between Kittitas County and the City of Ellensburg for Pooling of Opioid Funds Resulting from the Settlement of Claims Against Pharmaceutical Supply Chain Participants.

On April 18, 2022, Council authorized the signature of the City Manager on the One Washington Memorandum of Understanding (One Washington MOU) for future settlement of state opioid claims.

Analysis:
The four proposals received and amount of funding granted (with a brief project description as provided by the applicants) are:

1) Kittitas County Alano Club $16,813

The Kittitas County Alano Club strives to remain safe, functional, and accessible to the community it serves. Assistance in operating expenses would allow the KCAC to ensure longevity and possibly redirect some funds to upkeep and ensure that the KCAC remains available and accessible for all those seeking recovery.

The availability of a safe recovery hub is directly tied to KCAC's ability to support opioid abatement efforts in Kittitas County. By maintaining and improving a stable, accessible location for peer recovery support, KCAC helps ensure that individuals affected by Opioid and Substance Use Disorders have consistent access to meetings, community, and recovery-oriented resources. This kind of ongoing, low-barrier support is widely recognized as a key component of long-term recovery.

Assistance in operating costs would allow the facility to work towards being able to better accommodate larger meetings, workshops, and recovery-focused events, including educational programming and opportunities to connect individuals with services and resources. Financial assistance would assist the KCAC in continuing to provide a consistent, trusted environment where recovery is supported every day.

At the end of the day, everyone deserves a recovery environment that reflects their worth. When we relegate recovery to spaces that are less than desirable, we unintentionally send the message of shame in their addiction. A dignified space shows value in the individual. Recovery is a time of intense vulnerability. Being in a safe and welcoming environment helps foster meaningful recovery. Having an uplifting environment serves as a physical representation of the new life someone is trying to build.

2) Kittitas County Health Network $98,922.91

KCHN will address opioid abatement in the county through implementing 14 different projects.

The County Resource Guide provides awareness of and access to the many resources available in Kittitas County, including access to treatment for SUD. This guide requires staff time for regular updates, annual website hosting and security fees, and funds for printing.

Community Conversations for Opioid Use Disorder reduce stigma by allowing community members to engage in conversation about positive and negative beliefs around OUD and recovery. The conversations require funding for staff time, 4-hour space rental, and outreach.

International Overdose Awareness Day (IOAD) provides an opportunity for the community to commemorate loved ones impacted by overdose, share tools and resources to prevent overdose deaths, and drive community change. The costs associated with IOAD include staff time, space rental, and outreach.

Sources of Strength (SoS) is a best practice, strengths-based program that promotes mental health and prevents adverse outcomes like violence, bullying, substance use, and suicide. Research shows SoS reduces the likelihood of new suicide attempts by 29% and is the first universal intervention to show a statistically significant reduction in youth suicide mortality. The costs associated with SoS include staff time, contracting with SoS, space rental, and outreach.

KCHN designed, maintains, and distributes rack cards with information on local substance use and opioid use resource providers. The costs associated with the rack cards include staff time and printing.

Youth mentoring is a substance use prevention strategy that aims to improve academic achievement and reduce substance use and crime rates; it is specifically outlined in the CHIP. THRIVE Youth Mentoring uses the 1:1 community-based model, an evidence-based program built from the Elements of Effective Practice for Mentoring. In this project, the Project Specialist supports the youth mentoring program by providing mental health and substance use educational resources, activities, and guidance for mentors, mentees, and program staff. Program support requires funding for staff time.

ACEs trainings provide community members and organizations with education about adverse childhood experiences with the goal of providing trauma-informed care strategies to reduce the negative health impacts of ACEs including increased chances of developing SUD. Training support requires funding for staff time and annual license renewal.

Hosting peer-led listening sessions for youth is a CHIP activity and will allow KCHN and partners to understand the challenges youth are facing and focus prevention efforts to their specific needs. The costs associated with this activity include staff time, space rental, and outreach.

Community Connect Day is an annual resource fair that brings together cross-sector organizations and providers with the goal of connecting individuals with behavioral health support and services. The costs associated with this event include staff time, space rental, and outreach.

Training the Behavioral Health Project Specialist to facilitate QPR trainings will allow dozens of local individuals and organizations that work with youth and adults to learn how to recognize signs of suicidal ideation and provide necessary support in real-time. The costs associated with this project include staff time and certification costs.

Drug Take-Back Days provide an opportunity for community members to safely dispose of unnecessary prescription medications and prevent risk of overdose and substance misuse. The costs associated with this event include staff time and outreach.

KCHN convenes regular coalition meetings that bring cross-sector partners together to identify goals for reducing harms related to the opioid epidemic and strategies to support populations with the greatest need for treatment. This activity requires staff time.

Hosting an Employment Summit will provide an opportunity for employers to learn how to best support employees in recovery and for community members with SUD to connect with local employers about job opportunities. The costs associated with this event include staff time, space rental, and outreach.

Training the Project Specialist in facilitating Recovery Ally trainings will allow community members and dozens of classrooms of students to learn about the process of recovery, confront stigma related to addiction, how to use appropriate language when discussing SUD and what resources are available in Kittitas County. The costs associated with this program include a curriculum fee, staff time, and outreach.

3) Kittitas County Jail $98,635

Research published indicates that roughly 44% of the population in American Jails suffer from a mental illness (SAMHSA 2024), 63 percent of individuals sentenced in jails have a substance abuse disorder (Bureau of Justice Statistics 2020), and other research indicating up to 48% of those incarcerated suffer from both or have cooccurring disorders. The trends seen at the Kittitas County Jail are not very different, but what is different is the work that is done to evaluate, treat, and set these clients up for success through programming by medical, mental health, and reentry staff in a rural facility setting. The whole purpose of opioid abatement refers to exactly what the Kittitas County Jail has already proven to be successful with evidence-based strategies and programs to treat, educate, and mitigate substance use disorders like opioids.

KCJ is not proposing a new project, but a continuation. Outside funding has started to become less available and because of the importance of this programming and what has shown to be as valuable added, they are requesting these funds to continue with the processes and programs in place. This doesn't mean that there won't be enhancements or changes because the jail administration and medical team meet and communicate regularly to ensure that the best programming is offered for MOUD and the people incarcerated in the facility. The system that is currently in place has provided relief to the security staff who are not medically trained to address some of the issues they face with someone who is going through withdrawals or cravings, as well as to the population entering the facility understanding they are receiving quality care by properly trained medical staff.

Currently medical staff does assessments on intakes as soon as possible. There is medical staff at KCJ from 0700-2300hrs Monday through Friday and for 8-10 hours each weekend day. If medical staff are not available, the Emergency Department at Kittitas Valley Hospital has been very helpful as well as the ability to call the on-call provider. As soon as a medical staff arrives the next day, they immediately assess and address any concerns from the night before. Data has proven that a person who is recently booked into a jail is more likely to be honest with a medical provider over a deputy/officer about their substance use as well as potentially provide a voluntary urine drug screen. Because of KCJ utilizing this, individuals who are concerned about, starting, or going through any type of withdrawals are treated and monitored closely. There have been very few occasions when an individual who was treated for withdrawals didn't continue into MOUD programming once they had finished the current treatment plan they were on.

Anytime, any person housed in KCJ can request to be screened for MOUD programming. Our MOUD provider and nursing staff work closely with the person to determine if or what treatment is necessary and appropriate. The use of SUDPs (Substance Use Disorder Professional) may be requested for further evaluation and assessment. Those who are found eligible are then put on the appropriate medications and closely monitored and met with to ensure they are receiving the care as intended. They receive education, resources for release, and a box with two doses of Naloxone is put into their property for release with their information/resource folder. If KCJ is aware of a release date and time, the staff works on providing a follow-up appointment at a provider in the community the person is from. If the person is released suddenly, there are resources in the folder that are explained to them are release about set walk-in hours at our local clinic or how to find a clinic in their own community. Each person released who is currently on MOUD receives a 14-day supply of the medication at the time of release to ensure that they have time to find a provider and continue treatment if they desire.

The overall goal of a program like this has different components and measurable objectives. The first is probably one of the largest concerns for any carceral setting, in-custody deaths. Although it is impossible to stop them all, KCJ has deployed every measure possible to reduce that concern, including programming like this. It also helps mitigate overdose concerns of those incarcerated and finally provides the tools to keep those who released from their facility the ability to either start a path towards recovery or not suffer from a fatal overdose shortly after being incarcerated. The other data that has been tracked is also proof of the value benefits this program provides, but these are the biggest concerns for those who work and run carceral facilities. Because of early assessment and intervention, KCJ has yet to date suffered from any of these crises, but if they were unable to provide these services, it would raise the level of concern. Having medical treatment available as soon as possible, education and planning decrease all these concerns. The data also shows that KCJ is only scratching the surface and still has plenty of room to grow and expand on their abilities to provide services to those incarcerated that we would want provided to our own families and friends if they were incarcerated or suffering from substance use disorder.

4) Peers Rising $94,202.90

Peers Rising proposes “Recovery Without Barriers: Removing Obstacles. Restoring Lives,” a targeted opioid abatement initiative designed to reduce immediate and practical barriers that prevent individuals from accessing, engaging in, and sustaining recovery.

Individuals impacted by opioid use disorder in Kittitas County face significant challenges when attempting to enter treatment, secure stable housing, maintain employment, and comply with court or program requirements. These challenges are often not clinical in nature, but instead relate to unmet basic needs, lack of transportation, limited communication access, and competing responsibilities such as caring for pets. Without addressing these barriers, individuals are more likely to delay treatment, disengage from recovery services, or experience relapse.

This project addresses these gaps through a flexible, peer-led model that combines recovery stability supports with a targeted pet stability intervention, ensuring individuals can pursue recovery without sacrificing essential needs or supports.

Financial Impact:
There is no additional financial impact, as Council previously authorized a budget adjustment and the commitment of $100,000 (including a 10% administrative fee) of the City's Opioid Settlement funds for the 2026 grant cycle.

Budget Adjustment: No

Attachments:
1. 2026 One Time Opioid Abatement RFP Joint Resolution

CITY OF ELLENSBURG AND
KITTITAS COUNTY
STATE OF WASHINGTON

JOINT RESOLUTION

KITTITAS COUNTY RESOLUTION NO.: 2026-_____

ELLENSBURG CITY COUNCIL RESOLUTION NO.: 2026-15

A JOINT RESOLUTION OF THE ELLENSBURG CITY COUNCIL AND KITTITAS COUNTY BOARD OF COUNTY COMMISSIONERS TO AUTHORIZE FUNDING FOR THE USE OF OPIOID FUNDS RESULTING FROM THE SETTLEMENT CLAIMS FOR THE ONE-TIME 2026 OPIOID ABATEMENT REQUEST FOR PROPOSAL

WHEREAS: The proceeds generated from the settlement claims against pharmaceutical supply chain participants are to be used for opioid abatement strategies including co-occurring substance use disorder and mental health conditions; and

WHEREAS: City of Ellensburg and Kittitas County executed an interlocal agreement (ILA) to pool Opioid Settlement funds received pursuant to the One Washington Memorandum of Understanding, to increase the benefit of opioid abatement strategies to the citizens of Ellensburg and Kittitas County; and

WHEREAS: Per the ILA, the City of Ellensburg and Kittitas County will grant funds for the One-Time 2026 Opioid Abatement RFP after both parties have approved via resolutions by the respective legislative authorities; and

WHEREAS: The City of Ellensburg and Kittitas County agree to fund the following agencies with the following funding levels:

- Kittitas County Alano Club, $16,813
- Kittitas County Health Network, $98,922.91,
- Kittitas County Jail, $98,635
- Peers Rising, $94,202.9

NOW, THEREFORE BE IT RESOLVED: The City of Ellensburg and Kittitas County authorize funding in the amount of $308,573.81from July 1, 2026, to June 30, 2027. There will be no rollover of unspent funds. Each agency will be required to sign a separate agreement accepting the terms and conditions for receipt of Opioid Settlement Funds.

ADOPTED this _____day of _____ 2026.

BOARD OF COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON

_____
Commissioner, Chairman

_____
Commissioner, Vice-Chairman

_____
Commissioner

ATTEST:
CLERK OF THE BOARD

_____
Julie A. Kjorsvik

[city of Ellensburg signature page]

ADOPTED by the City Council of the City of Ellensburg this ___ day of June, 2026.

_____
Mayor

ATTEST: _____
City Clerk

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Discussion of Walkway Easements Between Catherine Cottages and Radio Road (Public Comment Opportunity)
Submitted by:	Christopher Horner, City Attorney
Department:	City Attorney

Suggested Motion/Action:
The purpose of this agenda item is to provide an opportunity for Council to discuss the walkway easements between Catherine Cottages and Radio Road, and for Council to provide direction to staff on this topic.

Background/Summary:
On May 18, 2026, Council authorized the Mayor to sign a letter of intent conditionally approving Habitat for Humanity's application to develop affordable housing on the Catherine property. However, following public comment and Council discussion, Mayor Elliott also requested that further discussion about the walkway easement between Catherine Cottages and Radio Road be placed on a future Council agenda.

Previous Council Action:
On December 9, 1980, Council adopted Resolution 1980-21, which accepted the donation of real property from John and Catherine DiMeo.

On August 15, 2022, Council adopted Resolution 2022-17, which declared the property (then known as Catherine Park) as surplus to City needs, to be used for affordable cottage housing in accordance with RCW 39.33.015 and ECC 2.06.080.

On May 18, 2026, Council authorized the Mayor to sign a letter of intent conditionally approving Habitat for Humanity's application to develop affordable housing on the Catherine property.

Analysis:
At Council's May 18, 2026 meeting, the primary focus of discussion was on the process for vacating a 5' walkway located on the eastside of Lot 1 of the Margaret's Addition Plat. This 5' easement was created by a Dedication Deed dated January 28, 1983, with Gwendolyn Hall as the Grantor, and the City of Ellensburg as the Grantee. While there is no specific statutory process required for vacation of easements, if Council wanted to pursue vacation of this easement, staff suggests following the general process for a street vacation under chapter 35.79 RCW, which is:

- The City receives a petition for easement vacation;

- The City passes a resolution setting a time for a public hearing on the vacation request;
- The City holds a public hearing;
- The City passes an ordinance vacating the easement. A certified copy of the ordinance is then recorded by the City Clerk with the County Auditor.

As part of the vacation process, the City can determine what, if any, compensation would be required for the vacation.

However, it is important to note there are likely two other walkway easements between Radio Road, Lots 1-7 of the Margaret's Addition Plat, and the Catherine Park/KXLE properties. Those two easements are 10' walkway and irrigation easements created by the Margaret's Addition plat. One of the 10' easements is located on the westside of Lot 1; and the other is located between Lots 6 and 7. While those easements were the subject of quitclaim deeds, staff's understanding is the plat itself was never amended to remove those easements. The subdivision plat alteration process is set forth in Ellensburg City Code 15.260.110(c), and would require an application signed by the majority of the persons having an ownership interest in the subject subdivision.

It is also important to note the City Attorney's Office cannot provide legal advice regarding private property issues, or advise private property owners of the legal risks and benefits of any particular action or decision made by City Council.

Financial Impact:
There is likely minimal or no financial impact of this discussion.

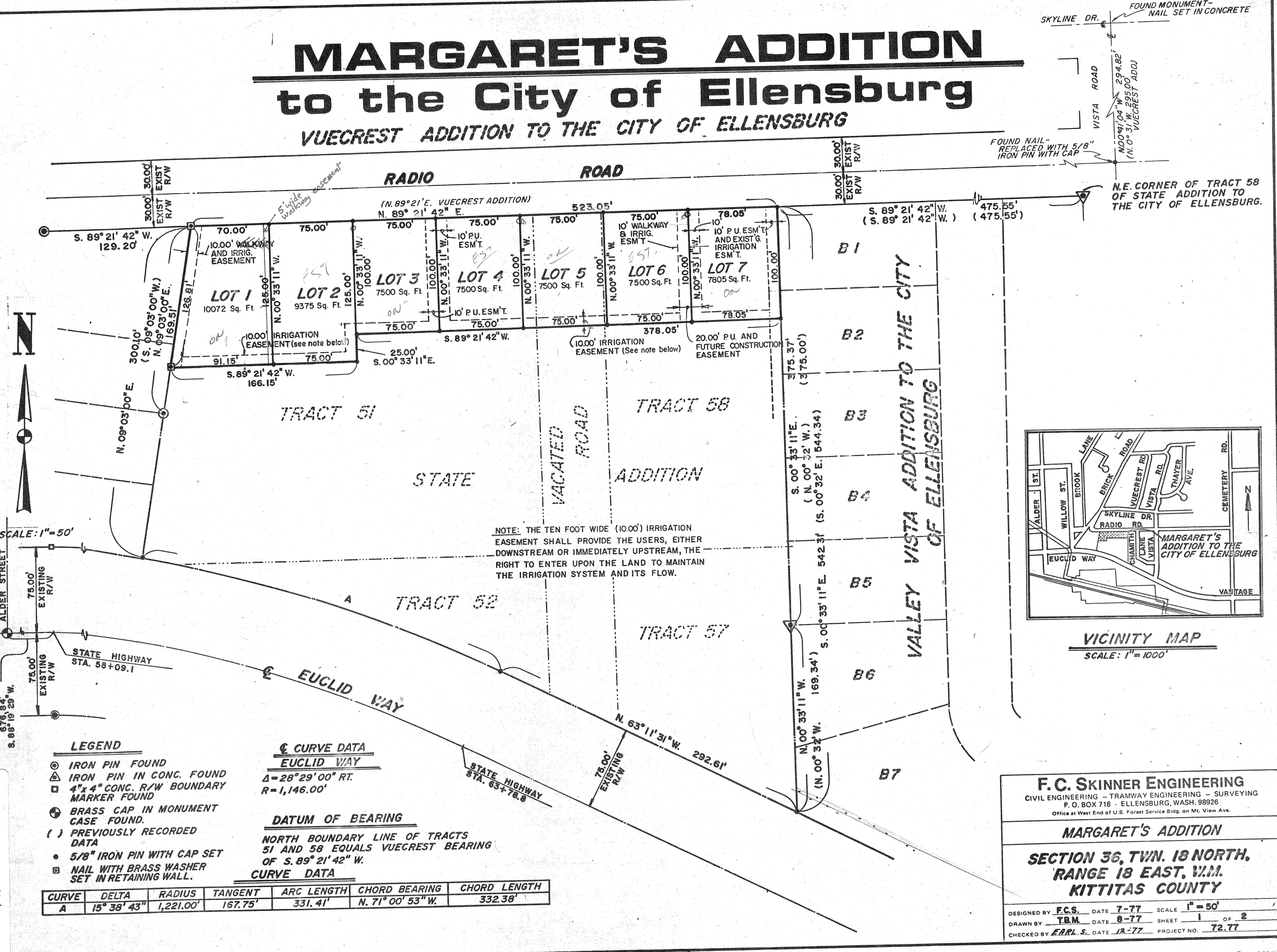
Budget Adjustment: No

Attachments:
1. Margaret's Addition (city files)
2. short plat 446237
3. Resolution 1980-21
4. 1304RadioQuitclaim467334
5. 1304RadioEasementdedication467335
6. 422278

419986

MARGARET'S ADDITION
to the City of Ellensburg

VUECREST ADDITION TO THE CITY OF ELLENSBURG



VICINITY MAP
SCALE: 1" = 1000'

LEGEND

- IRON PIN FOUND
- IRON PIN IN CONC. FOUND
- 4"x 4" CONC. R/W BOUNDARY MARKER FOUND
- BRASS CAP IN MONUMENT CASE FOUND.
- ( ) PREVIOUSLY RECORDED DATA
- 5/8" IRON PIN WITH CAP SET
- NAIL WITH BRASS WASHER SET IN RETAINING WALL.

℄ CURVE DATA
EUCLID WAY

Δ = 28° 29' 00" RT.
R = 1,146.00'

DATUM OF BEARING

NORTH BOUNDARY LINE OF TRACTS 51 AND 58 EQUALS VUECREST BEARING OF S. 89° 21' 42" W.

CURVE DATA

CURVE	DELTA	RADIUS	TANGENT	ARC LENGTH	CHORD BEARING	CHORD LENGTH
A	15° 38' 43"	1,221.00'	167.75'	331.41'	N. 71° 00' 53" W.	332.38'

F. C. SKINNER ENGINEERING
CIVIL ENGINEERING – TRAMWAY ENGINEERING – SURVEYING
P. O. BOX 716 · ELLENSBURG, WASH. 98926
Office at West End of U.S. Forest Service Bldg. on Mt. View Ave.

MARGARET'S ADDITION

SECTION 36, TWN. 18 NORTH, RANGE 18 EAST, W.M. KITTITAS COUNTY

DESIGNED BY F.C.S. DATE 7-77 SCALE 1" = 50'
DRAWN BY T.B.M. DATE 8-77 SHEET 1 OF 2
CHECKED BY EARL S. DATE 12-77 PROJECT NO. 72.77

MARGARETS IN-1 74-e

419986

MARGARET'S ADDITION

LEGAL DESCRIPTION

That Part of Tracts 51 and 58, STATE ADDITION TO THE CITY OF ELLENSBURG NUMBER 1, County of Kittitas, State of Washington, as per plat thereof recorded in Book 2 of Plats, page 48, records of said county, which is described as follows:

A tract of land bounded by a line beginning at the Northeast corner of Tract 58 of said addition; thence South 89°21'42" West along the Southerly boundary line of the city street known as Radio Road and the Northerly boundary line of said tract a distance of 475.55 feet to the True Point of Beginning; thence South 00°33'11" East along the West boundary line of the Plat known as Vally Vista Addition to the City of Ellensburg as per plat thereof recorded in Volume 3 of Plats, page 35, records of said county, a distance of 100.00 feet; thence South 89°21'42" West a distance of 378.05 feet; thence South 00°33'11" East a distance of 25.00 feet; thence South 89°21'42" West a distance of 166.15 feet; thence North 09°03'00" East a distance of 126.81 feet to the Southerly right-of-way boundary line of said city street and the Northerly boundary line of Tract 51; thence North 89°21'42" East along the Northerly boundary line of Tracts 51 and 58 of said addition to Ellensburg a distance of 523.05 feet to the True Point of Beginning, said line being parallel with and 30.00 feet Southerly of the center line of said city street. Containing 1.31 acres, more or less.

I HEREBY CERTIFY that the plat of MARGARET'S ADDITION is based on actual survey and subdivision of a portion of Tracts 51 and 58, together with a vacated county road 60 feet in width, lying between Tracts 51 and 58, STATE ADDITION TO THE CITY OF ELLENSBURG NO.1, located in Section 36, Township 18 North, Range 18 East, W.M.; that the distances and courses and angles are shown thereon correctly; that proper monuments have been set and lot corners are staked on the ground.

FREDERICK C. SKINNER STATE OF WASHINGTON REGISTERED PROFESSIONAL ENGINEER & LAND SURVEYOR

Frederick C. Skinner

Frederick C. Skinner, P.E. & L.S.

Wash. Professional Engineer & Land Surveyor No. 12491

January 6, 1978

DEDICATION

KNOW ALL MEN BY THESE PRESENTS that John R. DiMeo and Catherine M. DiMeo, Husband and Wife, the undersigned Owners in fee simple, of the herein described real property, do hereby declare, subdivide and plat as herein described and dedicate to the use of the public forever, all easements or whatever public property shown thereon and the use thereof for any and all public purposes.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 13 day of January, A.D., 1978.

John R DiMeo — John R. DiMeo

Catherine M. DiMeo — Catherine M. DiMeo

ACKNOWLEDGEMENT

STATE OF WASHINGTON } SS
County of Kittitas }

THIS IS TO CERTIFY that on this 13th day of January, A.D. 1978, before me, the undersigned, a Notary Public, personally appeared John R. DiMeo and Catherine M. DiMeo, husband and wife, to me known to be the persons who executed the foregoing dedication and acknowledge to me that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS My hand and official seal the day and year first written.

Richard L Cleveland

Notary Public in and for the State of Washington, residing at Seattle.

RICHARD L. CLEVELAND NOTARY PUBLIC STATE OF WASHINGTON

APPROVALS

EXAMINED AND APPROVED by the Ellensburg City Manager this 24th day of Jan, 1978.

Robert L. Weller
Ellensburg City Manager

EXAMINED AND APPROVED by the Ellensburg City Engineer this 27th day of JAN, 1978.

Thomas L. Heine
Ellensburg City Engineer

EXAMINED AND APPROVED by the Ellensburg Planning Commission this 27th day of JAN, 1978.

James E. Farrell
Planning Commission Chairman

EXAMINED AND APPROVED by the Ellensburg City Mayor this 27 day of Jan, 1978.

Dan Fritz
Ellensburg City Mayor

ATTEST:

Gertrude D. Ericksen
City Clerk

Lot 57 & 58 Tx 42 & 84 of 36-18-18 and CID assessments

This is to certify that all taxes of Kittitas County which includes up to and including 1978 taxes have been paid.

Betty J. Spence
Kittitas County Treasurer

CERTIFICATION OF AUDITOR

Filed for record at the request of the City of Ellensburg this 2nd day of February, 1978, at 12:43 o'clock P M., and recorded in Volume 7 of Plats, on Page 31 & 32, records of Kittitas County, Washington.

Beverly M Clarke
Kittitas County Auditor

M. Winn
Deputy County Auditor

F. C. SKINNER ENGINEERING
CIVIL ENGINEERING – TRAMWAY ENGINEERING – SURVEYING
P. O. BOX 716 - ELLENSBURG, WASH. 98926
Office at West End of U.S. Forest Service Bldg. on Mt. View Ave.

MARGARET'S ADDITION

SECTION 36, TWN. 18 NORTH, RANGE 18 EAST, W.M. KITTITAS COUNTY

DESIGNED BY FCS DATE 7/77 SCALE NONE
DRAWN BY FLS DATE 12/77 SHEET 2 OF 2
CHECKED BY EARL S. DATE 12/77 PROJECT NO. 72.77

MARGARETS M-1 44

446237 446237 A/M

CITY OF ELLENSBURG SHORT PLAT NO. R80-6

A PORTION SECTION 36, TWN. 18 N., RANGE 18 E., W.M.

ORIGINAL TRACT
ASSESSOR'S PARCEL NO. (S)

NOTICE:

IT IS ILLEGAL TO FURTHER DIVIDE SHORT PLATTED LOTS NO. 1-4 DESCRIBED BELOW FOR A PERIOD OF FIVE (5) YEARS FROM THE DATE OF RECORDING OF THIS MAP WITH THE COUNTY AUDITOR.

FUTURE PERMITS:

THE APPROVAL OF THIS SHORT PLAT IS NOT A GUARANTEE THAT FUTURE PERMITS WILL BE GRANTED.

DEDICATION

KNOW ALL MEN BY THESE PRESENTS that John R DiMeo and Catherine M. DiMeo, husband and wife, the undersigned Owners in fee simple, of the herein descrjbed real property hereby declare, subdivide and plat as herein described and dedicate to the use of the public forever, all easements or whatever public property shown thereon and the use thereof for any and all public purposes.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 15TH day of SEPT, A.D., 1980.

John R. DiMeo Catherine M. DiMeo

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

THIS IS TO CERTIFY that on this 15TH day of SEPT, A.D., 1980, before me the undersigned, a Notary Public, personally appeared John R. DiMeo and Catherine M. DiMeo, husband and wife, to me known to be the persons who executed the foregoing dedication and acknowkedge to me that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal the and year first written.

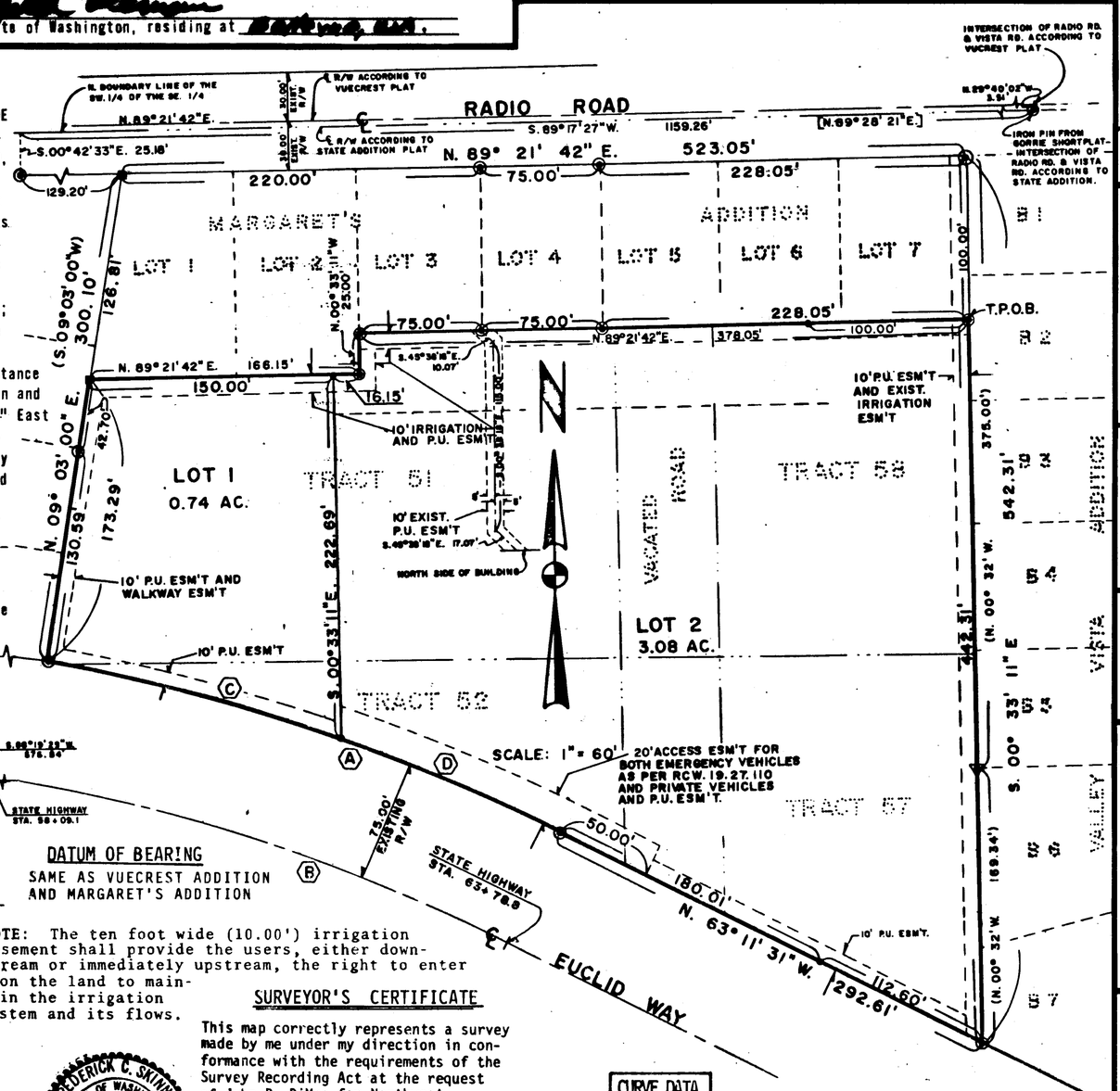
Notary Public in and for the State of Washington, residing at [redacted].

LEGAL DESCRIPTION

That portion of Tracts 51, 52, 57, and 58, STATE ADDITION TO THE CITY OF ELLENSBURG NUMBER 1, County of Kittitas, State of Washinton, as per plat thereof recorded in Book 2 of Plats, Page 48, of records of said County, which is described as follows:

A tract of land bounded by a line beginning at the northwest corner of Valley Vista Addition to the City of Ellensburg, as per plat thereof recorded in Volume 3 of Plats, Page 35, records of said county, and the northeast corner of Margaret's Addition to the City of Ellensburg, as per plat thereof recorded in Volume 7 of Plats, Page 31, records of said county; thence South 00°33'11" East along the westerly boundary line of the plat known as Valley Vista Addition and the easterly boundary line of the plat known as Margaret's Addition a distance of 100.00 feet to the southeast corner of Margaret's Addition and the True Point of Beginning; thence countining South 00°33'11" East along the westerly boundary line of the plat known as Valley Vista Addition a distance of 442.31 feet to the northeasterly right-of-way boundary line of the city street known as Euclid Way; thence North 63°11'31" West along the northeasterly right-of-way boundary line of said city street a distance of 292.61 feet; thence continuing along the northeasterly right-of-way boundary line of said city street on a 1221.00 foot radius curve concave to the southwest, an arc distance of 333.41 feet, said chord being North 71°00'53" West a distance of 332.38 feet; thence North 09°03'00" East a distance of 173.29 feet to the southwesterly corner of the plat known as Margaret's Addition; thence North 89°21'42" East along the southerly boundary line of said plat a distance of 166.15 feet; thence North 00°33'11" West along the southerly boundary line of said plat a distance of 25.00 feet; thence North 89°21'42" East along the southerly boundary line of said plat a distance of 378.05 feet to the southeast corner of the plat known as Margaret's Addition and the True Point of Beginning;

Containing 3.82 acres, more or less.



DATUM OF BEARING

SAME AS VUECREST ADDITION AND MARGARET'S ADDITION

NOTE: The ten foot wide (10.00') irrigation easement shall provide the users, either downstream or immediately upstream, the right to enter upon the land to maintain the irrigation system and its flows.

LEGEND

- IRON PIN IN CONC. FOUND
- BRASS CAP IN MONUMENT CASE FOUND
- 4" X 4" CONC. R/W BOUNDARY MARKER FOUND
- ( ) PREVIOUSLY RECORDED DATA
- [ ] PREVIOUSLY RECORDED DATA FROM BRICK & RADIO ROAD MONUMENTATION PROJECT
- 5/8" IRON PIN WITH CAP SET
- EXIST. NAIL WITH BRASS WASHER FOUND IN RETAINING WALL
- IRON PIN FOUND

SURVEYOR'S CERTIFICATE

This map correctly represents a survey made by me under my direction in conformance with the requirements of the Survey Recording Act at the request of John R. DiMeo for Northwest Media of Seattle, WA.

Frederick C. Skinner, P.E. & R.L.S.
Washington Land Surveyor #12491
F.C.Skinner Engineering

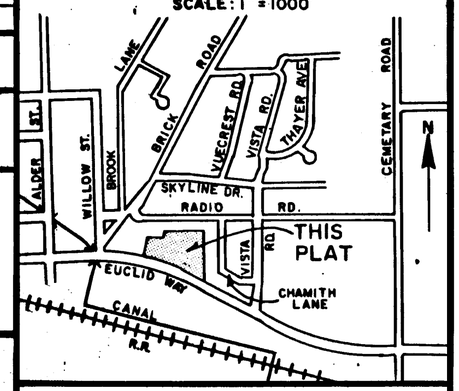
FREDERICK C. SKINNER — STATE OF WASHINGTON — REGISTERED Professional Engineer & Land Surveyor

CURVE DATA

CURVE	DELTA	RADIUS	TANGENT	ARC LENGTH	CHORD BEARING	CHORD LENGTH
A	15°38'43"	1221.00'	167.75'	333.41'	N.71°00'53"W.	332.38'
B	28°29'00"	1146.00'	290.87'	569.71'	N.77°26'01"W.	563.86'
C	08°44'46"	1221.00'	93.37'	186.38'	N.74°27'52"W.	186.20'
D	06°53'58"	1221.00'	73.60'	147.03'	N.66°38'30"W.	146.94'

VICINITY MAP

SCALE: 1" = 1000'



DEPT. OF PLANNING AND COMMUNITY DEV.

THIS SUBDIVISION MEETS ALL MINIMUM REQUIREMENTS AND STANDARDS OF THE CITY OF ELLENSBURG SUBDIVISION ORDINANCE. ALL PROCEDURES OF SAID ORDINANCE HAVE BEEN COMPLIED WITH.

DIRECTOR DATE

COUNTY TREASURER

I HEREBY CERTIFY THAT ALL STATE AND COUNTY TAXES HERETOFORE LEVIED AGAINST THE SHORT PLATTED PROPERTY DESCRIBED HEREON ACCORDING TO THE BOOKS AND RECORDS OF MY OFFICE, HAVE BEEN FULLY PAID AND DISCHARGED.

TREASURER 9-15-80 DATE

AUDITOR'S CERTIFICATE

FILED FOR RECORD THIS 22 DAY OF Oct., 1980, AT THE REQUEST OF City of Ellensburg

AUDITOR'S FEE NO. [redacted] Vol. R Page 11

DEPUTY [redacted]

COUNTY AUDITOR [redacted]

CITY ENGINEER

EXAMINED AND APPROVED THIS [redacted] DAY OF [redacted], 1980.

ELLENSBURG CITY ENGINEER

NAME & ADDRESS - DEVELOPER

JOHN R. DIMEO
SUITE 422, 1411-14TH AVENUE BUILDING
SEATTLE, WASHINGTON 98101

EXISTING ZONING: Residential Low Density
SOURCE OF WATER: City
SEWAGE SYSTEM: City
IRRIG. SYSTEM: Cascade Irrig. Canal
WIDTH & TYPE OF ACCESS: Existing Street
NO. OF SHORT PLATTED LOTS: 4

SUBMITTED ON: _____ RECEIPT# _____

RETURN FOR CAUSE ON: _____

APPROVAL DATE: _____

PROJECT NO. 33.80	Scale 1" = 60
Drawn By: MEJ	Checked By: EARL S

181836

PROJECT NO. 33.80

NORTH WEST MEDIA

KBKW am ABERDEEN, WASH.
KXLE am-fm ELLENSBURG, WASH.
KJMD fm ABERDEEN, WASH.

JOHN R. DiMEO, President
DON DOWNING, Exec. Vice President
(206) 682-3651

July 25, 1980

Mayor and City Council
City of Ellensburg
Ellensburg, Washington 98926

Honorable Members:

It is my intention to submit to the City of Ellensburg in the next few days a very basic and simple short plat of what is commonly referred to as the KXLE property.

If the short plat is granted I further intend to offer lot #1 of the plat to the City of Ellensburg under the following minimal conditions:

1) The property must be accepted before December 31, 1980

2) That if the city subsequently sells the property to a private party for residential construction (which would be my suggestion) the proceeds must be used by the city for a capital expenditure rather than maintenance and operation

3) That some type of appropriate notation be made indicating that the donation was made on behalf of Catherine M. DiMeo

While I do intend to request a waiver of all public improvements at the time the plat is submitted I do not feel this should be any great obstacle since I am not contemplating any further division of lot #2, the remaining KXLE property.

I am respectfully requesting that the council tonight give me some indication of whether or not these minimal conditions are acceptable, conditioned of course on planning commission approval.

Should the city not desire to accept the property I shall still proceed with the plat as indicated and make my offer to some other organization that qualifies under Internal Revenue Service rules.

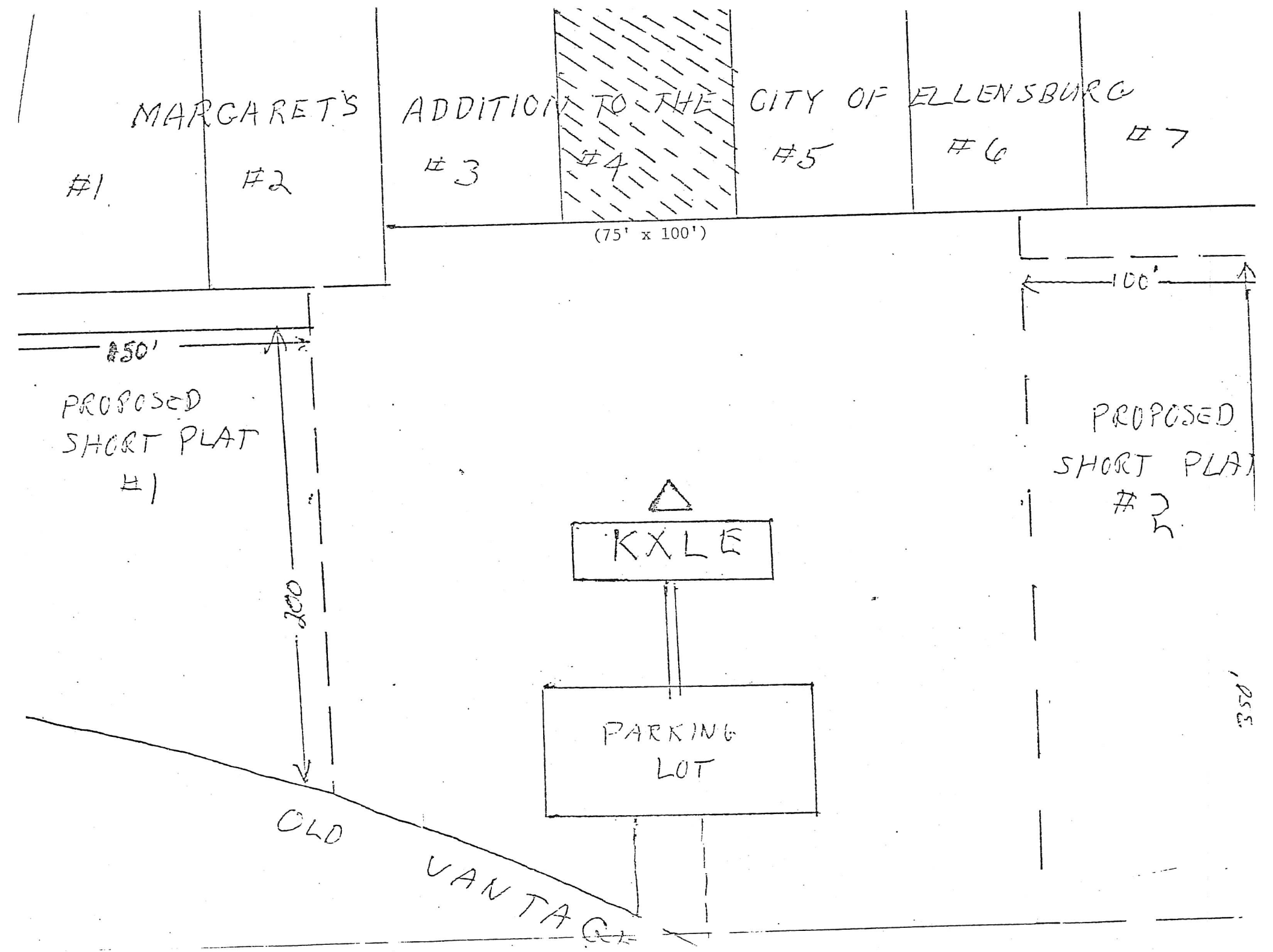
I do prefer to give the property to the city since I have been in business here almost twenty years and while I do not reside in the city I have children living and working here and feel a strong attachment to the city.

Sincerely,

John R DiMeo

John R. DiMeo

JRD:pf


MARGARET'S ADDITION TO THE CITY OF ELLENSBURG
#1
#2
#3
#4
#5
#6
#7
(75' x 100')
100'
150'
PROPOSED SHORT PLAT #1
PROPOSED SHORT PLAT #2
200'
KXLE
PARKING LOT
OLD VANTAGE

447402

300

KITTITAS COUNTY AUDITOR
FILED REQUEST OF:
PSTT
'80 NOV 7 PM 3:15

KITTITAS COUNTY AUDITOR
FILED REQUEST OF:
PSTT
'80 NOV 14 PM 2:48
DEED

Real Estate Excise Tax
Exempt
BETTE J. SPENCE
Kittitas County Treasurer
By 11-7-80 # 11492

WHEREAS, John R. DiMeo and Catherine M. DiMeo, husband and wife, are the owners of certain real property located in the City of Ellensburg, Kittitas County, Washington, and

WHEREAS, John R. DiMeo and Catherine M. DiMeo desire to donate said property to the City of Ellensburg, Washington,

NOW, THEREFORE, the Grantors, John R. DiMeo and Catherine M. DiMeo, convey and quit claim to the City of Ellensburg, Washington, a municipal corporation, the following described real property situated in the County of Kittitas, State of Washington:

Lot 1, as described and delineated on short plat No. P-80-8, Recorded October 6, 1980, under Auditors File No. 446237 and filed in Volume B of Short Plats, Page 11 Records of Kittitas County, Washington. Being a portion of Tracts 51 and 52 State addition to the City of Ellensburg as per plat thereof recorded in Book 2 of Plats, Page 48 Records of of Kittitas County, State of Washington.

DATED this 6th day of NOVEMBER, 1980.

John R DiMeo
JOHN R. DIMEO

Catherine M DiMeo
CATHERINE M. DIMEO

State of Washington)
) ss.
County of K I N G)

On this 6th day of NOVEMBER, 1980, before me personally appeared JOHN R. DIMEO and CATHERINE M. DIMEO, husband and wife, to me known to be the individuals who executed the foregoing instrument therein described, and acknowledged to me that they signed and sealed the said instrument freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate first above written.

NOTARY PUBLIC in and for the State of Washington, residing at Seattle.

Rtn: Pstt
E169

Pioneer National Title Insurance Co C-K-5992

OFFICIAL RECORDS

VOL 140 PAGE 188

December 9, 1980

AGENDA REPORT

TO: City Council

FROM: Robert H. Walker, City Manager

SUBJECT: Acceptance of DiMeo Parcel

RECOMMENDED ACTION: Consider land donation.

HISTORY AND FACT: In October, the Planning Commission approved the DiMeo Short Plat which divided the radio station property into lots of .74 and 3.08 acres. The City Council has approved a deferral of public improvements and a Subdivision Improvements Agreement implementing that deferral. At the time of discussion, it was proposed by Mr. DiMeo that the parcel of .74 acres would be donated to the City, with that intention being acknowledged but not formally accepted by the City Council.

DISCUSSION: On November 4, Mr. DiMeo's attorney recorded a deed with the County Auditor which transferred ownership of the parcel to the City. In 1967 a Resolution was adopted by the City Council establishing policy that formal acceptance of real property is required. A Resolution follows this Agenda Report for Council consideration.

RECOMMENDATION: Consider Resolution

Recorder
Book Vol 2
12/ 3

RESOLUTION NO. 1980 - 21

A RESOLUTION accepting donation of real property to the City.

WHEREAS, Resolution 1967-28 did establish policy for the acceptance of real property, and

WHEREAS, the owners of real property have donated certain real property to the City,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ELLENSBURG AS FOLLOWS:

Section 1. The City Council accepts the property in the attached deed described as follows:

Lot 1, Short Plat #P-80-8, recorded October 6, 1980, under Auditor's File No. 446237 filed in Volume B of Short Plats, page 11, Records of Kittitas County, Washington., provided, however, that such acceptance shall be subject to a determination by the City Manager that the condition of the title to said property is acceptable to the City.

Passed and approved this 15 day of December, 1980.

Lawrence Cook
Mayor

Attest: Gertrude A. Erickson
City Clerk

467334

KITTITAS COUNTY AUDITOR
FILED REQUEST OF City of Ellg.
1983 JAN 31 PM 3:01

Real Estate Excise Tax
Exempt
BETTE J. [illegible]
Kittitas County Treasurer
By [illegible]

QUIT CLAIM DEED

THE GRANTOR, City of Ellensburg, Washington, a municipal corporation, for good and valuable consideration, receipt of which is hereby acknowledged, hereby conveys and quit claims to Gwendolyn P. Hall, a single person, Grantee, all right, title and interest in the walkway easement over and along the following described property, situated in the City of Ellensburg, County of Kittitas, State of Washington:

A strip of land 10 feet wide and lying on the westerly side of Lot 1, Margaret's Addition, as recorded on the plat thereof.

Expressly excepted from this quit claim deed are all rights of any irrigation users having such use interest in said strip of land, as recorded on the face of the plat of said Margaret's Addition.

DATED this 31st day of January, 1983.

Randolph Christopherson
Mayor

Attest: Teresa L. Engel
City Clerk

STATE OF WASHINGTON)
) ss
County of Kittitas)

On this 31st day of JANUARY, 1983, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Randolph Christopherson and Teresa L. Engel to me known to be the Mayor and City Clerk, respectively, of the City of Ellensburg, Washington, the municipal corporation described in and who executed the foregoing instrument and acknowledged to me that they signed and sealed this said instrument as the authorized act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 31st day of January, 1983.

Re: B.C. 3 & 4.

(SEAL)

NOTARY PUBLIC in and for the State of Washington residing at Ellensburg

OFFICIAL RECORDS

VOL 176 PAGE 554

467335

Real Estate Excise Tax Exempt
BETTE J. [illegible]
Kittitas County Treasurer
By _____

KITTITAS COUNTY AUDITOR
FILED REQUEST OF: City of Ell.

DEDICATION DEED

1983 JAN 31 PM 3:01

Grantor, GWENDOLYN P. HALL, a single person, for good and valuable consideration, receipt of which is hereby acknowledged, hereby dedicates unto the CITY OF ELLENSBURG, WASHINGTON, a municipal corporation, Grantee, and to its successors and assigns, an easement for the construction and maintenance by Grantee of a pedestrian walkway over and across the following described property situated in the City of Ellensburg, County of Kittitas, State of Washington, to-wit:

The east five (5) feet of Lot 1, Margaret's Addition.

Grantor covenants not to obstruct said walkway with structures, plants or by any other means.

Grantee shall forthwith install and henceforth maintain a chain link fence with privacy slats to separate and screen the walkway from the remainder of said Lot.

DATED this 28th day of January, 1983.

Gwendolyn P. Hall

STATE OF WASHINGTON)
) ss
County of Kittitas)

On this day personally appeared before me GWENDOLYN P. HALL to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 28th day of January, 1983.

NOTARY PUBLIC in and for the State of Washington residing at Ellensburg.

(SEAL)

Rt: pone
420 N. Pearl
Ellg.

OFFICIAL RECORDS

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Return to: John R. Di Meo, President
Northwest Media
Suite 422
1411 4th Ave. Bldg.
Seattle, WA 98101

422278

3.00

KITTITAS COUNTY AUDITOR
FILED REQUEST OF:
John R. Di Meo.
'78 MAY 8 PM 2:38

QUITCLAIM DEED

THE GRANTOR, City of Ellensburg, Washington, a municipal corporation, conveys and hereby quitclaims all rights, title, and interest in that certain 10 foot walkway easement on the east 10 feet of Lot 6, Margaret's Addition to the City of Ellensburg, in the County of Kittitas, State of Washington, as per plat thereof recorded in Book 7 of Plats, Pages 31 and 32, in the County Auditor's office of said County.

Dated this 19th day of April, 1978.

Real Estate Excise Tax
Exempt
BETTE J. SPENCE
County Treasurer
By

CITY OF ELLENSBURG
By
Mayor

Attest: Gertrude V. Erickson
City Clerk

STATE OF WASHINGTON)
) ss.
County of Kittitas)

On this 19th day of April 1978, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Darrel Curtis

to me known to be the individual described in and who executed the foregoing instrument and acknowledged to me that he signed and sealed this said instrument as free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 19th day of April 1978.

J. E. CHRISTIE
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES NOV. 1, 1981

Notary Public in and for the State of Washington residing at Ellensburg

VOL 98 PAGE 165

OFFICIAL RECORDS

MAY 11 1978

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Professional Services Contracts between the City of Ellensburg and HopeSource for Transit Services (Public Comment Opportunity)
Submitted by:	Betsy Dunbar, Transit Manager
Department:	Public Works

Suggested Motion/Action:
Approval three Professional Services Agreements between the City of Ellensburg and HopeSource for Fixed Route, ADA Paratransit, and Cabulance Services as attached or in substantially similar form and approve the necessary budget adjustments.

Background/Summary:
Ellensburg Central Transit's Fixed-Route, ADA Paratransit, and Cabulance request for proposals (RFPs) were published, and the city received proposals from two agencies. Staff completed evaluations of each fixed-route, ADA paratransit, and cabulance written proposals, and HopeSource was the successful proposer. At the April 21, 2026, the Ellensburg Transit Advisory Committee meeting, committee members unanimously supported a recommendation to contract with HopeSource for all three services.

Previous Council Action:
The City Council has historically awarded the transportation contracts to the most successful proposer.
On April 3, 2017, in response to RFP-17-047, the City Council awarded the fixed-route contract to HopeSource.
On June 3, 2019, in response to RFP-19-061, the City Council awarded the ADA Paratransit contract to HopeSource.
On March 12, 2018, in response to RFP-17-056, the City Council awarded the Cabulance contract to Medstar Transportation, which declined the offer before signing the contract. As the backup proposer, HopeSource was awarded the contract.

Analysis:
In response to the City's RFPs for Fixed Route, ADA Paratransit and Cabulance services, two proposals were received. Staff evaluated each proposal using a combination of the four (4) defined criteria outlined in the RFP's and the proposed rates. HopeSource emerged as the successful proposer. The Ellensburg Transportation Advisory Committee (ETAC) supported a recommendation to contract with HopeSource for these services at their May meeting. Staff is now seeking City Council approval of the professional services contracts between the City of Ellensburg and HopeSource for all three transit services.

Financial Impact:
The remaining budget from July 1 to Dec 31, 2026, for the Fixed Route transit service is currently $786,120. The HopeSource Fixed Route bid for the new contract was $99.00 per service hour. The estimated budget for the remainder of 2026 for the new contracted service is estimated at $1,096,300. A supplemental budget increase of $310,180 for the Transit Fund is required for the added expense. Adequate fund balance exists to support this request, and the ending fund balance will be reduced.

The remaining budget from July 1 to Dec 31, 2026, for the ADA Paratransit service is currently $31,000. The HopeSource ADA Paratransit bid for the new contract was $79 per completed trip. The estimated budget for the remainder of 2026 for the new contracted service is estimated at $38,000. A supplemental budget increase of $7,000 for the Transit Fund is required for the added expense. Adequate fund balance exists to support this request, and the ending fund balance will be reduced.

The remaining budget from July 1 to Dec 31, 2026, for the Cabulance service is currently $32,000. The HopeSource Cabulance bid for the new contract was $219 per completed trip. The estimated budget for the remainder of 2026 for the new contracted service is estimated at $24,000. Adequate fund balance exists to support this updated service cost.

Budget Adjustment: Yes

Attachments:
1. A2885-HopeSource-Fixed Route-Professional Services Contract-final-6.8.26
2. A2887-HopeSource-Paratransit-Professional Services Contract-final-6.8.2026
3. A2886-HopeSource-Cabulance-Professional Services Contract-6.11.26

PROFESSIONAL SERVICES CONTRACT
BETWEEN THE CITY OF ELLENSBURG
AND
HOPESOURCE

RELATING TO: MANAGING AND OPERATING THE CITY OF ELLENSBURG'S FIXED ROUTE PUBLIC TRANSIT SYSTEM

THIS PROFESSIONAL SERVICES CONTRACT ("CONTRACT") is made and entered into this 16th day of June, 2026 ("Effective Date"), by and between THE CITY OF ELLENSBURG, a non-charter code city of the State of Washington (hereinafter called the "CITY") and HOPESOURCE, a Nonprofit Corporation authorized to do business in the state of Washington (hereinafter called the "CONTRACTOR").

1. RECITALS

1.1. The CITY issued a Request for Proposals (RFP), RFP #R26-02, dated March 24, 2026, (Attachment 1) for the purpose of procuring the services of a Contractor to manage and operate the CITY's Fixed Route Public Transit System.

1.2. CONTRACTOR submitted a timely response to the CITY's RFP #R26-02 (Attachment 2).

1.3. The CITY evaluated all properly submitted responses to the above-referenced RFP and has identified CONTRACTOR as the apparent successful Respondent.

1.4. The CITY has determined that entering into a Professional Services CONTRACT ("CONTRACT") with CONTRACTOR will meet the CITY's needs.

THEREFORE, the CITY awards to CONTRACTOR this CONTRACT, the terms and conditions of which will govern CONTRACTOR's providing the CITY the services.

IN CONSIDERATION of the above representations and the terms, conditions, covenants, and agreements set forth below, the parties hereto agree as follows:

2. SCOPE OF WORK

2.1. The CONTRACTOR agrees to furnish the CITY with all equipment, labor, materials, and services required to professionally operate the Ellensburg Central Transit Fixed Route Services as described and specified in this CONTRACT and in conformance with RFP #R26-02 (Attachment 1), CONTRACTOR's response (Attachment 2), and the Scope of Work (Attachment 3).

2.2. The CONTRACTOR agrees that all services performed under this CONTRACT shall be in accordance with the standards of the profession and in compliance with

applicable federal, state and local laws, including the applicable terms and conditions of the CITY's Operating Grant Agreement with the Washington State Department of Transportation (Attachment 5).

2.3. The Scope of Work may be amended upon written approval of both parties.

3. TERM OF CONTRACT AND PRICE CHANGES

3.1. The CONTRACT shall be for an initial three (3) year term with an option to extend up to three (3) additional two (2) year terms. If the CONTRACT is extended, the same terms and conditions shall apply. The CONTRACT term shall begin on July 1, 2026.

3.2. Initial CONTRACT Price. The initial CONTRACT price hourly rate is $99.00. The initial price shall remain the same for the first (1) year of the CONTRACT term.

3.3. Annual CONTRACT Adjustment. The CONTRACT rate for years two (2) through eight (8) shall be adjusted annually each year on July 1st based on the change in the April Consumer Price Index Rural (CPI) Pacific Region Transportation for the prior year.

3.4. The rate may also be adjusted for the following reasons:

3.4.1 When a Price change is necessary because of federal, state, or local legislation that is passed that may affect pricing after the contract start date; or

3.4.2 Price changes for any other justifiable reason will be considered on a case-by-case basis and be decided by the Transit Manager, Public Works Director and the City Manager in consultation with the Contractor. Price changes shall be effective upon and be binding on both Parties when in writing and signed by Contractor and by a duly authorized representative of City.

3.5. Any disagreement as to any price change shall be determined by the dispute resolution process detailed in Section 27.

3.6. Price change requests will not be considered or granted until any outstanding financial reports have been submitted to the CITY.

4. INVOICE AND PAYMENT

The CITY shall pay the CONTRACTOR as set forth in this section of the CONTRACT. Such payment shall be full compensation for work performed, services rendered, and all labor, materials, supplies, equipment and incidentals necessary to complete the work.

4.1. All payments by the CITY shall be made in arrears, after the service has been provided. All invoices shall be submitted to the CITY for approval and shall be paid within the CITY's routine accounts payable process.

4.2. In the event CONTRACTOR charges the CITY for services not provided to the CITY, those charges shall be separated from the invoice and only the charges for services provided to the CITY shall be paid. Any disagreement shall be determined by the

dispute resolution process detailed in Section 27.

4.3. Covenant Against Contingent Fees

The CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit or secure the CONTRACT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CONTRACTOR for the purpose of securing business. For breach or violation of this warranty, CITY shall have the right to annul the CONTRACT without liability or at its discretion, to deduct from the CONTRACT price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

4.4. Payment Does Not Imply Acceptance of Work

The granting of any progress payment or payments by the CITY, or the receipt thereof by the CONTRACTOR, shall not constitute in any sense acceptance of the work or of any portion thereof, and shall in no way lessen the liability of the CONTRACTOR to comply with the CONTRACT.

4.5. Prompt Payment of Subcontractors

The CONTRACTOR is required to pay its subcontractors performing work related to the CONTRACT for satisfactory performance of that work within thirty (30) days after the CONTRACTOR's receipt of payment for that work from the CITY. The CONTRACTOR agrees further to return retainage payments to each subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed.

4.6. CONTRACTOR will provide a detailed monthly invoice on CONTRACTOR's letterhead for goods or services received via email no later than the 10th day of the month. Each invoice will be numbered and will include the following information:

A. CONTRACTOR's name and address.

B. CONTRACTOR's remittance address (if different from "A" above);

C. Description of service provided, to include at a minimum:

- Total service hours provided per route with amount owed; and
- A separate line item for bus marketing hours completed along with the bus number; and

D. CONTRACT Number and/or P.O. Number Itemized invoices and support documentation are to be emailed to the Transit Manager at dunbarb@ellensburgwa.gov.

Invoices should not include any charges for services not provided including but not limited to, for example, billing for a holiday on which service was not provided and/or billing when the vehicle is out of service (e.g., during a parade).

4.7. The CITY will pay invoices within thirty (30) days of receipt, contingent upon preliminary verification of the invoice.

5. COMPENSATION

5.1. The CONTRACTOR will be compensated for verifiable fixed route service hours completed and shall be billed at the service hour rate specified in the CONTRACTOR's response to RFP #R26-02, Attachment 2.

5.2. Unless otherwise amended by the Parties, in writing, the total dollar value of this three (3) year CONTRACT is not to exceed $7,151,900.00 based on 22,150 average revenue hours per year.

5.3. The Contractor shall be compensated for non-routine or extended service requests (including, but not limited to, special events, service extensions, promotional activities, or photo shoots) at the contracted hourly service rate, subject to Contractor staff and vehicle availability.

6. RELATIONSHIP OF PARTIES

6.1. The relationship created by this CONTRACT is that of owner-independent Contractor. Neither the CONTRACTOR nor CONTRACTOR's employees are employees of the CITY and are not entitled to the benefits provided by the CITY to its employees. The CONTRACTOR, as an independent contractor, has the authority to control and direct the performance of the details of the services to be provided. No employee, agent, representative or subcontractor of CONTRACTOR shall be or shall be deemed to be the employee, agent representative or subcontractor of the CITY. The CONTRACTOR shall assume full responsibility for all wages, along with any Federal, State, and local taxes or contributions imposed or required, including, but not limited to, unemployment insurance, Social Security, and income tax, payable as a result of work performed under this CONTRACT.

6.2. Employees of the CONTRACTOR, while engaged in the performance of any work or services under this CONTRACT, shall be considered employees of the CONTRACTOR only and not of the CITY, and claims that may arise under the Workman's Compensation Act on behalf of said employees while so engaged, and any and all claims made by a third party as a consequence of any negligent act or omission on the part of the CONTRACTOR'S employees while so engaged, on any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of the CONTRACTOR. On or before the Effective Date, CONTRACTOR shall file, maintain and/or open all necessary records with the Internal Revenue Service and the State of Washington, and as may be required by RCW 51.08.195, to establish CONTRACTOR's status as an independent Contractor.

7. USE OF MARKS AND COPYRIGHT OWNERSHIP

7.1. CONTRACTOR may use the CITY's name, logo, and trademarks only for the purpose of carrying out the CONSULTANT 's responsibilities under this CONTRACT. Unless otherwise provided, all Materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the CITY. The CITY shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, CONTRACTOR hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to the CITY

effective from the moment of creation of such Materials.

7.2. Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, design files, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

7.3. For Materials that are delivered under the CONTRACT, but that incorporate pre-existing materials not produced under the CONTRACT, CONTRACTOR hereby grants to the CITY a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The CONTRACTOR warrants and represents that CONTRACTOR has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the CITY.

7.4. The CONTRACTOR shall exert all reasonable effort to advise the CITY, at the time of delivery of Materials furnished under this CONTRACT, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this CONTRACT. The CITY shall receive prompt written notice of each notice or claim of copyright infringement received by the CONTRACTOR with respect to any data delivered under this CONTRACT. The CITY shall have the right to modify or remove any restrictive markings placed upon the data by the CONTRACTOR.

8. ACCESSIBILITY

Digital deliverables, including but not limited to PDFs and videos will meet the Web Content Accessibility Guidelines (WCAG) Version 2.1, Level AA, which is the technical standard for state and local governments' web content and mobile apps, as required by the Department of Justice's final rule updating its regulations for Title II of the Americans with Disabilities Act.

9. CONFLICT OF INTEREST, NON-COMPETITIVE PRACTICE, AND GRATUITIES

9.1. Conflict of Interest: CONTRACTOR agrees that it has no direct or indirect pecuniary or proprietary interest, that it shall not acquire any such interest which conflicts in any manner or degree with the services required to be performed under the CONTRACT and that it shall not employ any person or agent having any such interest. In the event that the CONTRACTOR or its agents, employees or representatives hereafter acquire such a conflict of interest, the CONTRACTOR shall immediately disclose such interest to the CITY and take action immediately to eliminate the conflict or to withdraw from the CONTRACT, as the CITY may require.

9.2. In addition to the Covenant Against Contingent Fees in Section 4.3 above, CONTRACTOR further warrants that no gratuities, in the form of entertainment, gifts, or otherwise, were offered or given by CONTRACTOR or any of its agents, employees or representatives to any official, member or employee of the CITY or other government agency with a view toward securing this CONTRACT or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performance of the CONTRACT.

10. WORK PRODUCT AND DOCUMENTS

10.1. The work product and all documents produced under this CONTRACT shall be furnished by the CONTRACTOR to the CITY, and upon completion of the work shall become the property of the CITY, for use without restriction and without representation as to suitability for reuse by any other party unless specifically verified or adapted by the CONTRACTOR, except that the CONTRACTOR may retain one copy of the work product and documents for its records. The CONTRACTOR will be responsible for the accuracy of the work, even though the work has been accepted by the CITY.

10.2. In the event that the CONTRACTOR shall default on this CONTRACT or in the event that this CONTRACT shall be terminated prior to its completion as herein provided, all work product of the CONTRACTOR, along with a summary of work as of the date of default or termination, shall become the property of the CITY. Upon request, the CONTRACTOR shall tender the work product and summary to the CITY. Tender of said work product shall be a prerequisite to final payment under this CONTRACT. The summary of work done shall be prepared at no additional cost to the CITY.

10.3. CONTRACTOR will not be held liable for reuse of documents produced under this CONTRACT or modifications thereof for any purpose other than those authorized under this CONTRACT without the written authorization of CONTRACTOR. All drawings shall be prepared on a current AutoCAD release. Any data used in, or developed as a result of, the CONTRACT shall be revealed to no one except the CITY without the express consent of the CITY.

11. RECORDS

11.1 As a public agency, the CITY is subject to the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that CONTRACTOR keeps records that are deemed public records and are needed for the CITY to respond to a request under the Act, as determined by the CITY, CONTRACTOR agrees to cooperate with the CITY in fulfilling the request, and to make the records promptly available to the CITY. Should CONTRACTOR receive a request for CITY records, CONTRACTOR will direct the requestor to make the request for CITY records to the CITY. Pursuant to Chapter 40.14 RCW, CONTRACTOR shall retain records associated with this CONTRACT in accordance with the applicable retention schedule. CONTRACTOR also agrees to indemnify and hold the CITY harmless from any claims or losses caused by CONTRACTOR'S failure to make records available to the CITY as provided in this CONTRACT.

12. ACCESS TO RECORDS AND AUDITS

12.1. Local and State Funded Access to Records and Audits: The CONTRACTOR agrees to permit representatives of the CITY and of the Washington State Auditor to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

12.2. CONTRACTOR shall maintain books, accounts, records, documents, and other evidence pertaining to the costs and expenses allowable under the CONTRACT in accordance with generally accepted accounting practices.

12.3. All such books of accounts and records required to be maintained by the CONTRACTOR shall be subject to inspection and audit by representatives of the CITY and of the Washington State Auditor at all times and CONTRACTOR shall afford the proper

facilities for such inspection and audit. Such books of account and records may be copied by the CITY where necessary to conduct or document an audit.

12.4. The CONTRACTOR agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

13. DATA SECURITY; SYSTEM ACCESS

For purposes of this CONTRACT, "Confidential Information" includes, but is not limited to, information that is deemed confidential under federal or state law, personal information as defined in RCW 42.56.590, as well as any information identified, in writing, by the CITY as confidential or protected.

CONTRACTOR's use of Confidential Information will be in compliance with all applicable state and federal law. The CITY reserves the right to monitor, audit, and/or investigate CONTRACTOR's use of Confidential Information used, collected, or acquired pursuant to this CONTRACT.

CONTRACTOR shall: (i) hold Confidential Information in strictest confidence and not make use of Confidential Information for any purpose other than the performance of this CONTRACT; (ii) release Confidential Information only to authorized employees or agents requiring such information for the purpose of performing this CONTRACT and who have executed an appropriate nondisclosure agreement or System Access and Confidential Information Agreement as approved by CITY; (iii) implement and maintain physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information including, but not limited to, storing Confidential Information on secure servers with access to the data strictly controlled and limited to staff with appropriate training and clearance; and (iv) ensure that all Confidential Information is encrypted in transmission from and to CONTRACTOR, at rest in the data base or other data facility maintained or used by CONTRACTOR, and when transmitted to authorized recipients.

CONTRACTOR shall not use or disclose any non-public information concerning the CITY, or information which may be classified as confidential, for any purpose not directly connected with the administration of this CONTRACT, except with prior written consent of CITY, or as may be required by law.

In addition to the data security measures described in this CONTRACT, CONTRACTOR agrees to comply with the CITY's System Access and Confidential Information Agreement, Attachment 4, attached hereto and incorporated herein.

14. NONDISCRIMINATION

The CONTRACTOR shall conduct its business in a manner, which assures fair, equal, and non-discriminatory treatment of all persons, in particular:

14.1. The CONTRACTOR shall maintain open hiring and employment practices

and will welcome applications for employment in all positions, from qualified individuals who are members of minorities protected by federal equal opportunity/affirmative action requirements; and,

14.2. The CONTRACTOR shall comply with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto, relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all persons without discrimination as to any person's race, creed, color, religion, national origin, status as a military veteran, marital status, gender, sexual orientation, disability or other legally protected classification. The CONTRACTOR shall enforce all applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the CONTRACTOR to carry out these requirements is a material breach of the CONTRACT, which may result in the termination of the CONTRACT or other such remedy as the CITY deems appropriate.

15. SUBCONTRACTING

15.1. The performance of all activities under this CONTRACT shall be accomplished personally by CONTRACTOR. The CONTRACTOR must advise the CITY of the necessity for any subcontracts, such as traffic control or an additional provider, prior to requesting such services from any subcontractors.

15.2. The CONTRACTOR shall not sublet or assign any of the work covered by this CONTRACT without the written consent of the CITY.

15.3. In the event any subcontracting is approved, the subcontractor and its employees shall be required to execute the Non-Disclosure Agreement prior to being given access to any confidential information regarding the CITY's computer system.

15.4. In all solicitations, either by competitive bidding or negotiation made by the CONTRACTOR for work to be performed pursuant to a subcontractor, including procurement of materials and equipment, each potential subcontractor or supplier shall be notified by the CONTRACTOR of CONTRACTOR's obligations under this CONTRACT, including the nondiscrimination requirements.

15.5. In performing this CONTRACT, the CONTRACTOR shall not subcontract with or employ any CITY employee without the CITY's written consent.

15.6. In the event CONTRACTOR elects to utilize subcontractors to perform work and/or services under this CONTRACT, and such subcontracting is approved by the CITY, CONTRACTOR shall: (i) incorporate CONTRACTOR's responsibilities under this CONTRACT into its subcontracts, (ii) be fully responsible for the performance of any such subcontractors, and (iii) ensure that subcontractors comply with each and every CONTRACTOR obligation set forth in this CONTRACT.

16. SUPERVISION, INSPECTION, AND PERFORMANCE

16.1. Even though CONTRACTOR is an independent Contractor with the authority to control and direct the performance and details of the Services, the Services must meet the approval of CITY and shall be subject to CITY's general right of inspection and supervision to secure the satisfactory completion of this CONTRACT.

16.2. CONTRACTOR represents that it has or will obtain all personnel necessary to perform the Services and that such personnel shall be qualified, experienced, and licensed as may be necessary or required by applicable laws and regulations to perform the Services. CONTRACTOR agrees to comply with all applicable federal, state, county, or municipal standards for the licensing, certifications, operation of facilities and programs, and accreditation and licensing of individuals, if any. All Services shall be performed by CONTRACTOR, its employees, or by subcontractors whose selection has been authorized by CITY; provided that CITY's authorization shall not relieve CONTRACTOR or its subcontractors from any duties or obligations under this CONTRACT, or at law, to perform the Services in a satisfactory and competent manner. CONTRACTOR shall ensure that all contractual duties, requirements and obligations that CONTRACTOR owes to CITY shall also be owed to CITY by CONTRACTOR's subcontractors retained to perform the Services.

16.3. CONTRACTOR shall be responsible for the professional quality, technical adequacy, accuracy, timely completion, and coordination of the Services and all plans, designs, drawings, specifications, reports, and other work performed pursuant to this CONTRACT. CONTRACTOR shall perform the Services in accordance with the standard of care of its profession in the same or similar localities at the time services are performed. CONTRACTOR shall be responsible for the professional standards, performance, and actions of all persons and firms performing the Services under this CONTRACT. CONTRACTOR shall, without additional compensation, correct any specific breach of a contractual obligation in the Services and revise any errors or omissions in any plans, designs, drawings, specifications, reports, and other products prepared under this CONTRACT.

17. BACKGROUND CHECKS

CONTRACTOR shall obtain background checks on any employee or subcontractor that may be assigned to perform work under this CONTRACT. Thereafter, CONTRACTOR must at least every 36 months obtain current background check results for each employee or subcontractor. At a minimum, CONTRACTOR shall obtain such background checks through the WSP WATCH background check system found at https://fortress.wa.gov/wsp/watch/. The CONTRACTOR will be responsible for: the costs of such background checks; keeping and retaining background check documents; complying with state and federal laws in conducting the background checks (including, but not limited to, notification to employees and/or subcontractors of the results of the background check); not assigning any individual to perform work under this CONTRACT who has a pending criminal charge or disqualifying conviction (which specifically includes, but is not limited to, theft and/or crimes against children or other persons); communicating with the CITY regarding any questions about compliance with these background check requirements; and notifying the CITY of any employee or subcontractor assigned to perform work under this CONTRACT who resigns or is terminated as a result of having a disqualifying conviction record.

18. PRE-EMPLOYMENT AND RANDOM DRUG TESTS

CONTRACTOR' shall obtain pre-employment drug tests including for Marijuana on any employee or subcontractor that may be assigned to perform work under this CONTRACT. The CONTRACTOR will be responsible for: the costs of such tests; keeping and retaining pre-employment drug tests documents; complying with state and federal laws in conducting the pre-employment drug tests (including, but not limited to, notification to employees and/or subcontractors of the results of the pre-employment drug tests); not

assigning any individual to perform work under this CONTRACT who has a positive pre-employment drug test result; Bus drivers are subject to random drug testing in accordance with Washington State Department of Transportation regulations per 49 CFR Part 655.

19. SUSPENSION OF WORK

19.1. The CITY may, for reasonable cause, issue a written order directing the CONTRACTOR to suspend, delay, or interrupt all or any part of the CONTRACT for a period of time.

19.2. If performance of all or any part of the CONTRACT is suspended, delayed, or interrupted for longer than forty-eight (48) hours by an act of the CITY in the administration of the Contract, or by the CITY's failure to act within the time specified in the CONTRACT, an adjustment will be made for any necessary increases in the cost or time of performance of the CONTRACT and the CONTRACT shall be modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent:

A. That performance would have been so suspended, delayed or interrupted by another cause, including the fault or negligence of the CONTRACTOR; or

B. For which an equitable adjustment is provided for or excluded under any other provision of the CONTRACT.

19.3. No claim under this Section shall be allowed:

A. For any cost incurred more than twenty (20) calendar days before the CONTRACTOR's notification to the CITY, in writing, of the particular act or failure to act upon which the claim is based; or

B. Unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such suspension, delay, or interruption, but not later than the date of final payment under the CONTRACT.

20. NOTICE OF IMPAIRED PERFORMANCE

20.1. Whenever an actual or potential event such as a labor dispute, act of God, change in CONTRACTOR's business or any other event impairs the performance of the CONTRACT, the relevant party will immediately give notice thereof including all relevant information with respect thereto.

20.2. If CONTRACTOR 's performance of any obligation to the CITY is delayed or made impossible or commercially impracticable due to any cause beyond CONTRACTOR 's reasonable control (including, without limitation, acts of God, labor disputes, compliance with government regulations, equipment failure, shortages in transportation, inability to obtain labor or raw materials, or delays in the performance of CONTRACTOR 's suppliers or subcontractors), CONTRACTOR will have such additional time within which to furnish the services under the CONTRACT as may be reasonably necessary under the circumstances. The CONTRACT is subject to applicable restrictions imposed by any Federal agency or by

any other governmental authority.

21. CHANGES IN WORK

Either party may request changes in the scope of work. Such changes shall not become part of this CONTRACT unless and until mutually agreed upon and incorporated herein by written amendments to this CONTRACT executed by both parties.

22. EXTRA WORK

The CITY may desire to have the CONTRACTOR perform work or render services in addition to the Scope of Work set forth in Attachment 3 and minor revisions to satisfactorily completed work. Such work shall be considered as "Extra Work" and shall be addressed in a written supplement to this CONTRACT. The CITY shall not be responsible for paying for such extra work unless and until the written supplement is executed by both parties.

23. TRIAL PERIOD

The CONTRACTOR will have a ninety (90) day trial period. During the trial period, CONTRACTOR must successfully perform and provide services that the CITY finds acceptable. Failure to perform may cause immediate cancellation of the CONTRACT. If a dispute occurs during the trial period, as to acceptability of product or service, the CITY's decision prevails. The CITY will only pay for authorized work performed that is properly invoiced pursuant to the CONTRACT up to the date of termination. If the CONTRACT is terminated within the trial period, the CITY may award a contract to the next highest evaluated responsible Respondent who submitted a responsive proposal. Any new contract award will also be subject to a trial period.

24. TERMINATION

24.1. The CITY may terminate this CONTRACT at any time during the CONTRACTOR's ninety (90) day Trial Period if the CONTRACTOR fails to successfully perform and provide services that the CITY finds acceptable in accordance with Section 23 above.

24.2. Either Party may terminate this CONTRACT in whole or in part upon not less than one (1) year's written notice to the other Party. Written notice will be by certified mail sent to the designated representative at the address provided in Section 29, NOTICE. If this CONTRACT is terminated in its entirety, the CITY shall pay the CONTRACTOR for satisfactory services performed through the date of termination, but no amount shall be allowed for anticipated profit on unperformed Services or other work.

24.3. The CITY may terminate this CONTRACT, in whole or in part and at any time, in writing if CONTRACTOR substantially fails to fulfill any or all of its material obligations through no fault of CITY. If CITY terminates all or part of this CONTRACT for default, CITY shall determine the amount of Services satisfactorily performed to the date of termination and the amount owing to CONTRACTOR using the criteria set forth below; provided that (a) no amount shall be allowed for anticipated profit on unperformed Services or other work, and (b) any payment due to CONTRACTOR at the time of termination may be adjusted to the extent of any additional costs CITY incurs or will incur because of CONTRACTOR's default. In such event, CITY shall consider the actual costs incurred by CONTRACTOR in performing

the Services to the date of termination, the amount of Services originally required which was satisfactorily completed to the date of termination, whether the Services or deliverables were in a form or of a type which is usable and suitable to CITY at the date of termination, the cost to CITY of either completing the Services itself or employing another firm to complete the Services in addition to the inconvenience and time which may be required to do so, and other factors which affect the value to CITY of the Services performed to the date of termination. Under no circumstances shall payments made under this provision exceed the Schedule of Charges . This provision shall not preclude CITY from filing claims and/or commencing litigation to secure compensation for damages incurred beyond that covered by withheld payments.

24.4. In the event this CONTRACT is terminated prior to the completion of the work, a final payment shall be made to the CONTRACTOR, which, when added to any payments previously made, shall compensate the CONTRACTOR for the portion of work completed. Whenever the CONTRACT is terminated in accordance with this Section 24, the CONTRACTOR shall be entitled to payment for actual work performed up to the termination date. Upon such termination, whether for convenience or default, an equitable adjustment in the CONTRACT price will be made by the CITY for partially completed items of work, but such adjustment shall not include provision for loss of anticipated profit on deleted or uncompleted work. Termination under this Section 24 shall not constitute a breach of the CONTRACT by the CITY.

25. INDEMNIFICATION/HOLD HARMLESS

25.1. CONTRACTOR shall defend, indemnify, and hold the CITY, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorney fees, arising out of or resulting from the acts, errors or omissions of the CONTRACTOR in performance of this CONTRACT, except for injuries and damages caused by the sole negligence of the CITY.

In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the CONTRACTOR and the CITY, its officers, officials, employees, and volunteers, the CONTRACTOR's liability, including the duty and cost to defend, hereunder shall be only to the extent of the CONTRACTOR's negligence.

25.2. It is further specifically and expressly understood that the indemnification provided herein constitutes the CONTRACTOR's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

25.3. The provisions of this section shall survive the expiration or termination of this CONTRACT. Further, the indemnity obligations shall extend to claims that are not reduced to a suit and to any claims that may be compromised prior to the culmination of any litigation or the institution of any litigation. Inspection, acceptance or payment by CITY of or for any Services performed by CONTRACTOR shall not be grounds for avoidance of any Indemnity Obligations.

26. INSURANCE

26.1. The CONTRACTOR shall procure and maintain for the duration of the

CONTRACT, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, its agents, representatives, employees or subcontractors.

26.2. CONTRACTOR'S maintenance of insurance as required by the CONTRACT shall not be construed to limit the liability of the CONTRACTOR to the coverage provided by such insurance or otherwise limit the CITY's and/or Central Washington University's recourse to any remedy available at law or in equity.

26.3. Minimum Scope of Insurance. CONTRACTOR shall obtain insurance of the types described below:

A. The CONTRACTOR shall provide and maintain Automobile Liability insurance covering all revenue and non-revenue vehicles used in the performance of this CONTRACT. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contract liability coverage; and,

B. The Commercial General Liability insurance shall be endorsed to provide a per-project general aggregate limit using ISO form CG 25 03 05 09 or an endorsement providing at least as broad coverage. Commercial General Liability insurance shall cover liability arising from premises, operations, stop-gap independent Contractors, personal injury and advertising injury, and sexual abuse and molestation. The CITY and Central Washington University shall be named or added as an additional insured under the CONTRACTOR's Commercial General Liability insurance policy with respect to the work performed for the CITY using ISO additional insured endorsement form CG 20 26, or coverage at least as broad; and,

C. Professional Liability insurance appropriate to the Consultant's profession.

D. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington; and

E. Excess or Umbrella Liability insurance coverage.

26.4. Minimum Amounts of Insurance. CONTRACTOR shall maintain the following insurance limits:

A. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of $2,000,000 per accident.

B. Commercial General Liability insurance shall be written with limits no less than $2,000,000 each occurrence, $2,000,000 general aggregate.

C. Professional Liability insurance shall be written with limits no less than $2,000,000 per claim and $2,000,000 policy aggregate limit.

D. Excess or Umbrella Liability shall be written with limits of not less than $5,000,000 per occurrence and annual aggregate. The Excess or Umbrella

Liability requirement and limits may be satisfied instead through the CONTRACTOR's Commercial General Liability and Automobile Liability insurance, or any combination thereof that achieves the overall required limits.

26.5. Other Insurance Provisions. The CONTRACTOR's Automobile Liability, Commercial General Liability, and Excess or Umbrella Liability policy or insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

A. The CONTRACTOR's insurance coverage shall be primary insurance with respect to the CITY. Any insurance, self-insurance, or insurance pool coverage maintained by the CITY shall be excess of the CONTRACTOR's insurance and shall not contribute with it.

B. The CITY and Central Washington University shall be named as an insured on CONTRACTOR's insurance policies. CONTRACTOR shall furnish the CITY with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured and primary coverage endorsement(s) evidencing the insurance requirements of the CONTRACTOR, and evidence of all subcontractors' coverage, before commencement of the work.

C. Certificates of insurance (except unemployment insurance) are to be submitted to the CITY on an annual basis, or when expired, and immediately when carriers or coverage limits change.

D. Any payment of deductible or self-insured retention shall be the sole responsibility of the CONTRACTOR.

E. The CONTRACTOR'S insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

26.6. Acceptability of Insurers. All insurance coverage required to be maintained or provided by the CONTRACTOR must be with insurance companies legally allowed to operate within the State of Washington. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

26.7. Cancelation. CONTRACTOR will provide notice to the CITY of any cancellation of coverage by no later than three (3) days after CONTRACTOR is notified by its insurer that coverage will or has been canceled, whichever occurs earliest.

26.8. CITY full Availability of CONTRACTOR Limits. If the CONTRACTOR maintains higher insurance limits than the minimum amounts shown above, the CITY shall be insured for the full available limits of Commercial General and Excess, Automobile, or Umbrella liability maintained by the CONTRACTOR, irrespective of whether such limits maintained by the CONTRACTOR are greater than those required by this CONTRACT or whether any certificate of insurance furnished to the CITY evidence limits of liability lower than those maintained by the CONTRACTOR.

26.9. All insurance costs shall be at the expense of the CONTRACTOR. If at any

time during the life of the CONTRACT or any extension, the CONTRACTOR fails to maintain the required insurance in full force and effect, all work under the CONTRACT shall be discontinued immediately. Any failure to maintain the required insurance will be considered an inability to perform the work and will be sufficient cause for the CITY to terminate the CONTRACT.

27. DISPUTE RESOLUTION

27.1 Dispute Resolution The Parties intend that any dispute, controversy, or claim arising under, out of, or relating to this Agreement, including its formation, validity, binding effect, interpretation, performance, breach, or termination, as well as non-contractual claims (collectively, a "Dispute"), shall be resolved using the following phased approach.

i. Phase I Dispute Resolution—Negotiation

In the event of a Dispute, the Parties shall meet and confer in good faith to resolve the Dispute within thirty (30) days of written notice of the Dispute. If the Dispute remains unresolved, either Party may request, in writing, initiation of Phase II.

ii Phase II Dispute Resolution—Mediation

If the Parties proceed to Phase II, they shall mutually select an independent mediator to facilitate resolution of the Dispute within sixty (60) days of the Phase II request. If the Parties cannot agree on a mediator within ten (10) days, each Party shall select a mediator, and those mediators shall select a third mediator to mediate the Dispute. The Parties shall equally share the mediator's fees and costs. Mediation shall be conducted pursuant to the Uniform Mediation Act, codified at Chapter 7.07 of the Revised Code of Washington. If the Dispute remains unresolved, either Party may utilize any dispute resolution authorized by law.

28. APPLICABLE LAW; VENUE; SEVERABILITY

This CONTRACT shall be construed and interpreted in accordance with the laws of the State of Washington, and in the event of dispute the venue of any litigation brought hereunder shall be Kittitas County. Should any part, term or provision of the CONTRACT be decided by the courts to be illegal or in conflict with any applicable statute or regulation, the validity of the remaining portions shall not be affected thereby.

29. NOTICE

All communications regarding this CONTRACT shall be sent to the parties at the addresses listed below, or at such other address as given pursuant to this Section and shall be effective on the next business day if sent by registered or certified mail or deposited with an overnight delivery service.

City of Ellensburg
Ellensburg Central Transit
Attention: Betsy Dunbar
501 N. Anderson
Ellensburg, WA 98926

Email: dunbarb@ellensburgwa.gov

HopeSource
606 West 3rd Avenue
Ellensburg, WA 98926
Email:_____

30. ENTIRE CONTRACT

The written terms and provisions of this CONTRACT, together with all referenced Attachments and Exhibits, supersede all prior verbal statements of any officer or other representative of CITY, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this CONTRACT. The entire agreement between the parties with respect to the subject matter hereunder is contained in this CONTRACT and the referenced Attachments and Exhibits.

31. PRIORITY OF DOCUMENTS

In the event that the language and provisions of this CONTRACT are contrary to or conflict with any language or provisions set forth in any attachment to this CONTRACT, the language and provisions of this CONTRACT shall control, and the contrary or conflicting language or provisions of the attachment(s) and/or exhibit(s) shall be disregarded and shall be considered void.

32. MODIFICATION

No waiver, alteration, or modification of any of the provisions of this CONTRACT shall be binding unless in writing and signed by a duly authorized representative of CITY and CONTRACTOR.

33. ASSIGNMENT

This CONTRACT shall extend to and be binding upon and inure to the benefit of the successors and assignees of the respective parties. However, any assignment of this CONTRACT by CONTRACTOR without the prior written consent of CITY shall be void.

34. WAIVER

A waiver of any breach by either party shall not constitute a waiver of any subsequent breach.

35. THIRD-PARTY BENEFICIARIES

There are no third-party beneficiaries to this CONTRACT.

36. EXHIBITS AND SIGNATURES

This CONTRACT, including its attachments and exhibits, constitutes the entire CONTRACT, supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties. The following attachments and exhibits are hereby made a part of this CONTRACT:

Attachment 1 – CITY's RFP #R26-02

Attachment 2 – CONTRACTOR's Response to CITY's RFP #R26-02

Attachment 3 – Scope of Work

Attachment 4– System Access and Confidential Information Agreement

Attachment 5– Applicable terms & conditions of the Operating Grant Agreement between the CITY and the Washington State Department of Transportation

IN WITNESS WHEREOF, the parties hereto have executed this CONTRACT as of the day and year first written above.

CONTRACTOR:

By: _____

Printed Name: _____

Title: _____

Tax ID#: _____

THE CITY OF ELLENSBURG:

By: _____

Printed Name: _____

Title: _____

ATTEST: _____
Clerk

Approved as to Form:

_____
City Attorney

ATTACHMENT 1: CITY's RFP #R26-02

RFP #R26-02, dated March 24, 2026, including any and all amendments, is an integral part of this CONTRACT and is incorporated herein by reference.

ATTACHMENT 2: CONTRACTOR's RESPONSE TO CITY's RFP #R26-02

CONTRACTOR's response to RFP #R26-02 dated April 10, 2026 is an integral part of this CONTRACT and is incorporated herein by reference.

ATTACHMENT 3: SCOPE OF WORK

The Contractor shall manage and operate the City of Ellensburg's Fixed Route Public Transit System in accordance with the policies and procedures established by the City of Ellensburg (City) and Ellensburg Central Transit (ECT), including the Americans with Disabilities Act.

Fixed Route Service Description:

Under the Department of Transportation (DOT) Fixed Route Service refers to a system of transporting individuals on a regular basis along designated routes according to a fixed schedule.

Hours and Days of Operation:

The Contractor shall offer Fixed Route Public Transit Services between the hours of 6:55 a.m. and 8:15 p.m. daily. The service hours during the term of the contract may be adjusted upon the written agreement of all parties to revise its service levels to the public. Any additional costs caused to the Contractor by such adjustment will be compensated.

No service shall be provided on the following holidays: New Year's Day, President's Day, Memorial Day, Fourth of July, Thanksgiving Day and Christmas Day.

Fares

All ECT services are fare free.

General City and ECT Responsibilities

A. Planning and oversight of the ECT Fixed Route service.
B. Define reporting requirements and monitor Contractor performance.
C. Marketing and promotion of service, including designing logos, materials, and providing and distributing brochures.
D. Provide monitors on all Fixed Route Buses.
E. Provide 5G Trackers on all Fixed Route Buses.
F. Provide Bus Operator uniform vests.
G. Public outreach.
H. Provide input to Contractor through the Transit Manager and Ellensburg Transportation Advisory Committee (ETAC).
I. Administrative oversight and contract management.
J. Provide funding to maintain and expand the system as determined and approved by the CITY.
K. To the extent allowed by law, the City reserves the right to require removal of any Contractor employee from the ECT service it deems unfit for documented reasons related to safety, misconduct, or failure to meet reasonable performance standards affecting service delivery.
L. Provide printed surveys for passengers to fill out while on the buses.
M. Maintaining bus stop infrastructure and surrounding conditions to support safe and accessible operations. This includes obstruction prevention, safe and accessible design, and removal of snow and ice on the City street-side portion of all bus stops, in accordance with City Code and Public Works policies and procedures, including

clearance sufficient to allow:

- Buses to safely pull in and out of the streets near the bus stops and shelter. However, Contractor is responsible for snow and ice removal from the bus stop and bus shelter;
- Deployment and operation of accessibility equipment (including lifts/ramps); and
- Safe ingress and egress of buses to and from the stop

This requirement applies to all designated Time Stops and Demand Stops, regardless of roadway jurisdiction.

When reasonably and safely possible, snow storage or plowing practices shall not obstruct or reduce the operational footprint required for safe bus stop use.

However, Contractor must still exercise reasonable care and caution when approaching and departing bus stops and should not allow for boarding and alighting of passengers when it is not safe to do so. When Contractor observes unsafe conditions at a bus stop, Contractor must immediately notify the City, so the City can evaluate and implement necessary corrective measures.

In the event of unsafe City street conditions, the City reserves the right to temporarily cancel and/or delay the ECT Fixed-Route Public Transit Service until the City determines that City street conditions are safe.

N. Clearly designating and maintaining all bus stops with appropriate curb markings, signage, and/or other traffic control measures necessary to prevent unauthorized parking or obstruction. Such measures shall ensure that buses have consistent, unobstructed access to stops for safe passenger service at both Time Stops and Demand Stops.

O. Design, placement, and ongoing evaluation of bus stops to ensure safe operation for passengers and operators, including but not limited to:

- Safe vehicle approach and departure paths
- Adequate space for accessibility equipment deployment
- Safe passenger waiting and boarding areas

However, Contractor must still exercise reasonable care and caution when approaching and departing bus stops, and should not allow for boarding and alighting of passengers when it is not safe to do so. When Contractor observes unsafe conditions at a bus stop, Contractor must immediately notify the City, so the City can evaluate and implement necessary corrective measures.

P. Ensure that trash receptacles at bus stops and shelters are serviced on a regular schedule, no less 1 time per week, or more frequently as needed to maintain a clean and safe environment for passengers.

General Contractor Responsibilities:

A. Locate a site in Ellensburg city limits for vehicle storage and operations. This office must meet standards required under the Americans with Disabilities Act (ADA) for access by persons with disabilities. If the Contractor utilizes an existing facility designated as a historic property the facility shall not be required to undergo structural changes that would compromise its character or create undue burden; instead, ADA compliance should be achieved through alternative access methods to the greatest extent feasible. Full structural compliance is not required when it is technically infeasible, would fundamentally alter the facility, or impose an undue hardship.
B. Provide adequate software/equipment to dispatch vehicles and produce and maintain service records. Also, provide all support equipment and systems, including computer hardware and software necessary to operate and monitor all business and maintenance functions, service records and invoices to meet or exceed the requirements of the Proposal (R26-02).
C. Provide adequate training for Contractor's personnel.
D. Provide trained support personnel and supervisory personnel.
E. Provide trained bus operators familiar with the service area who are capable of operating and supporting all facets of the Fixed Route System.
F. Subject to Contractor's ability to secure grant funding awarded by WSDOT, Contractor will provide all needed buses and support vehicles to successfully provide services for the ECT Fixed Route Services.
G. Maintain vehicles to manufacturers, WSDOT, and FTA standards.
H. Provide all required insurance for all vehicles and equipment operated by the Contractor, in accordance with Section 26, Insurance, of the Professional Services Contract.
I. Provide all customer service functions for ECT during the core hours of 8:00 AM to 5:00 PM, M-F, to include outreach support, disseminating information, answering questions, responding to requests and distributing route brochures, etc.
J. Develop safety and maintenance programs that meet WSDOT and FTA requirements.
K. The Contractor is required to fully cooperate and participate in the investigation of any complaint, incident or event.
L. Provide the opportunity for resolution of complaints by customers. The City shall be informed if the dispute resolution process is failing and requires attention by City administration.

Additional Contractor Office Requirements include:

A. A multi-line phone and/or voicemail capable of handling anticipated frequency of calls.
B. A two-way communication system between the office and the vehicles in operation. This communication system shall be capable of establishing voice contact with vehicles at all times.
C. The office must provide a means for hearing impaired persons to readily communicate service requests and other information; this may include a telecommunications device such as a TTY machine or use of the Washington

Telecommunication Relay Services (WATRS) for persons with disabilities.

D. All callers are to be treated with utmost consideration. Staff must be compassionate and display skill in interpersonal communications.

Vehicle requirements:

The Contractor will use their own vehicles.

Buses:

A. Cutaway style with Ford E series, General Motors G series cab and chassis or an approved equal.
B. Buses must have sufficient weight capacity to support all seated positions and up to 6 standees.
C. Cab and Body shall be matching white color with the current ECT Logo Wrap, bus number, website and Your Public Transit applied to the vehicle.
D. The interior shall have seat belts at all positions. Seats may be vinyl or stain-resistant fabric with micro anti-bacterial properties and/or be easily cleaned and sanitized. Seats, including the operator's seat may not show any wear or staining.
E. Q'Straint securements and straps shall be provided for all mobility devices and passengers in the securement areas.
F. All revenue vehicles shall be equipped at all times with the following safety and accessibility equipment: a fire extinguisher (with up-to-date annual inspection tag), an AED, first-aid kit, blood-borne pathogen/bodily fluid spill kit, a web cutter in the bus operator's reach, flares and a set of safety triangles.
G. Vehicle capacity shall accommodate up to fourteen (14) passengers plus the operator (CDL not required), including a minimum of one (1) dedicated wheelchair securement position. Vehicle configuration may vary, provided that at least one wheelchair securement position is available at all times and passenger capacity is adjusted accordingly.
H. Buses shall have a rear curb side mounted lift of at least 600-pound capacity with a platform that will, at a minimum, support a 48"x30" footprint mobility device. The ramp will have a non-slip texture applied.
I. When on the lift, chalks must be used on the outward facing wheelchair wheels.
J. Buses will have programmable digital destination signs clearly legible by the average passenger in the front of the bus above the operator and one on the curb side as close to steps as feasible as well as other signage ECT deems necessary.
K. Buses will be equipped with a minimum two-position heavy duty bicycle rack.
L. Buses will be equipped with a minimum of a four-camera video system along with **clearly posted signage stating Security Cameras recording with audio in operation**. All buses should have the same make and model system to ensure compatibility when possible. If ECT requires review of recorded footage, ECT shall submit a written request to the Contractor identifying the specific incident, including the date and approximate time of the footage sought. All requests must be submitted through the established records request process and shall relate to a defined incident. The Contractor will make reasonable efforts to provide access to the requested recordings in accordance with this process.
M. Buses must meet Buy America provisions, either under current regulations or at the time procured by the Contractor when required by WSDOT.

N. All vehicles including spare vehicles must be maintained in a safe, reliable, and serviceable condition, compliant with applicable federal and state safety requirements. Contractor shall maintain sufficient spare ratio and fleet reliability to minimize service disruptions.

O. Buses will be equipped with, at a minimum, 5G Tracker equipment owned by the City to allow staff, through the Internet and other ECT owned software systems, to view the current location of the bus on its route. The information should include the route number, bus number and variance from scheduled times to actual times.

Washington State requires all transit agencies to have a Zero-Emissions Plan. When possible, the Contractor and the City will work together to create opportunities for supportive infrastructure and buses with alternative, clean fuels.

Spare Buses:

The Contractor shall maintain at least one spare bus or number of buses equal to 20% of the revenue fleet round to the next larger number (i.e. 6 buses in revenue service will require 2 spares) equivalent to the other revenue service buses. The Contractor shall dispatch a spare bus as soon as reasonably and safely possible to address any incident that impacts service delivery. They will notify the City if service disruptions arise.

Support Vehicles:

A. It is the Contractor's responsibility to determine the number and type of support vehicles needed to successfully operate ECT.
B. All support vehicles must be clean and straight without body damage and a clean and well-maintained interior appearance.
C. Support vehicles will be in good reliable operating condition.
D. All support vehicles must have the ECT logo on the front doors via a wrap or magnet.

Vehicle Maintenance:

The Contractor shall be responsible for all vehicle maintenance in compliance with manufacturer requirements, and records including but not limited to:

A. Pre-trip and post-trips inspections
B. Preventive maintenance
C. Lift maintenance
D. Unscheduled maintenance
E. Perform manufacturer's recalls
F. Fueling
G. Heavy cleaning of interiors and exteriors, a minimum of twice per week weather permitting.
H. Road calls
I. Maintain all records related to vehicle maintenance, by establishing a separate file (electronically or hardcopy) for each vehicle by unit number. The file for each vehicle shall be retained until such time the vehicle is disposed of.

ECT expects the buses to be clean (weather permitting) and in good working condition at all times for the sake of safety, public image and customer satisfaction. ECT may inspect buses for cleanliness at any time.

Posters and signage must be approved by ECT, laminated and posted in a professional manner.

The Contractor shall ensure that sufficient numbers of vehicles are available to properly provide service at all times. The Contractor shall properly document all preventive maintenance, repairs, and cleaning and allow for the inspection of such documentation by ECT on a regular basis. Preventive maintenance inspections must be regularly accomplished at intervals that meet all applicable WSDOT, FTA and the manufacturer's recommended standards and procedures. A comprehensive maintenance report of PMs performed and due, is to be provided to the Transit Manager on a monthly basis.

ECT reserves the right to require inspections of all revenue vehicles to ensure maintenance is performed to the required standards. Such inspections will be coordinated with the Contractor and will not adversely affect service delivery. ECT will be responsible for the cost of these inspections, unless significant safety issues are discovered. Any safety-related deficiencies found during the inspections will be repaired by the Contractor prior to returning the vehicle to revenue service. All non-safety deficiencies shall be repaired as soon as reasonably possible. Vehicles with deficiencies are subject to re-inspection by the City to ensure that corrective repairs were done correctly.

(An alternative or expanded list of safety and accessibility equipment can be suggested.)

The Contractor may use a qualified third party to perform maintenance and repair on the buses used for ECT Fixed-Route service. The City prefers the mechanics be ASE certified preferably with Bus and Medium-Duty truck certifications.

ECT recommends that the Contractor's maintenance provider have a Drug and Alcohol policy in place and ensure that their employees who work on the buses are included in the random drug and alcohol testing program along with the Contractor's safety-sensitive employees.

Bus Operators:

The Contractor shall supply a sufficient number of properly qualified personnel to operate the equipment to provide the required services. Each of the Contractor's employees shall be neatly dressed at all times while on duty. Drivers shall wear vests provided by ETC and consistently maintain a courteous and cooperative attitude in their contact with the public.

All drivers must have a valid Washington State Driver's License and be insurable. All drivers must also carry a valid USDOT Medical Examiner's Certificate.

There must be an 80% majority of Fixed Route Bus Operators over the age of 18 during any given service day.

The Contractor will conduct individual background checks of each applicant/employee in accordance with applicable state and federal laws. Applicants may be excluded from employment for a conviction in the last 7 years, including but not limited to:

• Crimes of violence, or crimes against children or vulnerable adults in any state, including any felony convictions.

• Convictions of alcohol-related driving offenses.

• Driving offenses such as leaving the scene of an accident, vehicular assault or homicide, reckless or negligent driving or hit and run.

• Conviction of a sexual assault or other related conviction.

Operators shall be capable of operating all special equipment, including wheelchair lift or ramp, two-way radios, data terminal or tablet, and wheelchair, bicycle, and passenger securement systems.

Operators shall provide any required assistance to riders, including loading/unloading mobility devices.

Operators shall minimize the time leaving buses unattended when there are passengers on board the bus. Operators shall not smoke inside vehicles at any time. Operators shall not smoke within 25 feet of the bus stop, bus shelter or bus.

Operators shall have a thorough knowledge of the service area.

Operators shall be responsible for pre-trip vehicle inspections and shall promptly report unsafe road conditions, including bus stop access difficulties.

Operators shall maintain proper trip records in accordance with contractual requirements.

Operators must receive a pre-employment drug test, including for Marijuana. Operators are subject to random drug testing in accordance with Washington State Department of Transportation regulations per 49 CFR Part 655.

Training:

The Contractor shall provide a training program in order to ensure that all operators and staff attain proficiency in their area(s) of expertise. The Contractor shall provide proof that all operators have successfully completed the following minimum training:

A. Defensive Driving
B. Passenger Assistance and Sensitivity Training
C. Anti-harassment Training
D. Workplace Violence Training
E. First Aid/CPR and Blood Borne Pathogens
F. System, equipment, and area familiarity
G. Basic understanding of rights under the Americans with Disabilities Act (ADA)
H. Service Animal Training
I. Vehicle evacuation techniques
J. Drug and alcohol training

The Contractor shall provide an overview of the company training program that highlights the primary elements covered in employee training and any written training policies provided to all personnel.

Safety Inspections:

The Contractor shall perform inspections of all vehicles prior to beginning and at the end of each day's service. Vehicles failing an inspection shall not be used in service until the reason for failure is corrected.

All wheelchair lifts shall be cycled at least daily.

Accidents and Incidents:

All accidents involving vehicles used for ECT fixed route operations which result in injury to passengers, and/or damage to any property, must be reported to appropriate regulatory entities and the Transit Manager. Failure to report accidents within twenty-four hours shall be considered breach of contract.

Non-accident incidents, including but not exclusively near-misses, occurrences of hard braking, shall be reported to the Transit Manager within forty-eight (48) hours.

Bus Stops and Bus Shelters

As part of the transit program, there are currently 84 signed bus stops, including 19 bus shelters. This number is subject to change during the term of this contract. The Contractor is responsible for monitoring and maintaining the appearance and cleanliness of bus shelters, bus stops and passenger amenities, to specifically include:

- Bus Stops: The Contractor and Operators shall be responsible for daily visual inspection of all bus stop areas including bus stop signs, schedule holders and posts for damage, graffiti or trash and immediately report any issue. The Contractor shall take necessary steps to correct issues along with incidents involving public health or safety immediately. The Contractor is required to remove snow from the bus stop/bus shelter when the stop is not accessible due to snow or ice accumulations so that passengers can safely load and unload.
- Bus Shelters: The Contractor and Operators shall be responsible for a daily visual inspection of all bus shelters including the shelter structure, the shelter pad area, garbage can, bike rack, lighting, schedule holders and bus stop signs for damage, graffiti or trash and immediately report any issues. The Contractor shall take necessary steps to correct issues along with incidents involving public health or safety immediately. Contractor is required to keep the concrete floor, seating area and glass clean. The Contractor will remove snow and ice from the shelter pad area when two (2) inches or more snow accumulates at the bus shelter.

Any damage to a bus shelter structure or pad area should be documented on an Event Form including photographs and be submitted to the City's Transit Manager. The City will make the repairs.

With the exception of damage to the shelter structure (including structure glass) or shelter pad, and graffiti applied to structure and structure glass, maintenance of bus shelters as detailed above is at Contractor's expense.

Computerized Dispatch and Scheduling System:

In order to enhance service efficiency and quality, ECT requires the Contractor to use a computer-assisted scheduling, dispatch and information/software system. The main purpose of a computerized dispatch system is to assist with the counting of boardings and alightings per location, routing, as well as bus operator schedules. An additional purpose is the production of reports that can be used for figuring monthly invoices and evaluating service performance and productivity. The Contractor is responsible for the competency and accuracy of the software system and must ensure that the software will meet DOJ WCAG 2.1 Level AA accessibility requirements with which the City must comply.

Records and Reports:

The Contractor shall be responsible for monitoring all aspects of the system operation, including but not limited to ridership, capacity constraints and quality of service. The following are the types of data that ECT will require of the Contractor.

Daily Records with Date and Times for:

Number of Boardings and Alightings	Locations of Boarding and Alighting's
Revenue Miles	Non-Revenue Miles
Revenue Hours	Non-Revenue Hours
Gallons of Fuel	Accidents/Incidents/Complaints

A monthly operating report shall be prepared and forwarded to ECT by the 7th working day of the following month which shall summarize the data collected daily. It shall also include a statement of any existing or potential problems along with suggested solutions.

The Contractor shall cooperate with ECT staff on all monitoring of the Fixed Route service including client surveys. The Contractors shall cooperate with City to provide information to City as it reviews the service and recommends changes to the service.

Methods of improving system operation and service shall be sought, and the results shall be reported to ECT, along with any corrective actions which may have been taken. In no case shall a corrective action which affects the nature, quality, or quantity of service be taken without first obtaining ECT approval.

Substance Abuse Requirements:

The Contractor shall comply with the Federal Transit Administration 49 CFR Part 655, Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations and provide a copy of the annual MIS for all safety-sensitive employees involved in Central Transit service delivery to the City's ECT by January 30 of each year.

Confidentiality of Client Information:

Any and all information regarding individual persons served by the City's ECT is strictly confidential. Information shall not be released to any party in any form without the authorization of the individual, legal guardian, and/or the City.

Dispute Resolution Procedure:

Passengers with complaints about service shall be allowed an opportunity to register that complaint with the Contractor or the City/ECT and receive prompt and fair consideration. Every effort shall be made to resolve complaints at the staff level of the Contractor. Any complaint that cannot be resolved by the Contractor shall be referred to the ECT Transit Manager, who will attempt to resolve the complaint or refer the complaint to a higher level of the City.

The Contractor shall forward to the City's Transit Manager via the approved Event Form any complaint(s) received from ECT customers/passengers within two (2) Business days, along with a description of the action(s) taken to resolve the complaint within four (4) Business days.

Any complaints that include an ADA issue shall be forwarded to the Transit Manager within two (2) business days of receipt of said complaint, regardless of whether it has been resolved or not. If the on-board video needs to be examined before a response can be made, it must be noted in the notice to the Transit Manager.

Performance Requirements:

The Contractor shall strive to increase on-time performance while minimizing road calls, vehicle damage, and complaints. This shall be accomplished by initial and ongoing employee training, street supervision, random checks, corrective personnel actions, and standards that will be established by the City with the Contractor's input.

The City expects 95% on-time performance. On-time shall be defined as the bus at any and all scheduled time points on its route(s) being within the window of leaving from 0 minutes early up to and including 5-7.0 minutes past the scheduled time point. In the event documented on time performance has consistently failed to meet the required standard, with exception of delays not caused by the operator, the Contractor will develop a corrective action plan that does not negatively affect the ridership and is acceptable to the City. Should said plan not resolve the performance issues or the Contractor does not present a plan to the City within 30 days of notice to the Contractor of the performance issue, the City will have the option to deduct $100.00 per day per route from the Contractor's billing for all routes and trips that are not in compliance.

The Transit Manager or other City designee shall make decisions on questions that arise as to the quality and acceptability of any work performed under the Contract. If performance becomes unsatisfactory, the City will notify the Contractor.

Upon observance of the Contractor's failure to perform satisfactory services, the City will issue a Notice of Service Correction to the Contractor via email. The notice will identify the service correction requirement and instruct the Contractor to begin correction as quickly as possible. If the Contractor fails to begin correction of services within the time stipulated in the notice, the City will correct the service shortcoming with their own forces or by engaging another Contractor.

Safety:

The Contractor shall ensure the safety of passengers by any and all means necessary, including, but not limited to, the use of seat belts recommended for all passengers,

competent use of a four-point wheelchair and passenger securement system, maintaining control in and around vehicles, providing safety and emergency procedures, and designating a staff person to coordinate all safety and training programs.

All fire extinguishers and appropriate first aid kits, flares, and seatbelt cutters shall be furnished and maintained by the Contractor.

The cameras and video recording system installed in the vehicles shall be furnished and maintained by the Contractor.

Access to Records:

The City of Ellensburg, Washington State, and US Department of Transportation, or their designee(s), may at any time perform audits of the financial books, records, and accounts of the Contractor. The Contractor agrees to preserve, and to cause any subcontractor to preserve, and to make available for a period of six (6) years after the completion of the contract, or in accordance with applicable federal and/or Washington State retention schedules, whichever retention schedule is longer, any and all financial, operations, administrative, and maintenance records pertaining to ECT.

Meetings:

In order to maintain open and frequent communications between the two entities, the Contractor shall hold weekly meetings with the Transit Manager to discuss service problems and proposed solutions. Additionally, the Contractor shall attend all meetings of the ETAC which are held monthly.

Service Animals/Life Support Equipment:

In accordance with U.S. Department of Transportation (DOT) Americans with Disabilities Act (ADA) regulations at 49 C.F.R. § 37.167(d), Contractor shall permit eligible riders to travel with service animals that accompany individuals with disabilities in vehicles and facilities. As defined in 49 C.F.R. § 37.3, a service animal is an animal "individually trained to work or perform tasks for an individual with a disability." This includes, but is not limited to, guide dogs used by individuals with vision or hearing impairments, and animals trained to provide aid to individuals with mobility impairments.

Contractor shall also permit persons to travel with respirators, portable oxygen and other life support equipment, unless the equipment violates rules concerning the transportation of hazardous materials. (49 CFR Parts 100-199). An intravenous line must be capped and wrapped before entering the vehicle.

Rider Rules:

The rider rules located on the City's ECT website must be posted on the buses and enforced by the bus operators. RIDER GUIDE – Central Transit

Lift and Securement Use:

The Contractor shall transport any mobile device, including but not limited to, those that meet the following definition of a common wheelchair: a wheelchair that does not exceed 30

inches in width and 48 inches in length measured two inches above the ground, and not weighing more than 800 pounds when occupied. “Wheelchair” includes both three-wheeled and four-wheeled mobility aids. Contractor shall transport three-wheeled "scooters" and other non-traditional designs that fit within these standards, unless the vehicle’s lift or securement system is demonstrably unable to safely accommodate the device.

The Contractor shall make a reasonable and good-faith effort to load and secure any mobility device prior to denying transport.

Denial of service based on mobility device accommodation must be based on actual, demonstrated inability to safely load or secure the device using the available equipment.

Bus Operators must be trained to proficiency in the proper securement of a wheelchair and the passenger per the Q’Straint Manufacturer.

The Contractor will be required to demonstrate the ability to transport all types of mobility devices that can safely be secured and transported on their buses.

Equipment Maintenance:

Vehicles utilized in service under this agreement may be inspected by the City’s ECT or its designated representative as ECT may deem necessary. The Contractor shall be responsible for all costs for repair and maintenance of the Contractor’s vehicles.

Prescribed equipment shall be maintained and kept in excellent condition at all times.

Emergencies:

In the event a passenger is transported by fixed route to a given destination, and it becomes necessary due to inclement weather or other unforeseen emergency conditions, other than medical emergencies, for the passenger to be transported to another destination, the paratransit provider or other agencies with handicap accessible vehicles shall be called upon to provide emergency transportation service.

The City’s ECT will post detours and delays via software which will reach rider apps, Google Maps, social media platforms and the City’s ECT website.

The Contractor is required to cooperate with the City in responding to emergencies. In the event of an emergency, the City shall contact the Contractor’s operations/transportation manager or designee to initiate special emergency requests.

ATTACHMENT 4:

CITY's System Access & Confidential Information Agreement

The CITY and CONTRACTOR mutually agree to the terms of this System Access and Confidential Information Agreement ("Agreement") to govern the access to CITY systems and handling of CITY data and information by any employee, subcontractor, agent or other individual affiliated with CONTRACTOR to which they may have access during any work done for the CITY.

If any conflict exists between the terms of this agreement and any prior agreement, the terms of this agreement shall govern.

1. **Definitions**
   "Access" is the physical or logical (electronic) ability, right, or privilege to view, modify, or make use of Covered Data.

   "Covered Data" refers to any piece of CITY data and information that is provided by the CITY or to which any CONTRACTOR may create, receive, or have access to while performing work for the CITY.

2. **Term and Termination**
   This Agreement shall take effect upon execution of the Professional Services Contract between the Parties and shall be coterminous with that Contract.

3. **Acknowledgment of Access to Covered Data**
   CONTRACTOR acknowledges that this Agreement allows access to Covered Data. The Covered Data to be shared includes information and data related to the work being performed by the CONTRACTOR under the Scope of Work, ATTACHMENT 3 of the Professional Services Contract. The Covered Data and information include but is not limited to the data and information listed in the following sections of the Scope of Work:

   a. Vehicle Requirements, Buses, subsection L, video recordings, and subsection O, tracking data
   b. Vehicle Maintenance
   c. Bus Operators
   d. Training
   e. Safety Inspections
   f. Accidents and Incidents
   g. Computerized Dispatch and Scheduling System
   h. Records and Reports
   i. Substance Abuse Requirements
   j. Other records related to fulfillment of the Scope of Work

4. **Prohibition on Unauthorized Use or Disclosure of Covered Data**
   CONTRACTOR agrees to hold the Covered Data in strict confidence. CONTRACTOR shall not use, exploit, or disclose, or permit the use, exploitation, or disclosure of any Covered

Data that may be accessed except as permitted or required by this Agreement, as required by law, or as otherwise authorized in writing by the CITY.

However, as a public agency, the CITY is subject to the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that CONTRACTOR keeps records that are deemed public records and are needed for the CITY to respond to a request under the Act, as determined by the CITY, CONTRACTOR agrees to make them promptly available to the CITY. Pursuant to Chapter 40.14 RCW, CONTRACTOR shall retain records associated with this Agreement in accordance with the applicable retention schedule. CONTRACTOR also agrees to indemnify and hold the CITY harmless from any claims or losses caused by CONTRACTOR's failure to make records available to the CITY as provided in this Agreement.

In the event CONTRACTOR receives a public records request for Covered Data, CONTRACTOR will notify the CITY's Transit Manager, in writing, within three (3) business days of receiving the request.

5. **Safeguard Standard**
CONTRACTOR agrees to protect the Covered Data according to commercially acceptable standards and no less rigorously than it protects its own Covered Data. Notwithstanding the foregoing, it is the responsibility of the CONTRACTOR to be aware of and abide by any CITY Policies that address Covered Data, security practices and procedures, and the appropriate use of CITY computer systems.

6. **Access**
The CITY may allow CONTRACTOR direct access into CITY computer systems.

   a. The method of access will be determined and supplied by the CITY IT Director.
   b. Accounts will be limited to those individuals who need access to perform necessary services, as requested by the CONTRACTOR who signed this Agreement and as approved by the CITY IT Director.
   c. Accounts will be assigned to individuals with unique IDs. Passwords may not be shared.
   d. Accounts will be inactive by default.
   e. CONTRACTOR shall request access of the department director of the CITY department responsible for that data who will request access through CITY IT.
   f. CONTRACTOR access will be limited to the amount of time necessary to complete services, but will not exceed 3 calendar days or as determined by any previously or concurrently executed Agreement between the CITY and CONTRACTOR.
   g. Application Programming Interface (API) access will coincide with the CONTRACTOR's service agreement.
   h. Requests to reset or modify accounts or reset passwords must be approved by the CONTRACTOR who signed this Agreement before being routed to the IT Director.
   i. In the event an individual with access to Covered Data is no longer employed by CONTRACTOR, CONTRACTOR shall immediately notify the CITY IT Director to terminate separated employee's access.
   j. The CITY may reset or change any passwords provided by the CITY, with or without prior notice to CONTRACTOR.

7. **Handling of Covered Data**

CONTRACTOR shall only copy Covered Data onto any system, computer, or media with prior authorization by the department director of the CITY department responsible for that data and/or by previously or concurrently executed Agreement between the CITY and CONTRACTOR. In cases where Covered Data is copied onto any media, electronic, magnetic, optical, print, film, or otherwise, such Covered Data will be encrypted and carefully guarded by CONTRACTOR against unauthorized exposure and once the work has been completed, CONTRACTOR will destroy all copies of Covered Data either through the standard articulated in Department of Defense (DoD) 5220.22-M (National Industrial Security Program Operating Manual) 3-pass data sanitization or physical shredding.

a. **Breach.** In addition to the rights of the parties established by any previously or concurrently executed Agreement between the CITY and CONTRACTOR, if the CITY reasonably determines in good faith that CONTRACTOR has materially breached any of its obligations under this Agreement, the CITY, in its sole discretion, shall have the right to:
   i. Exercise any of its rights to request and/or inspect documents and/or records under this or any other Agreement between the CITY and CONTRACTOR; and/or
   ii. Require CONTRACTOR to submit to a plan of monitoring and reporting to maintain compliance with this Agreement; and/or
   iii. Provide CONTRACTOR with a fifteen (15) day period to cure the breach; and/or
   iv. Terminate the Agreement immediately.
b. Before exercising any of the above-described rights, the CITY shall provide written notice to CONTRACTOR describing the violation and the action it intends to take.
c. Notwithstanding the above, CONTRACTOR acknowledges that a breach of this Agreement may cause irreparable harm to the CITY for which a remedy at law would not be adequate. In the event of such a breach or threatened breach, the CITY shall be entitled to seek appropriate injunctive relief in any court of competent jurisdiction, restraining CONTRACTOR from any such threatened or actual violation of the provisions of this Agreement. This provision does not limit the CITY's rights to seek monetary damages in addition to injunctive relief.

8. **Subcontractors and Agents**

If CONTRACTOR provides any Covered Data, which was received from or created for the CITY, to a subcontractor or agent, the CONTRACTOR shall require such subcontractor or agent to agree to the same restrictions and conditions as are imposed on CONTRACTOR by this Agreement.

9. **Maintenance of the Security of Electronic Information**

CONTRACTOR shall develop, implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the confidentiality, integrity, and availability of all electronically maintained or transmitted Covered Data received from, or on behalf of, the CITY.

10. Monitoring

CONTRACTOR understands and acknowledges that the CITY has the right to conduct and maintain an audit trail of all access to Covered Data and that the CITY may monitor CONTRACTOR's activity on CITY systems at any time without notice. CONTRACTOR acknowledges that it has no expectation of privacy while operating on an account provided by the CITY under this agreement.

11. Reporting of Unauthorized Disclosure or Misuse of Covered Data

CONTRACTOR shall report to the CITY IT Director and the department director of the CITY department responsible for the Covered Data, any use or disclosure of Covered Data not authorized by this Agreement or otherwise agreed to in writing by the CITY, or in the event that CONTRACTOR is required to disclose Covered Data in any legal or regulatory proceeding. CONTRACTOR shall make the report to the CITY not less than one (1) business day after CONTRACTOR learns of such use or disclosure. CONTRACTOR's report shall identify:

a. The nature of the unauthorized use or disclosure,
b. The Covered Data used or disclosed,
c. Who made the unauthorized use or received the unauthorized disclosure,
d. What CONTRACTOR has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and
e. What corrective action CONTRACTOR has taken or shall take to prevent future similar unauthorized use or disclosure.

CONTRACTOR shall provide such other information, including a written report, as reasonably requested by the CITY.

12. Notification

CONTRACTOR shall ensure that all new and current employees, subcontractors, agents, or other individuals affiliated with CONTRACTOR who may have access to CITY systems or records are aware of the requirements of this Agreement.

13. Survival

The respective rights and obligations of CONTRACTOR under Sections 3 through 13 shall survive, notwithstanding the termination or invalidity of this Agreement for any reason.

14. Waiver

Waiver of any breach or condition of this Agreement shall not be deemed a waiver of any prior or subsequent breach. No terms or conditions of this Agreement shall be held to be waived, modified, or deleted except by an instrument, in writing, signed by the parties hereto.

15. Intellectual Property

Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise in any Covered Data disclosed to CONTRACTOR or in any intellectual property rights related thereto.

16. Successors and Assigns

This Agreement and all its terms shall be binding upon and shall inure to the benefit of the CITY and CONTRACTOR and their respective successors and assigns, as may be permitted.

17. Modification

The Agreement may be changed, modified, or amended only in writing signed by both parties.

ATTACHMENT 5:

APPLICABLE TERMS & CONDITIONS OF THE OPERATING GRANT AGREEMENT

BETWEEN

THE CITY OF ELLENSBURG

AND

THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

The resulting Contract is subject to the following Sections of the City's Operating Grant Agreement with the Washington State Department of Transportation. The Contractor understands that federal laws, regulations, policies, and related administrative practices applicable to the resulting Contract may be modified from time to time, and the changed requirements shall apply to the project as required.

Section 5

General Compliance Assurance

The GRANTEE agrees to comply with all instructions as prescribed in WSDOT's Consolidated Grants Program Guidebook, hereinafter referred to as the "Guidebook", and any amendments thereto, found at, which by this reference is fully incorporated herein. The GRANTEE agrees that WSDOT, and/or https://wsdot.wa.gov/business-wsdot/qrants/public-transportation-grants/manage-your-public-transportation-grant authorized WSDOT representative, shall have not only the right to monitor the compliance of the GRANTEE with respect to the provisions of this AGREEMENT but also have the right to seek judicial enforcement with regards to any matter arising under this AGREEMENT.

Section 8

Assignments and Subcontracts

A. The GRANTEE shall submit to WSDOT a copy of any contract, amendment, or change order thereto pertaining to this Project for review and documentation. This includes any completed Project facilities and/or infrastructure under this AGREEMENT, or other actions obligating the GRANTEE in any manner with any third party with respect to its rights and responsibilities under this AGREEMENT, including any leasing and/or lending the Project or any part thereof to be used by anyone not under the GRANTEE's direct supervision.

B. The GRANTEE agrees to include all applicable sections of the AGREEMENT such as Section 5, Sections 8 through 20, and Section 27, in each subcontract and in all contracts, it enters into for the employment of any individual, procurement of any materials, or the performance of any work to be accomplished under this AGREEMENT.

Section 9

Anti - lobbying

A. It is WSDOT's policy that no funds awarded through the agency to grantees can be used for lobbying activities.

B. GRANTEEs who receive an award through WSDOT shall certify on an annual basis that the awarded funds are not used for lobbying activities. This certification may be provided as part of the Certification & Assurances annual submittal.

Section 10

Reports

A. The GRANTEE shall prepare quarterly reports regarding services provided pursuant to this AGREEMENT and other related information as prescribed in the Guidebook, and any amendments thereto, whichever is applicable, or as requested by WSDOT. Due to Legislative and WSDOT reporting requirements, any required quarterly progress reports shall be submitted for the duration of the AGREEMENT period regardless of whether the underlying funding sources have been exhausted. Post-grant annual performance reporting may also be required as prescribed in the Guidebook. Those reports include, but are not limited to:

1. Project Passenger Trips Provided
2. Project Service Hours Provided
3. Project Revenue Service Miles Provided
4. Narrative Progress Report
5. Financial Status/Summaries of the Project.

B. Failure to meet any of the above-identified report submittal timelines may result in the GRANTEE being considered to be in breach of contract and "Not In Good Standing" as defined in the Guidebook referenced in Section 5 - General Compliance Assurance of this agreement. Failure to meet the above-identified report submittal timelines may also prevent the GRANTEE from receiving future PT Rideshare grant funds in the next biennium.

Section 11

Energy Credit

To the extent GRANTEE receives any monies from the sale or disposition of energy credits, decarbonization credits, environmental credits, or any other monies through its participation of a like program, GRANTEE agrees to reinvest those monies into services and projects consistent with the STATE'S public transportation grant program. GRANTEE'S obligation to reinvest these monies under this provision shall be in an amount no less than the proportion of the STATE'S funding of this AGREEMENT.

Section 12

No Obligation by the State Government

No contract between the GRANTEE and any contractor or subcontractor shall create any obligation or liability for WSDOT with regard to this AGREEMENT without WSDOT's specific written consent, notwithstanding its concurrence in, or approval of, the award of any contract or subcontract or the solicitations thereof.

Section 13

Personal Liability of Public Officers

No officer or employee of WSDOT shall be personally liable for any acts or failure to act in connection with this AGREEMENT, it being understood that in such matters they are acting solely as agents of WSDOT.

Section 14

Ethics

A. Relationships with Employees and Officers of WSDOT. The GRANTEE shall not extend

any loan, gratuity or gift of money in any form whatsoever to any employee or officer of WSDOT, nor shall GRANTEE knowingly rent or purchase any equipment and materials from any employee or officer of WSDOT.

B. Employment of Former WSDOT Employees. The GRANTEE hereby warrants that it shall not engage on a full-time, part-time, or another basis during the period of this AGREEMENT, any professional or technical personnel who are or have been, at any time during the period of this AGREEMENT, in the employ of WSDOT without the written consent of WSDOT.

Section 15

Civil rights

The GRANTEE shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any WSDOT-assisted contract or in the administration of its public transportation services.

Section 16

Compliance with Laws and Regulations

A. The GRANTEE agrees to abide by all applicable state and federal laws and regulations including but not limited to, those concerning employment, equal opportunity employment, nondiscrimination assurances, project record keeping necessary to evidence compliance with such federal and state laws and regulations, and retention of all such records. The GRANTEE will adhere to all applicable nondiscrimination provisions in chapter 49.60 RCW.

B. Additionally, the GRANTEE agrees to comply, as applicable, with the following:

1. SB 5974 Move Ahead Washington
2. RCW 70A.02 Healthy Environmental for All (HEAL) ACT,

3. RCW 70A. 65.260 Climate Commitment ACT, and

4. Chapter 49.46 RCW - Minimum Wage Requirements & Labor Standards

5. Chapter 43.21C RCW - State Environmental Policy Act (SEPA)

6. Executive Order 21-02 Archeological and Cultural Resources

C. Except when a federal statute or regulation preempts state or local law, no provision of the AGREEMENT shall require the GRANTEE to observe or enforce compliance with any provision, perform any other act, or do any other thing in contravention of state or local law. If any provision or compliance with any provision of this AGREEMENT violates state or local law or would require the GRANTEE to violate state or local law, the GRANTEE agrees to notify WSDOT immediately in writing. Should this occur, WSDOT and the GRANTEE agree to make appropriate arrangements to proceed with or, if necessary, expeditiously, terminate the AGREEMENT.

Section 17

Environmental and Regulatory Requirements

The GRANTEE agrees to secure any necessary local, state, and federal permits and approvals, and comply with all applicable requirements of Chapter 43.21C RCW State Environmental Policy Act (SEPA). The GRANTEE agrees to comply with all applicable requirements of Executive Order 21-02, Archaeological and Cultural Resources, for all capital construction projects or land acquisitions not undergoing Section 106 review under the National Historic Preservation Act of 1966 (Section 106).

Section 18

Accounting Records

A. Project Accounts. The GRANTEE agrees to establish and maintain for the Project either a separate set of accounts or separate accounts within the framework of an established accounting system that can be identified with the Project. The GRANTEE agrees that all checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, readily accessible and available to WSDOT upon request, and, to the extent feasible, kept separate from documents not pertaining to the Project.

B. Documentation of Project Costs and Program Income. The GRANTEE agrees to support all allowable costs charged to the Project, including any approved services contributed by the GRANTEE or others, with properly executed payrolls, time records, invoices, contracts, or vouchers describing in detail the nature and propriety of the charges. The GRANTEE also agrees to maintain accurate records of all program income derived from implementing the Project.

Section 19

Audits, Inspection, and Retention of Records

Submission of Proceedings, Contracts, Agreements, and Other Documents. During the performance period of the Project and for six (6) years thereafter, the GRANTEE agrees to retain intact and to provide any data, documents, reports, records, contracts, and supporting materials relating to the Project as WSDOT may require. Project closeout does not alter these recording and record-keeping requirements. Should an audit, enforcement, or litigation process be commenced, but not completed, during the aforementioned six-year period then the GRANTEE's obligations hereunder shall be extended until the conclusion of that pending audit, enforcement, or litigation process.

A. General Audit Requirements. The GRANTEE agrees to obtain any other audits required by WSDOT at GRANTEE's expense. Project closeout will not alter the GRANTEE's audit responsibilities.

B. Inspection. The GRANTEE agrees to permit WSDOT and the State Auditor, or their authorized representatives, to inspect all Project work materials, payrolls, and other data, and to audit the books, records, and accounts of the GRANTEE and its contractors pertaining to the Project. The GRANTEE agrees to require each third party to permit WSDOT, and the State Auditor or their duly authorized representatives, to inspect all work, materials, payrolls, and other data and records involving that third party contract, and to audit the books, records, and accounts involving that third party contract as it affects the Project.

Section 20

Labor Provisions

Overtime Requirements. No GRANTEE or subcontractor contracting for any part of the Project work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty (40) hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty (40) hours in such workweek. The GRANTEE will comply with all applicable provisions of Title 49 RCW, Labor Regulations.

Section 21

Changed Conditions Affecting Performance

The GRANTEE hereby agrees to immediately notify WSDOT of any change in conditions or law, or of any other event, which may affect its ability to perform the Project in accordance with the provisions of this AGREEMENT.

Section 22

Coordination of Special Needs Transportation

It is the policy of WSDOT to actively support the coordination of special needs transportation in the state. As a condition of assistance, the GRANTEE is required to participate in local coordinated planning as led by GRANTEE's relevant Metropolitan Planning Organization (MPO) and/or Regional Transportation Planning Organization (RTPO). Persons with special transportation needs means those persons, including their personal attendants, who because of physical or mental disability, income status, or age are unable to transport themselves or purchase transportation.

Section 23

Remedies for Misuse or Noncompliance.

If WSDOT determines that the Project has been used in a manner materially different from Section 1- Scope of Work, WSDOT may direct the GRANTEE to repay WSDOT the State-funded share of the Project. WSDOT may also withhold payments should it determine that the GRANTEE has failed to materially comply with any provision of this AGREEMENT.

Section 27 Lack of Waiver

In no event shall any WSDOT payment of grant funds to the GRANTEE constitute or be construed

as a waiver by WSDOT of any GRANTEE breach, or default. Such payment shall in no way impair or prejudice any right or remedy available to WSDOT with respect to any breach or default.

EXHIBIT E

Summary of Federal Requirements and Incorporating by Reference Annual List of Certifications and Assurances for FTA Grants and Cooperative Agreements ("Certifications and Assurances") and Federal Transit Administration Master Agreement ("Master Agreement")

The term GRANTEE as used in the body of the agreement is defined as a Subrecipient in the federal appendix

Recipient of federal assistance under 49 U.S.C. chapter 53 must submit annually or as part of its application for federal assistance. Recipient, subrecipient(s), contractor(s), or subcontractor(s), at any tier, if any, must comply with all applicable federal requirements contained in the most current approved Certifications and Assurances available at Certifications & Assurances I FTA. The Certifications and Assurances are by this reference incorporated herein.

Recipient further agrees to comply with all applicable requirements included in the most current approved Master Agreement. This Master Agreement is incorporated by reference and made part of this Agreement. Said Master Agreement is available at FTA Master Agreement (version 33, April 25,2025) I FTA.

Note and comply with the following language stated under the master agreement:

"*Each provision of this Master Agreement must be interpreted in context with all other provisions of this Master Agreement and the Underlying Agreement. If a single provision is read apart from the rest of this Master Agreement or the Underlying Agreement, that provision might not convey the extent of the Recipient's responsibility to comply with the requirements of this Master Agreement and the Underlying Agreement*."

Without limiting the foregoing, the following are some requirements applicable to transactions covered by this AGREEMENT.

1. **Changes to Federal Requirements** - Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

2. **Civil Rights**- The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts.

The contractor, sub-recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

a) Withholding monthly progress payments;

b) Assessing sanctions;

c) Liquidated damages; and/or

d) Disqualifying the contractor from future bidding as non-responsible.

(1) Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42

U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C.

§ 6102, section 202 of the Americans with Disabilities Act (ADA) of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

(2) Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:

(a) Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C.

§ 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(b) Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(c) Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(3) The Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

3. **Disadvantaged Business Enterprises** -The recipient's DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

The Disadvantaged Business Enterprise (DBE) requirements of 49 CFR Part 26 and USDOT's official interpretations (i.e., Questions & Answers) apply to this Contract. As such, the requirements of this Contract are to make affirmative efforts to solicit DBEs, provide information on who submitted a Bid or quote and to report DBE participation. No preference will be included in the evaluation of Bids/Proposals, no minimum level of DBE participation shall be required as a Condition of Award and Bids/Proposals may not be rejected or considered non-responsive on that basis.

4. **ADA Access** - The contractor shall comply with the requirements of FTA C 4710.1 as applicable to this contract. Equal access and the opportunity should be given to individuals with disabilities to fully participate in or benefit from the goods, services, facilities, privileges, advantages, or accommodations.

5. **Incorporation of Federal Transit Administration (FTA) Terms** - The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1F, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA-mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any (name of grantee) requests which would cause (name of grantee) to be in violation of the FTA terms and conditions.

PROFESSIONAL SERVICES CONTRACT
BETWEEN THE CITY OF ELLENSBURG
AND
HOPESOURCE

RELATING TO: MANAGING AND OPERATING THE CITY OF ELLENSBURG'S ADA PARATRANSIT SYSTEM

THIS PROFESSIONAL SERVICES CONTRACT ("CONTRACT") is made and entered into this 16th day of June, 2026 ("Effective Date"), by and between THE CITY OF ELLENSBURG, a non-charter code city of the State of Washington (hereinafter called the "CITY") and HOPESOURCE, a Nonprofit Corporation authorized to do business in the state of Washington (hereinafter called the "CONTRACTOR").

1. RECITALS

1.1. The CITY issued a Request for Proposals (RFP), RFP #R26-03, dated March 24, 2026, (Attachment 1) for the purpose of procuring the services of a Contractor to manage and operate the CITY's ADA Paratransit System.

1.2. CONTRACTOR submitted a timely response to the CITY's RFP #R26-03 (Attachment 2).

1.3. The CITY evaluated all properly submitted responses to the above-referenced RFP and has identified CONTRACTOR as the apparent successful bidder.

1.4. The CITY has determined that entering into a Professional Services CONTRACT ("CONTRACT") with CONTRACTOR will meet the CITY's needs.

THEREFORE, the CITY awards to CONTRACTOR this CONTRACT, the terms and conditions of which will govern CONTRACTOR's providing the CITY the services.

IN CONSIDERATION of the above representations and the terms, conditions, covenants, and agreements set forth below, the parties hereto agree as follows:

2. SCOPE OF WORK

2.1. The CONTRACTOR agrees to furnish the CITY with all equipment, labor, materials, and services required to professionally operate the Ellensburg Central Transit ADA Paratransit Services as described and specified in this CONTRACT and in conformance with RFP #R26-03 (Attachment 1), CONTRACTOR's response (Attachment 2), and the Scope of Work (Attachment 3).

2.2. The CONTRACTOR agrees that all services performed under this CONTRACT shall be in accordance with the standards of the profession and in compliance with applicable federal, state and local laws, including the applicable terms and conditions of the CITY's Operating Grant Agreement with the Washington State Department of Transportation (Attachment 5).

2.3. The Scope of Work may be amended upon written approval of both parties.

3. TERM OF CONTRACT AND PRICE CHANGES

3.1. The CONTRACT shall be for an initial three (3) year term with an option to extend up to three (3) additional two (2) year terms. If the CONTRACT is extended, the same terms and conditions shall apply. The CONTRACT term shall begin on July 1, 2026.

3.2. Initial CONTRACT Price. The initial CONTRACT price rate per completed trip is $79.00. The initial price shall remain the same for the first (1) year of the CONTRACT term.

3.3. Annual CONTRACT Adjustment. The CONTRACT rate for years two (2) through eight (8) shall be adjusted annually each year on July 1st based on the change in the April Consumer Price Index Rural (CPI) Pacific Region Transportation for the prior year

3.4. The rate may also be adjusted for the following reasons:

3.4.1. When a Price change is necessary because of federal, state, or local legislation that is passed that may affect pricing after the contract start date; or

3.4.2 Price changes for any other justifiable reason will be considered on a case-by-case basis and be decided by the Transit Manager, Public Works Director and the City Manager in consultation with the Contractor. Price changes shall be effective upon and be binding on both Parties when in writing and signed by Contractor and by a duly authorized representative of City.

3.5. Any disagreement as to any price change shall be determined by the dispute resolution process detailed in Section 27.

3.6. Price change requests will not be considered or granted until any outstanding financial reports have been submitted to the CITY.

4. INVOICE AND PAYMENTT

The CITY shall pay the CONTRACTOR as set forth in this section of the CONTRACT. Such payment shall be full compensation for work performed, services rendered, and all labor, materials, supplies, equipment and incidentals necessary to complete the work.

4.1. All payments by the CITY shall be made in arrears, after the service has been provided. All invoices shall be submitted to the CITY for approval and shall be paid within the CITY's routine accounts payable process.

4.2. In the event CONTRACTOR charges the CITY for services not provided to the CITY, those charges shall be separated from the invoice and only the charges for services provided to the CITY shall be paid. Any disagreement shall be determined by the dispute resolution process detailed in Section 27.

4.3. Covenant Against Contingent Fees

The CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit or secure the CONTRACT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CONTRACTOR for the purpose of securing business. For breach or violation of this warranty, CITY shall have the right to annul the CONTRACT without liability or at its discretion, to deduct from the CONTRACT price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

4.4. Payment Does Not Imply Acceptance of Work

The granting of any progress payment or payments by the CITY, or the receipt thereof by the CONTRACTOR, shall not constitute in any sense acceptance of the work or of any portion thereof, and shall in no way lessen the liability of the CONTRACTOR to comply with the CONTRACT.

4.5. Prompt Payment of Subcontractors

The CONTRACTOR is required to pay its subcontractors performing work related to the CONTRACT for satisfactory performance of that work within thirty (30) days after the CONTRACTOR's receipt of payment for that work from the CITY. The CONTRACTOR agrees further to return retainage payments to each subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed.

4.6. CONTRACTOR will provide a detailed monthly invoice on CONTRACTOR's letterhead for goods or services received via email no later than the 10th day of the month. Each invoice will be numbered and will include the following information:

A. CONTRACTOR's name and address.

B. CONTRACTOR's remittance address (if different from "A" above);

C. Description of service provided to include at a minimum:
- Total completed trips per month with the amount owed;
- Total number of missed or late trips; and
- Total number of no shows; and

D. CONTRACT Number and/or P.O. Number Itemized invoices and support documentation are to be emailed to the Transit Manager at dunbarb@ellensburgwa.gov

Invoices should not include any charges for services not covered under this CONTRACT, including but not limited to, for example, total completed trips outside the limits of the City of Ellensburg and/or billing for a holiday on which service was not provided.

4.7. The CITY will pay invoices within thirty (30) days of receipt, contingent upon preliminary verification of the invoice.

5. COMPENSATION

5.1. The CONTRACTOR will be compensated for verifiable Paratransit completed trips and shall be billed at the completed trip rate specified in the CONTRACTOR's response to RFP #R26-03, Attachment 2.

5.2. Unless otherwise amended by the Parties in writing, the total dollar value of this three (3) year CONTRACT is not to exceed $225,000.00.

6. RELATIONSHIP OF PARTIES

6.1. The relationship created by this CONTRACT is that of owner-independent contractor. Neither the CONTRACTOR nor CONTRACTOR's employees are employees of the CITY and are not entitled to the benefits provided by the CITY to its employees. The CONTRACTOR, as an independent contractor, has the authority to control and direct the performance of the details of the services to be provided. No employee, agent, representative or subcontractor of CONTRACTOR shall be or shall be deemed to be the employee, agent, representative or subcontractor of the CITY. The CONTRACTOR shall assume full responsibility for all wages, along with any Federal, State, and local taxes or contributions imposed or required, including, but not limited to, unemployment insurance, Social Security, and income tax, payable as a result of work performed under this CONTRACT.

6.2. Employees of the CONTRACTOR, while engaged in the performance of any work or services under this CONTRACT, shall be considered employees of the CONTRACTOR only and not of the CITY, and claims that may arise under the Workman's Compensation Act on behalf of said employees while so engaged, and any and all claims made by a third party as a consequence of any negligent act or omission on the part of the CONTRACTOR'S employees while so engaged, on any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of the CONTRACTOR. On or before the Effective Date, CONTRACTOR shall file, maintain, and/or open all necessary records with the Internal Revenue Service and the State of Washington, and as may be required by RCW 51.08.195, to establish CONTRACTOR's status as an independent contractor.

7. USE OF MARKS AND COPYRIGHT OWNERSHIP

7.1. CONTRACTOR may use the CITY's name, logo, and trademarks only for the purpose of carrying out the CONSULTANT 's responsibilities under this CONTRACT. Unless otherwise provided, all Materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the CITY. The CITY shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, CONTRACTOR hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to the CITY effective from the moment of creation of such Materials.

7.2. Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, design files, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

7.3. For Materials that are delivered under the CONTRACT, but that incorporate pre-existing materials not produced under the CONTRACT, CONTRACTOR hereby grants to the CITY a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The CONTRACTOR warrants and represents that

CONTRACTOR has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the CITY.

7.4. The CONTRACTOR shall exert all reasonable effort to advise the CITY, at the time of delivery of Materials furnished under this CONTRACT, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this CONTRACT. The CITY shall receive prompt written notice of each notice or claim of copyright infringement received by the CONTRACTOR with respect to any data delivered under this CONTRACT. The CITY shall have the right to modify or remove any restrictive markings placed upon the data by the CONTRACTOR.

8. ACCESSIBILITY

Digital deliverables, including but not limited to PDFs and videos will meet the Web Content Accessibility Guidelines (WCAG) Version 2.1, Level AA, which is the technical standard for state and local governments' web content and mobile apps, as required by the Department of Justice's final rule updating its regulations for Title II of the Americans with Disabilities Act.

9. CONFLICT OF INTEREST, NON-COMPETITIVE PRACTICE, AND GRATUITIES

9.1. Conflict of Interest: CONTRACTOR agrees that it has no direct or indirect pecuniary or proprietary interest, that it shall not acquire any such interest which conflicts in any manner or degree with the services required to be performed under the CONTRACT and that it shall not employ any person or agent having any such interest. In the event that the CONTRACTOR or its agents, employees or representatives hereafter acquire such a conflict of interest, the CONTRACTOR shall immediately disclose such interest to the CITY and take action immediately to eliminate the conflict or to withdraw from the CONTRACT, as the CITY may require.

9.2. In addition to the Covenant Against Contingent Fees in Section 4.3 above, CONTRACTOR further warrants that no gratuities, in the form of entertainment, gifts, or otherwise, were offered or given by CONTRACTOR or any of its agents, employees or representatives to any official, member or employee of the CITY or other government agency with a view toward securing this CONTRACT or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performance of the CONTRACT.

10. WORK PRODUCT AND DOCUMENTS

10.1. The work product and all documents produced under this CONTRACT shall be furnished by the CONTRACTOR to the CITY, and upon completion of the work shall become the property of the CITY, for use without restriction and without representation as to suitability for reuse by any other party unless specifically verified or adapted by the CONTRACTOR, except that the CONTRACTOR may retain one copy of the work product and documents for its records. The CONTRACTOR will be responsible for the accuracy of the work, even though the work has been accepted by the CITY.

10.2. In the event that the CONTRACTOR shall default on this CONTRACT or in the event that this CONTRACT shall be terminated prior to its completion as herein provided, all work product of the CONTRACTOR, along with a summary of work as of the date of default or termination, shall become the property of the CITY. Upon request, the CONTRACTOR shall tender the work product and summary to the CITY. Tender of said

work product shall be a prerequisite to final payment under this CONTRACT. The summary of work done shall be prepared at no additional cost to the CITY.

10.3. CONTRACTOR will not be held liable for reuse of documents produced under this CONTRACT or modifications thereof for any purpose other than those authorized under this CONTRACT without the written authorization of CONTRACTOR. All drawings shall be prepared on a current AutoCAD release. Any data used in, or developed as a result of, the CONTRACT shall be revealed to no one except the CITY without the expressed consent of the CITY.

11. RECORDS

As a public agency, the CITY is subject to the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that CONTRACTOR keeps records that are deemed public records and are needed for the CITY to respond to a request under the Act, as determined by the CITY, CONTRACTOR agrees to cooperate with the CITY in fulfilling the request and to make the records promptly available to the CITY. Should CONTRACTOR receive a request for CITY records, CONTRACTOR will direct the requestor to make the request for CITY records to the CITY. Pursuant to Chapter 40.14 RCW, CONTRACTOR shall retain records associated with this CONTRACT in accordance with the applicable retention schedule. CONTRACTOR also agrees to indemnify and hold the CITY harmless from any claims or losses caused by CONTRACTOR'S failure to make records available to the CITY as provided in this CONTRACT.

12. ACCESS TO RECORDS AND AUDITS

12.1. Local and State Funded Access to Records and Audits: The CONTRACTOR agrees to permit representatives of the CITY and of the Washington State Auditor to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

12.2. CONTRACTOR shall maintain books, accounts, records, documents, and other evidence pertaining to the costs and expenses allowable under the CONTRACT in accordance with generally accepted accounting practices.

12.3. All such books of accounts and records required to be maintained by the CONTRACTOR shall be subject to inspection and audit by representatives of the CITY and of the Washington State Auditor at all times and CONTRACTOR shall afford the proper facilities for such inspection and audit. Such books of account and records may be copied by the CITY where necessary to conduct or document an audit.

12.4. The CONTRACTOR agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

13. DATA SECURITY; SYSTEM ACCESS

For purposes of this CONTRACT, "Confidential Information" includes, but is not limited to, information that is deemed confidential under federal or state law, personal information as defined in RCW 42.56.590, as well as any information identified, in writing, by the CITY as confidential or protected.

CONTRACTOR's use of Confidential Information will be in compliance with all applicable state and federal law. The CITY reserves the right to monitor, audit, and/or investigate CONTRACTOR's use of Confidential Information used, collected, or acquired pursuant to this CONTRACT.

CONTRACTOR shall: (i) hold Confidential Information in strictest confidence and not make use of Confidential Information for any purpose other than the performance of this CONTRACT; (ii) release Confidential Information only to authorized employees or agents requiring such information for the purpose of performing this CONTRACT and who have executed an appropriate nondisclosure agreement or System Access and Confidential Information Agreement as approved by CITY; (iii) implement and maintain physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information including, but not limited to, storing Confidential Information on secure servers with access to the data strictly controlled and limited to staff with appropriate training and clearance; and (iv) ensure that all Confidential Information is encrypted in transmission from and to CONTRACTOR, at rest in the data base or other data facility maintained or used by CONTRACTOR, and when transmitted to authorized recipients.

CONTRACTOR shall not use or disclose any non-public information concerning the CITY, or information which may be classified as confidential, for any purpose not directly connected with the administration of this CONTRACT, except with prior written consent of CITY, or as may be required by law.

In addition to the data security measures described in this CONTRACT, CONTRACTOR agrees to comply with the CITY's System Access and Confidential Information Agreement, Attachment 4, attached hereto and incorporated herein.

14. NONDISCRIMINATION

The CONTRACTOR shall conduct its business in a manner, which assures fair, equal and non-discriminatory treatment of all persons, in particular:

14.1. The CONTRACTOR shall maintain open hiring and employment practices and will welcome applications for employment in all positions, from qualified individuals who are members of minorities protected by federal equal opportunity/affirmative action requirements; and,

14.2. The CONTRACTOR shall comply with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto, relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all persons without discrimination as to any person's race, creed, color, religion, national origin, status as a military veteran, marital status, gender, sexual orientation, disability or other legally protected classification. The CONTRACTOR shall enforce all applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the CONTRACTOR to carry out these requirements is a material breach of the CONTRACT, which may result in the termination of the CONTRACT or other such remedy as the CITY deems appropriate.

15. SUBCONTRACTING

15.1. The performance of all activities under this CONTRACT shall be accomplished personally by CONTRACTOR. The CONTRACTOR must advise the CITY of the necessity for any subcontracts, such as traffic control or an additional provider, prior to requesting such services from any subcontractors.

15.2. The CONTRACTOR shall not sublet or assign any of the work covered by this CONTRACT without the written consent of the CITY.

15.3. In the event any subcontracting is approved, the subcontractor and its employees shall be required to execute the Non-Disclosure Agreement prior to being given access to any confidential information regarding the CITY's computer system.

15.4. In all solicitations, either by competitive bidding or negotiation made by the CONTRACTOR for work to be performed pursuant to a subcontractor, including procurement of materials and equipment, each potential subcontractor or supplier shall be notified by the CONTRACTOR of the CONTRACTOR's obligations under this CONTRACT, including the nondiscrimination requirements.

15.5. In performing this CONTRACT, the CONTRACTOR shall not subcontract with or employ any CITY employee without the CITY's written consent.

15.6. In the event CONTRACTOR elects to utilize subcontractors to perform work and/or services under this CONTRACT, and such subcontracting is approved by the CITY, CONTRACTOR shall: (i) incorporate CONTRACTOR's responsibilities under this CONTRACT into its subcontracts, (ii) be fully responsible for the performance of any such subcontractors, and (iii) ensure that subcontractors comply with each and every CONTRACTOR obligation set forth in this CONTRACT.

16. SUPERVISION, INSPECTION, AND PERFORMANCE

16.1. Even though CONTRACTOR is an independent contractor with the authority to control and direct the performance and details of the Services, the Services must meet the approval of CITY and shall be subject to CITY's general right of inspection and supervision to secure the satisfactory completion of this CONTRACT.

16.2. CONTRACTOR represents that it has or will obtain all personnel necessary to perform the Services and that such personnel shall be qualified, experienced, and licensed as may be necessary or required by applicable laws and regulations to perform the Services. CONTRACTOR agrees to comply with all applicable federal, state, county, or municipal standards for the licensing, certifications, operation of facilities and programs, and accreditation and licensing of individuals, if any. All Services shall be performed by CONTRACTOR, its employees, or by subcontractors whose selection has been authorized by CITY; provided that CITY's authorization shall not relieve CONTRACTOR or its subcontractors from any duties or obligations under this CONTRACT, or at law, to perform the Services in a satisfactory and competent manner. CONTRACTOR shall ensure that all contractual duties, requirements, and obligations that CONTRACTOR owes to CITY shall also be owed to CITY by CONTRACTOR's subcontractors retained to perform the Services.

16.3. CONTRACTOR shall be responsible for the professional quality, technical adequacy, accuracy, timely completion, and coordination of the Services and all plans,

designs, drawings, specifications, reports, and other work performed pursuant to this CONTRACT. CONTRACTOR shall perform the Services in accordance with the standard of care of its profession in the same or similar localities at the time services are performed. CONTRACTOR shall be responsible for the professional standards, performance, and actions of all persons and firms performing the Services under this CONTRACT. CONTRACTOR shall, without additional compensation, correct any specific breach of a contractual obligation in the Services and revise any errors or omissions in any plans, designs, drawings, specifications, reports, and other products prepared under this CONTRACT.

17. BACKGROUND CHECKS

CONTRACTOR shall obtain background checks on any employee or subcontractor that may be assigned to perform work under this CONTRACT. Thereafter, CONTRACTOR must at least every 36 months obtain current background check results for each employee or subcontractor. At a minimum, CONTRACTOR shall obtain such background checks through the WSP WATCH background check system found at https://fortress.wa.gov/wsp/watch/. The CONTRACTOR will be responsible for: the costs of such background checks; keeping and retaining background check documents; complying with state and federal laws in conducting the background checks (including, but not limited to, notification to employees and/or subcontractors of the results of the background check); not assigning any individual to perform work under this CONTRACT who has a pending criminal charge or disqualifying conviction (which specifically includes, but is not limited to, theft and/or crimes against children or other persons); communicating with the CITY regarding any questions about compliance with these background check requirements; and notifying the CITY of any employee or subcontractor assigned to perform work under this CONTRACT who resigns or is terminated as a result of having a disqualifying conviction record.

18. PRE-EMPLOYMENT AND RANDOM DRUG TESTS

CONTRACTOR' shall obtain pre-employment drug tests including for Marijuana on any employee or subcontractor that may be assigned to perform work under this CONTRACT. The CONTRACTOR will be responsible for: the costs of such tests; keeping and retaining pre-employment drug tests documents; complying with state and federal laws in conducting the pre-employment drug tests (including, but not limited to, notification to employees and/or subcontractors of the results of the pre-employment drug tests); not assigning any individual to perform work under this CONTRACT who has a positive pre-employment drug test result;
Bus drivers are subject to random drug testing in accordance with Washington State Department of Transportation regulations per 49 CFR Part 655.

19. SUSPENSION OF WORK

19.1. The CITY may, for reasonable cause, issue a written order directing the CONTRACTOR to suspend, delay, or interrupt all or any part of the CONTRACT for a period of time.

19.2. If performance of all or any part of the CONTRACT is suspended, delayed, or interrupted for longer than forty-eight (48) by an act of the CITY in the administration of the Contract, or by the CITY's failure to act within the time specified in the CONTRACT, an adjustment will be made for any necessary increases in the cost or time of performance of the CONTRACT and the CONTRACT shall be modified in writing accordingly. However, no

adjustment shall be made under this clause for any suspension, delay or interruption to the extent:

A. That performance would have been so suspended, delayed, or interrupted by another cause, including the fault or negligence of the CONTRACTOR; or

B. For which an equitable adjustment is provided for or excluded under any other provision of the CONTRACT.

19.3. No claim under this Section shall be allowed:

A. For any cost incurred more than twenty (20) calendar days before the CONTRACTOR's notification to the CITY, in writing, of the particular act or failure to act upon which the claim is based; or

B. Unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such suspension, delay, or interruption, but not later than the date of final payment under the CONTRACT.

20. NOTICE OF IMPAIRED PERFORMANCE

20.1. Whenever an actual or potential event such as a labor dispute, act of God, change in CONTRACTOR's business or any other event impairs the performance of the CONTRACT, the relevant party will immediately give notice thereof, including all relevant information with respect thereto.

20.2. If CONTRACTOR's performance of any obligation to the CITY is delayed or made impossible or commercially impracticable due to any cause beyond CONTRACTOR's reasonable control (including, without limitation, acts of God, labor disputes, compliance with government regulations, equipment failure, shortages in transportation, inability to obtain labor or raw materials, or delays in the performance of CONTRACTOR's suppliers or subcontractors), CONTRACTOR will have such additional time within which to furnish the services under the CONTRACT as may be reasonably necessary under the circumstances. The CONTRACT is subject to applicable restrictions imposed by any Federal agency or by any other governmental authority.

21. CHANGES IN WORK

Either party may request changes in the scope of work. Such changes shall not become part of this CONTRACT unless and until mutually agreed upon and incorporated herein by written amendments to this CONTRACT executed by both parties.

22. EXTRA WORK

The CITY may desire to have the CONTRACTOR perform work or render services in addition to the Scope of Work set forth in Attachment 3 and minor revisions to satisfactorily completed work. Such work shall be considered as "Extra Work" and shall be addressed in a written supplement to this CONTRACT. The CITY shall not be responsible for paying for such extra work unless and until the written supplement is executed by

both parties.

23. TRIAL PERIOD

The CONTRACTOR will have a ninety (90) day trial period. During the trial period, CONTRACTOR must successfully perform and provide services that the CITY finds acceptable. Failure to perform may cause immediate cancellation of the CONTRACT. If a dispute occurs during the trial period, as to acceptability of product or service, the CITY's decision prevails. The CITY will only pay for authorized work performed that is properly invoiced pursuant to the CONTRACT up to the date of termination. If the CONTRACT is terminated within the trial period, the CITY may award a contract to the next highest evaluated responsible bidder who submitted a responsive proposal. Any new contract award will also be subject to a trial period.

24. TERMINATION

24.1. The CITY may terminate this CONTRACT at any time during the CONTRACTOR's ninety (90) day Trial Period if the CONTRACTOR fails to successfully perform and provide services that the CITY finds acceptable in accordance with Section 23 above.

24.2. Either Party may terminate this CONTRACT in whole or in part upon not less than one (1) year's written notice to the other Party. Written notice will be by certified mail sent to the designated representative at the address provided in Section 29, NOTICE. If this CONTRACT is terminated in its entirety, the CITY shall pay the CONTRACTOR for satisfactory services performed through the date of termination, but no amount shall be allowed for anticipated profit on unperformed Services or other work

24.3. The CITY may terminate this CONTRACT, in whole or in part and at any time, in writing if CONTRACTOR substantially fails to fulfill any or all of its material obligations through no fault of CITY. If CITY terminates all or part of this CONTRACT for default, CITY shall determine the amount of Services satisfactorily performed to the date of termination and the amount owing to CONTRACTOR using the criteria set forth below; provided that (a) no amount shall be allowed for anticipated profit on unperformed Services or other work, and (b) any payment due to CONTRACTOR at the time of termination may be adjusted to the extent of any additional costs CITY incurs or will incur because of CONTRACTOR's default. In such event, CITY shall consider the actual costs incurred by CONTRACTOR in performing the Services to the date of termination, the amount of Services originally required which was satisfactorily completed to the date of termination, whether the Services or deliverables were in a form or of a type which is usable and suitable to CITY at the date of termination, the cost to CITY of either completing the Services itself or employing another firm to complete the Services in addition to the inconvenience and time which may be required to do so, and other factors which affect the value to CITY of the Services performed to the date of termination. Under no circumstances shall payments made under this provision exceed the Schedule of Charges. This provision shall not preclude CITY from filing claims and/or commencing litigation to secure compensation for damages incurred beyond that covered by withheld payments.

24.4. In the event this CONTRACT is terminated prior to the completion of the work, payment shall be made to the CONTRACTOR, which, when added to any payments previously made, shall compensate the CONTRACTOR for the portion of work completed.

Whenever the CONTRACT is terminated in accordance with this Section 24, the CONTRACTOR shall be entitled to payment for actual work performed up to the termination date. Upon such termination, whether for convenience or default, an equitable adjustment in the CONTRACT price will be made by the CITY for partially completed items of work, but such adjustment shall not include provision for loss of anticipated profit on deleted or uncompleted work. Termination under this Section 24 shall not constitute a breach of the CONTRACT by the CITY.

25. INDEMNIFICATION/HOLD HARMLESS

25.1. CONTRACTOR shall defend, indemnify, and hold the CITY, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorney fees, arising out of or resulting from the acts, errors or omissions of the CONTRACTOR in performance of this CONTRACT, except for injuries and damages caused by the sole negligence of the CITY.

In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the CONTRACTOR and the CITY, its officers, officials, employees, and volunteers, the CONTRACTOR's liability, including the duty and cost to defend, hereunder shall be only to the extent of the CONTRACTOR's negligence.

25.2. It is further specifically and expressly understood that the indemnification provided herein constitutes the CONTRACTOR's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

25.3. The provisions of this section shall survive the expiration or termination of this CONTRACT. Further, the indemnity obligations shall extend to claims that are not reduced to a suit and to any claims that may be compromised prior to the culmination of any litigation or the institution of any litigation. Inspection, acceptance or payment by CITY of or for any Services performed by CONTRACTOR shall not be grounds for avoidance of any Indemnity Obligations.

26. INSURANCE

26.1. The CONTRACTOR shall procure and maintain for the duration of the CONTRACT, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, its agents, representatives, employees or subcontractors.

26.2. CONTRACTOR'S maintenance of insurance as required by the CONTRACT shall not be construed to limit the liability of the CONTRACTOR to the coverage provided by such insurance or otherwise limit the CITY's recourse to any remedy available at law or in equity.

26.3. Minimum Scope of Insurance. CONTRACTOR shall obtain insurance of the types described below:

26.3.1. The CONTRACTOR shall provide and maintain Automobile Liability insurance covering all revenue and non-revenue vehicles used in the performance of this

CONTRACT. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contract liability coverage; and,

26.3.2. The Commercial General Liability insurance shall be endorsed to provide a per project general aggregate limit using ISO form CG 25 03 05 09 or an endorsement providing at least as broad coverage. Commercial General Liability insurance shall cover liability arising from premises, operations, stop-gap independent contractors, personal injury and advertising injury, and sexual abuse and molestation. The CITY shall be named or added as an additional insured under the CONTRACTOR's Commercial General Liability insurance policy with respect to the work performed for the CITY using ISO additional insured endorsement form CG 20 26, or coverage at least as broad; and,

26.3.3. Professional Liability insurance appropriate to the Consultant's profession.

26.3.4. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington; and

26.3.5. Excess or Umbrella Liability insurance coverage.

26.4. Minimum Amounts of Insurance. CONTRACTOR shall maintain the following insurance limits:

26.4.1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of $2,000,000 per accident.

26.4.2. Commercial General Liability insurance shall be written with limits no less than $2,000,000 each occurrence, $2,000,000 general aggregate.

26.4.3. Professional Liability insurance shall be written with limits no less than $2,000,000 per claim and $2,000,000 policy aggregate limit.

26.4.4. Excess or Umbrella Liability shall be written with limits of not less than $5,000,000 per occurrence and annual aggregate. The Excess or Umbrella Liability requirement and limits may be satisfied instead through the CONTRACTOR's Commercial General Liability and Automobile Liability insurance, or any combination thereof that achieves the overall required limits.

26.5. Other Insurance Provisions. The CONTRACTOR's Automobile Liability, Commercial General Liability, and Excess or Umbrella Liability policy or insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

26.5.1. The CONTRACTOR's insurance coverage shall be primary insurance with respect to the CITY. Any insurance, self-insurance, or insurance pool coverage maintained by the CITY shall be excess of the CONTRACTOR's insurance and shall not contribute with it.

26.5.2. The CITY shall be named as an insured on CONTRACTOR's insurance policies. CONTRACTOR shall furnish the CITY with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured and primary coverage endorsement(s) evidencing the insurance requirements of the

CONTRACTOR, and evidence of all subcontractors' coverage, before commencement of the work.

26.5.3. Certificates of insurance (except unemployment insurance) are to be submitted to the CITY on an annual basis, or when expired, and immediately when carriers or coverage limits change.

26.5.4. Any payment of deductible or self-insured retention shall be the sole responsibility of the CONTRACTOR.

26.5.5. The CONTRACTOR'S insurance shall contain a clause stating that coverage shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

26.6. Acceptability of Insurers. All insurance coverage required to be maintained or provided by the CONTRACTOR must be with insurance companies legally allowed to operate within the State of Washington. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

26.7. Cancellation. CONTRACTOR will provide notice to the CITY of any cancellation of coverage by no later than three (3) days after CONTRACTOR is notified by its
insurer that coverage will or has been canceled, whichever occurs earliest.

26.8. CITY Full Availability of CONTRACTOR Limits. If the CONTRACTOR maintains higher insurance limits than the minimum amounts shown above, the CITY shall be insured for the full available limits of Commercial General and Excess, Automobile, or Umbrella liability maintained by the CONTRACTOR, irrespective of whether such limits maintained by the CONTRACTOR are greater than those required by this CONTRACT or whether any certificate of insurance furnished to the CITY evidence limits of liability lower than those maintained by the CONTRACTOR.

26.9. All insurance costs shall be at the expense of the CONTRACTOR. If at any time during the life of the CONTRACT or any extension, the CONTRACTOR fails to maintain the required insurance in full force and effect, all work under the CONTRACT shall be discontinued immediately. Any failure to maintain the required insurance will be considered an inability to perform the work and will be sufficient cause for the CITY to terminate the CONTRACT.

27. DISPUTE RESOLUTION

27.1 Dispute Resolution The Parties intend that any dispute, controversy, or claim arising under, out of, or relating to this Agreement, including its formation, validity, binding effect, interpretation, performance, breach, or termination, as well as non-contractual claims (collectively, a "Dispute"), shall be resolved using the following phased approach.

i. Phase I Dispute Resolution—Negotiation

In the event of a Dispute, the Parties shall meet and confer in good faith to resolve the Dispute within thirty (30) days of written notice of the Dispute. If the Dispute remains unresolved, either Party may request, in writing, initiation of Phase II.

ii Phase II Dispute Resolution—Mediation

If the Parties proceed to Phase II, they shall mutually select an independent mediator to facilitate resolution of the Dispute within sixty (60) days of the Phase II request. If the Parties cannot agree on a mediator within ten (10) days, each Party shall select a mediator, and those mediators shall select a third mediator to mediate the Dispute. The Parties shall equally share the mediator's fees and costs. Mediation shall be conducted pursuant to the Uniform Mediation Act, codified at Chapter 7.07 of the Revised Code of Washington. If the Dispute remains unresolved, either Party may utilize any dispute resolution authorized by law .

28. APPLICABLE LAW; VENUE; SEVERABILITY

This CONTRACT shall be construed and interpreted in accordance with the laws of the State of Washington, and in the event of dispute the venue of any litigation brought hereunder shall be Kittitas County. Should any part, term or provision of the CONTRACT be decided by the courts to be illegal or in conflict with any applicable statute or regulation, the validity of the remaining portions shall not be affected thereby.

29. NOTICE

All communications regarding this CONTRACT shall be sent to the parties at the addresses listed below, or at such other address as given pursuant to this Section and shall be effective on the next business day if sent by registered or certified mail or deposited with an overnight delivery service.

City of Ellensburg
Ellensburg Central Transit
Attention: Betsy Dunbar
501 N. Anderson
Ellensburg, WA 98926
Email: dunbarb@ellensburgwa.gov

HopeSource
606 West 3rd Avenue
Ellensburg, WA 98926
Email:_____

30. ENTIRE CONTRACT

The written terms and provisions of this CONTRACT, together with all referenced Attachments and Exhibits, supersede all prior verbal statements of any officer or other representative of CITY, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this CONTRACT. The entire agreement between the parties with respect to the subject matter hereunder is contained in this CONTRACT and the referenced Attachments and Exhibits.

31. PRIORITY OF DOCUMENTS

In the event that the language and provisions of this CONTRACT are contrary to or conflict with any language or provisions set forth in any attachment to this CONTRACT, the language and provisions of this CONTRACT shall control, and the contrary or conflicting language or provisions of the attachment(s) and/or exhibit(s) shall be disregarded and

shall be considered void.

32. MODIFICATION

No waiver, alteration, or modification of any of the provisions of this CONTRACT shall be binding unless in writing and signed by a duly authorized representative of CITY and CONTRACTOR.

33. ASSIGNMENT

This CONTRACT shall extend to and be binding upon and inure to the benefit of the successors and assignees of the respective parties. However, any assignment of this CONTRACT by CONTRACTOR without the prior written consent of CITY shall be void.

34. WAIVER

A waiver of any breach by either party shall not constitute a waiver of any subsequent breach.

35. THIRD-PARTY BENEFICIARIES

There are no third-party beneficiaries to this CONTRACT.

36. EXHIBITS AND SIGNATURES

This CONTRACT, including its attachments and exhibits, constitutes the entire CONTRACT, supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties. The following attachments and exhibits are hereby made a part of this CONTRACT:

Attachment 1 – CITY's RFP #R26-03

Attachment 2 – CONTRACTOR's Response to CITY's RFP #R26-03

Attachment 3 – Scope of Work

Attachment 4– System Access and Confidential Information Agreement

Attachment 5– Applicable terms & conditions of the Operating Grant Agreement between the CITY and the Washington State Department of Transportation

IN WITNESS WHEREOF, the parties hereto have executed this CONTRACT as of the day and year first written above.

CONTRACTOR:	**THE CITY OF ELLENSBURG**:
By: _____	By: _____

Printed Name: _____

Title: _____

Tax ID#: _____

Printed Name: _____

Title: _____

ATTEST: _____
Clerk

Approved as to Form:

_____
City Attorney

ATTACHMENT 1: CITY's RFP #R26-03

RFP #R26-03, dated March 24, 2026, including any and all amendments, is an integral part of this CONTRACT and is incorporated herein by reference.

ATTACHMENT 2: CONTRACTOR's RESPONSE TO CITY's RFP #R26-03

CONTRACTOR's response to RFP #R26-03 dated April 10, 2026 is an integral part of this CONTRACT and is incorporated herein by reference.

ATTACHMENT 3: SCOPE OF WORK

The Contractor shall manage and operate the City of Ellensburg's ADA Paratransit System in accordance with the policies and procedures established by the City of Ellensburg (City) and Ellensburg Central Transit (ECT), including the Americans with Disabilities Act.

ADA Paratransit Service Description:

Under Department of Transportation (DOT) Americans with Disabilities Act (ADA) regulations at 49 C.F.R. Section 37.131(a)(1)(i), transit entities must "provide complementary paratransit service to origins and destinations within corridors with a width of three-fourths (3/4) of a mile on each side of each fixed route." The measurement to destinations within the three-fourths of a mile corridor on each side of a fixed route is measured "as the crow flies" and does not vary based upon driving distance.

Hours and Days of Operation:

The Contractor shall offer ADA Paratransit service during the same hours as the ECT Fixed route operations. The system shall operate between the hours of 6:55 to 8:15 +/- 15 minutes.

The service hours during the term of the contract may be adjusted upon written agreement of all parties to revise its service levels to the public. Any additional costs caused to the Contractor by such adjustment will be compensated.

No service shall be provided on the following holidays: New Year's Day, Presidents Day, Memorial Day, Fourth of July, Thanksgiving Day and Christmas Day.

Fares:

All ECT services are fare free.

If an ADA Paratransit Passenger is accompanied by a personal care attendant or guest, the attendant or guest will not be charged a fare.

General ECT Responsibilities:

A. Planning and oversight of the ECT ADA Paratransit service.
B. Define reporting requirements and monitor Contractor performance.
C. Marketing and promotion of service.
D. Provide Operator uniform vests.
E. Public outreach.
F. Provide input to contractor through the Transit Manager and Ellensburg Transportation Advisory Committee (ETAC).
G. Administrative oversight and contract management.
H. Provide funding to maintain and expand the system as determined and approved by the CITY.
I. To the extent allowed by law, the City reserves the right to require removal of any Contractor employee from the ECT service it deems unfit for documented reasons related to safety, misconduct, or failure to meet reasonable performance standards affecting service delivery.
J. Provide printed surveys for passengers to fill out while on the vehicles.

General Contractor Responsibilities:

A. Locate a site in Ellensburg city limits for vehicle storage and operations. This office must meet standards required under the Americans with Disabilities Act (ADA) for access by persons with disabilities. If the Contractor utilizes an existing facility designated as a historic property, the facility shall not be required to undergo structural changes that would compromise its character or create undue burden; instead, ADA compliance should be achieved through alternative access methods to the greatest extent feasible. Full structural compliance is not required when it is technically infeasible, would fundamentally alter the facility, or impose an undue hardship.
B. Provide adequate software/equipment to successfully dispatch vehicles, produce and maintain service records.
C. Provide adequate training for Contractor's office personnel.
D. Provide trained support personnel and supervisory personnel.
E. Provide trained vehicle operators familiar with the service area who are capable of operating and supporting all facets of the ADA Paratransit System.
F. Subject to Contractor's ability to secure grant funding awarded by WSDOT, Contractor will provide all needed vehicles and support vehicles to successfully provide services for the ECT ADA Paratransit services. Minivans are preferable.
G. Maintain vehicles to manufacturer's, WSDOT, and FTA standards.
H. Provide all required insurance for all vehicles and equipment operated by the Contractor.
I. Provide all support equipment and systems, including computer hardware and software necessary to operate and monitor all business and maintenance functions, service records and invoices to meet or exceed the requirements of the RFP.
J. The Contractor shall be responsible for providing all customer service functions for ECT during the core hours of 8:00 AM to 5:00 PM, M-F, to include outreach support, disseminating information, answering questions, responding to requests and distributing ADA Paratransit brochures, etc.
K. An on-call dispatcher must be available to take ADA Paratransit return and will call requests until the last passenger has been delivered to their home/facility.
L. Develop safety and maintenance programs that meets WSDOT and FTA requirements.
M. The contractor is required to fully cooperate and participate in the investigation of any complaint, incident or event.
N. Provide the opportunity for resolution of complaints by customers. The City shall be informed if the dispute resolution process is failing and requires attention by City administration.

Required office equipment shall include:

A. A multi-line phone and/or voicemail capable of handling anticipated frequency of calls.
B. A two-way communication system between the office and the vehicles in operation. This communication system shall be capable of establishing 2-way voice contact between dispatch and the service vehicles at all times.
C. The office must provide a means for hearing-impaired persons to

readily communicate service requests and other information; this may include

D. Provide 5G Tracker on all ADA Paratransit vehicles.
E. Telecommunications device such as a TTY machine or use of the Washington Telecommunication Relay Services (WATRS) for persons with disabilities.
F. All callers are to be treated with utmost consideration. Staff must be compassionate and display skills in interpersonal communications.

Vehicles requirements:

The Contractor will use their own vehicles.

Vehicles:

A. Minivans, vans, and buses may be used when performing ADA Paratransit service. Rear-loading minivans are also approved as long as electric Q'Straints are secured to the front of the wheelchair prior to loading. Ramps must be equipped with non-slip surface.
B. Minivans must have as a minimum the current ECT Logo on the front doors via a wrap or magnet along with a vehicle number.
C. The interior shall have seat belts at all positions. Seats may be vinyl or stain-resistant fabric with micro anti-bacterial properties and/or easily cleaned and sanitized. Seats, including the operator's seat may not show any wear or staining.
D. Q'Straint securements and straps shall be provided for all mobility devices and passengers.
E. Vehicles shall be equipped at all times with the following safety and accessibility equipment: a fire extinguisher (with up-to-date annual inspection tag), an AED, first-aid kit, blood-borne pathogen/ bodily fluid spill kit, a web cutter within the operators reach, flares and a set of safety triangles.
F. Vehicles will be equipped with a minimum of 1 forward-facing, 1 internal, and 1 rear-facing camera, along with **clearly posted signage stating Security Cameras recording with audio in operation**. Vehicles should have the same make and model system to ensure compatibility when possible. If ECT requires review of recorded footage, ECT shall submit a written request to the Contractor identifying the specific incident, including the date and approximate time of the footage sought. All requests must be submitted through the established records request process and shall relate to a defined incident. The Contractor will make reasonable efforts to provide access to the requested recordings in accordance with this process.
G. Buses must meet Buy America provisions, either under current regulations or at the time procured by the Contractor when required by WSDOT.
H. Vehicles must meet Buy America provisions, either under current regulations or at the time procured by the Contractor when required by WSDOT.
I. All vehicles, including spare vehicles, must be maintained in a safe, reliable, and serviceable condition, compliant with applicable federal and state safety requirements. Contractor shall maintain sufficient spare ratio and fleet reliability to minimize service disruptions.

Washington State requires all transit agencies to have a Zero-Emissions Plan. When possible, the contractor and the City will work together to create opportunities for

supportive infrastructure and buses with alternative, clean fuels.

Spare Vehicles:

The Contractor shall maintain at least one spare vehicle or number of vehicles equal to 20% of the ADA Paratransit revenue fleet rounded to the next larger number (i.e. 6 vehicles in revenue service will require 2 spares), equivalent to the other revenue service vehicles.

The Contractor shall dispatch a spare ADA accessible vehicle as soon as reasonably possible to address any incident that impacts service delivery.

Support Vehicles:

A. It is the Contractor's responsibility to determine the number and type of support vehicles needed to successfully operate the ECT ADA Paratransit Service.
B. All support vehicles must be clean and straight without body damage and a clean and well-maintained interior appearance.
C. Support vehicles will be in good, reliable operating condition.
D. All support vehicles must have the ECT logo on the front doors via a wrap or magnet.

Vehicle Maintenance:

The Contractor shall be responsible for all vehicle maintenance in compliance with manufacturer requirements, and records including but not limited to:

A. Pre-trip and post-trip inspections.
B. Preventive maintenance.
C. Unscheduled maintenance.
D. Perform manufacturer's recalls.
E. Fueling.
F. Heavy cleaning of interiors and exteriors, a minimum of twice per week, weather permitting.
G. Road calls.
H. Maintain all records related to vehicle maintenance, by establishing a separate file (electronically or hardcopy) for each vehicle by unit number. The file for each vehicle shall be retained until such time the vehicle is disposed of.

ECT expects the vehicles to be clean (weather permitting) and in good working condition at all times for the sake of safety, public image and customer satisfaction. ECT may inspect for vehicle cleanliness at any time.

Posters and signage must be approved by ECT, laminated and posted in a professional manner.

The Contractor shall ensure that sufficient numbers of vehicles are available to properly provide service at all times. The Contractor shall properly document all preventive maintenance, repairs, and cleaning and allow for the inspection of such documentation by ECT on a regular basis. Preventive maintenance inspections must be regularly accomplished at intervals that meet all applicable WSDOT, FTA, and the manufacturer's recommended standards and procedures. A comprehensive maintenance report of PMs performed is to be

provided to the Transit Manager on a monthly basis.

ECT reserves the right to require inspections of all revenue vehicles to ensure maintenance is performed to the required standards. Such inspections will be coordinated with the Contractor and will not adversely affect service delivery. ECT will be responsible for the cost of these inspections, unless significant safety issues are discovered. Any safety-related deficiencies found during the inspections will be repaired by the Contractor prior to returning the vehicle to revenue service. All non-safety deficiencies shall be repaired as soon as reasonably possible. Vehicles with deficiencies are subject to re-inspection by the City to ensure that corrective repairs were done correctly.

(An alternative or expanded list of safety and accessibility equipment can be suggested.)

The contractor may use a qualified third party to perform maintenance and repair on the vehicles used for ECT ADA Paratransit service. The city prefers the mechanics be ASE certified, preferably with Bus and Medium-Duty truck certifications.

ECT recommends that the Contractor's maintenance provider have a Drug and Alcohol policy in place and ensure that their employees who work on the buses are included in the random drug and alcohol testing program along with the Contractor's safety-sensitive employees.

Vehicle Operators:

The Contractor shall supply a sufficient number of properly qualified personnel to operate equipment to provide required services. Drivers shall consistently maintain a courteous and cooperative attitude in their contact with the public.

All drivers must have a valid Washington State Driver's License and be insurable. All drivers must also carry a valid USDOT Medical Examiner's Certificate.

There must be an 90% majority of ADA Paratransit Operators over the age of 18 during any given service day.

The Contractor will conduct individual background checks of each applicant/employee in accordance with applicable state and federal laws. Applicants may be excluded from employment for a conviction in the last 7 years, including but not limited to:

- Crimes of violence, or crimes against children or vulnerable adults in any state, including any felony convictions.
- Convictions of alcohol-related driving offenses.
- Driving offenses such as leaving the scene of an accident, vehicular assault or homicide, reckless or negligent driving or hit and run.
- Conviction of a sexual assault or other related conviction.

Operators shall be capable of operating all special equipment, including wheelchair lift or ramp, two-way radios, data terminal or tablet, and wheelchair and passenger securement systems.

Operators shall provide any required assistance to riders, including loading/unloading

mobility devices. Operators shall avoid leaving vehicles unattended while any passengers remain on board.

Operators shall not smoke inside vehicles at any time. Drivers shall not smoke within 25 feet of the bus.

Operators shall have a thorough knowledge of the service area.

Operators shall be responsible for pre-trip vehicle inspections and shall promptly report unsafe road conditions, including access difficulties at private residences.

Operators shall maintain proper trip records in accordance with contractual requirements.

Operators must receive a pre-employment drug test, including for Marijuana. Drivers are subject to random drug testing in accordance with Washington State Department of Transportation regulations per 49 CFR Part 655.

Training:

The Contractor shall provide a training program in order to ensure that all operators and staff attain proficiency in their area(s) of expertise. The Contractor shall provide proof that all drivers have successfully completed the following minimum training:

A. Defensive Driving.
B. Passenger Assistance and Sensitivity Training
C. Anti-harassment Training
D. Workplace Violence Training
E. First Aid/CPR and Bloodborne Pathogens
F. System, equipment, and area familiarity
G. Basic understanding of rights under the Americans with Disabilities Act (ADA)
H. Service Animal Training
I. Vehicle evacuation techniques
J. Drug and alcohol training

The Contractor shall provide an overview of the company training program that highlights the primary elements covered in employee training and any written training policies provided to all personnel.

Trip Request Procedure:

ADA Paratransit service is available to eligible general public located in the ECT service area. The Contractor can expect to receive a growing request for ADA Paratransit service.

Trip reservation procedures are an extremely critical aspect of ADA Paratransit service. One-to-one communication between requestors and the staff person who schedules the trip needs to follow established industry practices related to customer satisfaction and quality of service. These basic service standards are:

A. All callers are to be treated with utmost consideration. Staff must be compassionate and display skill in interpersonal communications.
B. Passengers wishing to make a complaint shall be allowed to do so. All office staff shall

be familiar with the Agency Complaint Resolution procedure.

C. Considerable effort shall be made to accommodate all trip requests. Schedulers may negotiate trip pick-up times with callers, but must seriously consider passenger appointment times when doing so. ECT and Contractor must comply with all ADA requirements.
D. No trip priorities or waiting lists may be established.
E. Callers are to be advised of fixed route service that would be capable of serving their needs, when appropriate.

Contractor shall notify ECT of any capacity constraints. Capacity constraint is defined as the inability to transport a passenger due to the lack of space and/or scheduled time to transport upon request on a next-day response basis.

Contractor shall also notify ECT of any vehicle out-of-service for greater than one (1) month.

SYSTEM OPERATION

Service Descriptions:

The Contractor shall provide ADA Paratransit transportation for only those persons requesting service who have been certified for ADA paratransit service by the Contractor or a 3rd party service. Paratransit trips shall be provided on a next-day response basis and shall not be limited to any single purpose, or number of trips. The assigned pick-up time shall be within one (1) hour from the time of the request.

ADA Paratransit services will be considered "on-time" so long as they are provided within a window of ten (10) minutes before or twenty (20) minutes after the assigned times provided to the customer.

The requirement for maximum on-board travel time (time spent in the vehicle) is sixty (60) minutes within the service area.

The City recognizes that special circumstances, such as inclement weather, can occur which may impact on-time performance. The goals established exist as guidelines to performance and will require inter-agency communication to resolve discrepancies.

The Contractor shall require its vehicle operators to assist those passengers' requiring assistance to board or alight the vehicles. Vehicle operators should always get out of the vehicle and ask the passenger how they can assist them.

Vehicle operators are required to provide door-to-door service for every passenger.

Eligibility for Service:

The contractor or a 3rd party service shall determine the eligibility of each applicant for the complementary paratransit service program. Upon determination of eligibility, the contractor shall issue the applicant an approval letter, indicating the level of service to which the applicant is entitled. Information on the eligible applicant will be entered in Contractors Customer Database, housed in a dispatch system and will indicate if the applicant requires a personal care attendant (PCA), and the rider's mobility type.

The contractor shall maintain the eligible customer database.

Safety Inspections:

The Contractor shall perform daily safety inspections of all vehicles prior to beginning each day's service. Vehicles failing the daily inspection shall not be used in service until the reason for failure is corrected.

All wheelchair lifts shall be cycled at least daily.

Non-accident incidents, including but not exclusively near-misses, occurrences of hard braking shall be reported to City administration within forty-eight (48) hours.

Securement Use:

Contractor shall transport any mobile device, including but not limited to, those that meet the following definition of a common wheelchair: a wheelchair that does not exceed 30 inches in width and 48 inches in length measured two inches above the ground, and not weighing more than 800 pounds when occupied. "Wheelchair" includes both three-wheeled and four-wheeled mobility aids. Contractor shall transport three-wheeled "scooters" and other non-traditional designs that fit within these standards, unless the vehicle's ramp or securement system is demonstrably unable to safely accommodate the device.

Contractor shall make a reasonable and good-faith effort to load and secure any mobility device prior to denying transport. Denial of service based on mobility device accommodation must be based on actual, demonstrated inability to safely load or secure the device using the available equipment.

Contractor will be required to demonstrate the ability to transport all types of mobility devices that can safely be secured and transported on minivans. If possible, a bus with a lift may be used.

Equipment Maintenance:

Vehicles utilized in performing ADA Paratransit service may be inspected by ECT or its designated representative as ECT may deem necessary. Contractor shall be responsible for all costs for repair and maintenance of vehicles at no additional charge.

Prescribed Equipment shall be maintained and kept in fully useful and in original condition at all times.

Emergencies:

In the event a passenger is transported by ADA Paratransit to a given destination, and it becomes necessary due to inclement weather or other unforeseen emergency conditions, other than medical emergencies, for the passenger to be transported to another destination, the Contractor or another agency with handicap accessible vehicles shall be called upon to provide emergency transportation service.

The ECT will post detours and delays via software which will reach rider apps, Google Maps, social media platforms and the City's ECT website.

The Contractor is required to cooperate with the City in responding to emergencies. In the event of an emergency, the City shall contact the Contractor's operations/transportation manager or designee to initiate special emergency requests.

Accidents and Incidents:

All accidents involving vehicles used for ECT ADA Paratransit operations which result in injury to passengers, and/or damage to any property, must be reported to the appropriate regulatory entities, and the Transit Manager. Failure to report accidents within twenty-four hours shall be considered breach of contract.

Non-accident incidents, including but not exclusively near-misses, occurrences of hard braking shall be reported to City administration within forty-eight (48) hours.

Radios:

Two-way radio communications shall be furnished by the Contractor.

Computerized Dispatch and Scheduling System:

In order to enhance service efficiency and quality, ECT requires the contractor to use a computer-assisted scheduling, dispatch and information/software system. The main purpose of a computerized dispatch system is to assign ADA Paratransit pick-up and drop-off times and locations. Additional purposes are the production of reports that can be used for figuring monthly invoices and evaluating service performance and productivity.

The Contractor is responsible for the competency and accuracy of the software system and must ensure that the software will meet DOJ WCAG 2.1 Level AA accessibility requirements with which the City must comply.

Records and Reports:

The Contractor shall be responsible for monitoring all aspects of the system operation, including but not limited to ridership, capacity constraints, and the quality of service. The following are the types of data that ECT shall require of the Contractor.

Daily Records with Date and Times:

- Passenger name
- Date of service
- Trip origin and destination address
- Passenger time of request
- Actual passenger pick-up and drop-off times
- Passenger classification (non-ambulatory or ambulatory)
- Denials by area and requested time
- Missed Trips
- Late Pick-ups

Monthly Reports:

Revenue Miles	Non-Revenue Miles
Revenue Hours	Non-Revenue Hours
Gallons of Fuel	Accidents/Incidents/Complaints
Wheelchair Count	Ambulatory Count

A monthly operating report shall be prepared and forwarded to ECT by the 7th working day of the following month, which shall summarize the data collected daily. It shall also include a statement of any existing or potential problems along with suggested solutions.

The City is required to submit vehicle and passenger information to WSDOT in our quarterly reports. In addition, an annual report detailing our Public Transit services and objectives for improving efficiency and effectiveness is required per **RCW 35.58.2796**.

The City is also required to submit passenger mile data to the Federal Transit Administration every three years. The Contractor will be required to conduct a survey to obtain passenger mile data during the mandatory year as prescribed by the Federal Transit Authority for the National Transit Database (NTD) report. The next mandatory survey year is 2026.

The Contractor shall cooperate with ECT staff on all monitoring of the paratransit service including client surveys. The Contractors shall cooperate with City to provide information to the City as it reviews the service and recommends changes to the service.

Methods of improving system operation and service shall be sought, and the results shall be reported to ECT, along with any corrective actions which may have been taken. In no case shall a corrective action which affects the nature, quality, or quantity of service be taken without first obtaining ECT approval.

Substance Abuse Requirements:

The Contractor shall comply with the Federal Transit Administration 49 CFR Part 655, Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations and provide a copy of the annual MIS for all safety-sensitive employees involved in Central Transit service delivery to the City by January 30 of each year.

Confidentiality of Client Information:

Any and all information regarding individual persons served by City's ADA Paratransit is strictly confidential. Information shall not be released to any party in any form without the authorization of the individual, legal guardian, and/or the City.

Dispute Resolution Procedure:

Passengers with complaints about service shall be allowed an opportunity to register that complaint with the Contractor and receive prompt and fair consideration. Every effort shall be made to resolve complaints at the staff level of the Contractor. Any complaint that cannot be resolved by the Contractor shall be referred to ECT Transit Manager, who will attempt to resolve the complaint or refer the complaint to a higher level of the City.

The Contractor shall forward to the City's Transit Manager via the approved Event Form any complaint(s) received from ECT customers/passengers within two (2) Business days along with a description of the action(s) taken to resolve the complaint within four (4) Business days.

Any complaints that include an ADA issue shall be forwarded to the Transit Manager within two (2) business days of receipt of said complaint regardless of whether it has been resolved or not. If the on-board video needs to be examined before a response can be made, it must be noted in the notice to the Transit Manager.

Performance Requirements:

The contractor shall strive to improve on-time performance while minimizing road calls, vehicle damage and complaints. This shall be accomplished by initial and ongoing employee training, street supervision, random checks, corrective personnel actions, and standards that will be established by the City with the Contractor's input.

The City expects 95% on-time performance. On-time shall be defined as the Paratransit vehicle arriving within +/- 15 minutes of the requested pick-up time. Early pickups and late pickups up to (5) five minutes may be included in the on-time performance rate calculation.

The Transit Manager or other City designee shall make decisions on questions that arise as to the quality and acceptability of any work performed under the Contract. If performance becomes unsatisfactory, the City will notify the Contractor.

Upon observance of the Contractor's failure to perform satisfactory services, the City will issue a Notice of Service Correction to the Contractor via email. The notice will identify the service correction requirement and instruct the Contractor to begin correction as quickly as possible. If the Contractor fails to begin the correction of services within the time stipulated in the notice, the City will correct the service shortcoming with its own forces or by engaging another Contractor.

Safety:

The Contractor shall ensure the safety of passengers by any and all means necessary, including, but not limited to, the use of seat belts required for all passengers, the use of four-point wheelchair and passenger securement system, maintaining control in and around vehicles, providing safety and emergency procedures, and designating a staff person to coordinate all safety and training programs.

All fire extinguishers and appropriate first aid kits shall be furnished and maintained by the Contractor.

The cameras and video recording system installed in the vehicles shall be furnished and maintained by the Contractor

Access to Records:

The City of Ellensburg, Washington State, and US Department of Transportation, or their

designee(s), may at any time perform audits of the financial books, records, and accounts of the Contractor. The Contractor agrees to preserve, and to cause any subcontractor to preserve, and to make available for a period of six (6) years after the completion of the contract, or in accordance with applicable federal and/or Washington State retention schedules, whichever retention schedule is longer, any and all financial, operations, administrative, and maintenance records pertaining to ECT.

Meetings:

In order to maintain open and frequent communications between the two entities, the Contractor shall hold weekly meetings with the Transit Manager to discuss service problems and proposed solutions. Additionally, upon request the Contractor shall attend all meetings of the ETAC which are held monthly.

State Association Membership:

In the interest of promoting greater understanding of the issues and laws affecting small public transit and paratransit systems, Contractor should, if possible, participate in the State Association of Community Transportation providers and CTANW.

No-Show Policy:

The ADA Paratransit no-show policy allows transit agencies to enforce rules regarding missed rides to ensure efficient service for all passengers.

A "no-show" occurs when a passenger fails to board the vehicle within (5) five minutes of its arrival during the scheduled pick-up window, or when a scheduled trip is not canceled at least (2) two hours prior to the pick-up time.

The Contractor shall create a log for a passenger who receives no-shows. The Contractor will work together with the City to decide the no-show percentage allowed before a passenger is suspended.

There may be circumstances beyond the individual's control. Such circumstances would not result in a no-show.

Visitors to Service Area:

Certification of visitors to the area who have been determined eligible for ADA Paratransit service shall be honored by Contractor. If presumptive eligibility is claimed by the visitor, they must provide proof that they are certified with another public transit ADA Paratransit provider and are not a resident in the local public transit service area.

The Contractor will send the application information to the visitor, and he/she will be requested to provide certification forms if he/she is expected to travel within the ECT boundaries for up to twenty-one days in any given year.

Service Animals/Life Support Equipment:

In accordance with U.S. Department of Transportation (DOT) Americans with Disabilities Act (ADA) regulations at 49 C.F.R. § 37.167(d), Contractor shall permit paratransit-eligible riders to travel with service animals that accompany individuals with disabilities in vehicles

and facilities. As defined in 49 C.F.R. § 37.3, a service animal is an animal "individually trained to work or perform tasks for an individual with a disability." This includes, but is not limited to, guide dogs used by individuals with vision or hearing impairments, and animals trained to provide aid to individuals with mobility impairments.

Contractor shall also permit persons to travel with respirators, portable oxygen and other life support equipment, unless the equipment violates rules concerning the transportation of hazardous materials. (49 CFR Parts 100-199). An intravenous line must be capped and wrapped before entering the vehicle.

Paratransit Information:

Additional information regarding ECT's ADA Paratransit Services can be found on the City's ECT website.

Paratransit – Central Transit

ECT reserves the right to provide ADA Paratransit services during the term of the agreement as it deems necessary.

ATTACHMENT 4:

CITY's System Access & Confidential Information Agreement

The CITY and CONTRACTOR mutually agree to the terms of this System Access and Confidential Information Agreement ("Agreement") to govern the access to CITY systems and handling of CITY data and information by any employee, subcontractor, agent or other individual affiliated with CONTRACTOR to which they may have access during any work done for the CITY.

If any conflict exists between the terms of this agreement and any prior agreement, the terms of this agreement shall govern.

1. **Definitions**
   "Access" is the physical or logical (electronic) ability, right, or privilege to view, modify, or make use of Covered Data.

   "Covered Data" refers to any piece of CITY data and information that is provided by the CITY or to which any CONTRACTOR may create, receive, or have access to while performing work for the CITY.

2. **Term and Termination**
   a. This Agreement shall take effect upon execution of the Professional Services Contract between the Parties and shall be coterminous with that Contract.

3. **Acknowledgment of Access to Covered Data**
   CONTRACTOR acknowledges that this Agreement allows access to Covered Data. The Covered Data to be shared includes information and data related to the work being performed by the CONTRACTOR under the Scope of Work, ATTACHMENT 3 of the Professional Services Contract. The Covered Data and information include but is not limited to the data and information listed in the following sections of the Scope of Work:

   a. Vehicles, subsection F, video recordings
   b. Vehicle Maintenance
   c. Bus Operators
   d. Training
   e. Safety Inspections
   f. Accidents and Incidents
   g. Computerized Dispatch and Scheduling System
   h. Records and Reports
   i. Substance Abuse Requirements
   j. Other records related to fulfillment of the Scope of Work

4. **Prohibition on Unauthorized Use or Disclosure of Covered Data**
CONTRACTOR agrees to hold the Covered Data in strict confidence. CONTRACTOR shall not use, exploit, or disclose, or permit the use, exploitation, or disclosure of any Covered Data that may be accessed except as permitted or required by this Agreement, as required by law, or as otherwise authorized in writing by the CITY.

However, as a public agency, the CITY is subject to the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that CONTRACTOR keeps records that are deemed public records and are needed for the CITY to respond to a request under the Act, as determined by the CITY, CONTRACTOR agrees to make them promptly available to the CITY. Pursuant to Chapter 40.14 RCW, CONTRACTOR shall retain records associated with this Agreement in accordance with the applicable retention schedule. CONTRACTOR also agrees to indemnify and hold the CITY harmless from any claims or losses caused by CONTRACTOR's failure to make records available to the CITY as provided in this Agreement.

In the event CONTRACTOR receives a public records request for Covered Data, CONTRACTOR will notify the CITY's Transit Manager, in writing, within three (3) business days of receiving the request.

5. **Safeguard Standard**
CONTRACTOR agrees to protect the Covered Data according to commercially acceptable standards and no less rigorously than it protects its own Covered Data. Notwithstanding the foregoing, it is the responsibility of the CONTRACTOR to be aware of and abide by any CITY Policies that address Covered Data, security practices and procedures, and the appropriate use of CITY computer systems.

6. **Access**
The CITY may allow CONTRACTOR direct access into CITY computer systems.

    a. The method of access will be determined and supplied by the CITY IT Director.
    b. Accounts will be limited to those individuals who need access to perform necessary services, as requested by the CONTRACTOR who signed this Agreement and as approved by the CITY IT Director.
    c. Accounts will be assigned to individuals with unique IDs. Passwords may not be shared.
    d. Accounts will be inactive by default.
    e. CONTRACTOR shall request access of the department director of the CITY department responsible for that data who will request access through CITY IT.
    f. CONTRACTOR access will be limited to the amount of time necessary to complete services but will not exceed 3 calendar days or as determined by any previously or concurrently executed Agreement between the CITY and CONTRACTOR.
    g. Application Programming Interface (API) access will coincide with the CONTRACTOR's service agreement.
    h. Requests to reset or modify accounts or reset passwords must be approved by the CONTRACTOR who signed this Agreement before being routed to the IT Director.
    i. In the event an individual with access to Covered Data is no longer employed by CONTRACTOR, CONTRACTOR shall immediately notify the CITY IT Director to terminate separated employee's access.

j. The CITY may reset or change any passwords provided by the CITY, with or without prior notice to CONTRACTOR.

7. Handling of Covered Data

CONTRACTOR shall only copy Covered Data onto any system, computer, or media with prior authorization by the department director of the CITY department responsible for that data and/or by a previously or concurrently executed Agreement between the CITY and CONTRACTOR. In cases where Covered Data is copied onto any media, electronic, magnetic, optical, print, film, or otherwise, such Covered Data will be encrypted and carefully guarded by CONTRACTOR against unauthorized exposure and once the work has been completed, CONTRACTOR will destroy all copies of Covered Data either through the standard articulated in Department of Defense (DoD) 5220.22-M (National Industrial Security Program Operating Manual) 3-pass data sanitization or physical shredding.

a. **Breach.** In addition to the rights of the parties established by any previously or concurrently executed Agreement between the CITY and CONTRACTOR, if the CITY reasonably determines in good faith that CONTRACTOR has materially breached any of its obligations under this Agreement, the CITY, in its sole discretion, shall have the right to:
   i. Exercise any of its rights to request and/or inspect documents and/or records under this or any other Agreement between the CITY and CONTRACTOR; and/or
   ii. Require CONTRACTOR to submit to a plan of monitoring and reporting to maintain compliance with this Agreement; and/or
   iii. Provide CONTRACTOR with a fifteen (15) day period to cure the breach; and/or
   iv. Terminate the Agreement immediately.
b. Before exercising any of the above-described rights, the CITY shall provide written notice to CONTRACTOR describing the violation and the action it intends to take.
c. Notwithstanding the above, CONTRACTOR acknowledges that a breach of this Agreement may cause irreparable harm to the CITY for which a remedy at law would not be adequate. In the event of such a breach or threatened breach, the CITY shall be entitled to seek appropriate injunctive relief in any court of competent jurisdiction, restraining CONTRACTOR from any such threatened or actual violation of the provisions of this Agreement. This provision does not limit the CITY's rights to seek monetary damages in addition to injunctive relief.

8. Subcontractors and Agents

If CONTRACTOR provides any Covered Data, which was received from or created for the CITY, to a subcontractor or agent, the CONTRACTOR shall require such subcontractor or agent to agree to the same restrictions and conditions as are imposed on CONTRACTOR by this Agreement.

9. Maintenance of the Security of Electronic Information

CONTRACTOR shall develop, implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the confidentiality, integrity, and availability of all electronically maintained or transmitted Covered Data received from, or on behalf of, the CITY.

10. Monitoring

CONTRACTOR understands and acknowledges that the CITY has the right to conduct and maintain an audit trail of all access to Covered Data and that the CITY may monitor CONTRACTOR's activity on CITY systems at any time without notice. CONTRACTOR acknowledges that it has no expectation of privacy while operating on an account provided by the CITY under this agreement.

11. Reporting of Unauthorized Disclosure or Misuse of Covered Data

CONTRACTOR shall report to the CITY IT Director and the department director of the CITY department responsible for the Covered Data, any use or disclosure of Covered Data not authorized by this Agreement or otherwise agreed to in writing by the CITY, or in the event that CONTRACTOR is required to disclose Covered Data in any legal or regulatory proceeding. CONTRACTOR shall make the report to the CITY not less than one (1) business day after CONTRACTOR learns of such use or disclosure. CONTRACTOR's report shall identify:

a. The nature of the unauthorized use or disclosure,
b. The Covered Data used or disclosed,
c. Who made the unauthorized use or received the unauthorized disclosure,
d. What CONTRACTOR has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and
e. What corrective action CONTRACTOR has taken or shall take to prevent future similar unauthorized use or disclosure.

CONTRACTOR shall provide such other information, including a written report, as reasonably requested by the CITY.

12. Notification

CONTRACTOR shall ensure that all new and current employees, subcontractors, agents, or other individuals affiliated with CONTRACTOR who may have access to CITY systems or records are aware of the requirements of this Agreement.

13. Survival

The respective rights and obligations of CONTRACTOR under Sections 3 through 13 shall survive, notwithstanding the termination or invalidity of this Agreement for any reason.

14. Waiver

Waiver of any breach or condition of this Agreement shall not be deemed a waiver of any prior or subsequent breach. No terms or conditions of this Agreement shall be held to be waived, modified, or deleted except by an instrument, in writing, signed by the parties hereto.

15. Intellectual Property

Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise in any Covered Data disclosed to CONTRACTOR or in any intellectual property rights related thereto.

16. Successors and Assigns

This Agreement and all its terms shall be binding upon and shall inure to the benefit of the CITY and CONTRACTOR and their respective successors and assigns, as may be permitted.

17. Modification

The Agreement may be changed, modified, or amended only in writing signed by both parties

ATTACHMENT 5:

APPLICABLE TERMS & CONDITIONS OF THE OPERATING GRANT AGREEMENT

BETWEEN

THE CITY OF ELLENSBURG

AND

THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

The resulting Contract is subject to the following Sections of the City's Operating Grant Agreement with the Washington State Department of Transportation. The Contractor understands that federal laws, regulations, policies, and related administrative practices applicable to the resulting Contract may be modified from time to time, and the changed requirements shall apply to the project as required.

Section 5

General Compliance Assurance

The GRANTEE agrees to comply with all instructions as prescribed in WSDOT's Consolidated Grants Program Guidebook, hereinafter referred to as the "Guidebook", and any amendments thereto, found at, which by this reference is fully incorporated herein. The GRANTEE agrees that WSDOT, and/or https://wsdot.wa.gov/business-wsdot/qrants/public-transportation-grants/manage-your-public-transportation-grant authorized WSDOT representative, shall have not only the right to monitor the compliance of the GRANTEE with respect to the provisions of this AGREEMENT but also have the right to seek judicial enforcement with regards to any matter arising under this AGREEMENT.

Section 8

Assignments and Subcontracts

A. The GRANTEE shall submit to WSDOT a copy of any contract, amendment, or change order thereto pertaining to this Project for review and documentation. This includes any completed Project facilities and/or infrastructure under this AGREEMENT, or other actions obligating the GRANTEE in any manner with any third party with respect to its rights and responsibilities under this AGREEMENT, including any leasing and/or lending the Project or any part thereof to be used by anyone not under the GRANTEE's direct supervision.

B. The GRANTEE agrees to include all applicable sections of the AGREEMENT such as Section 5, Sections 8 through 20, and Section 27, in each subcontract and in all contracts, it enters into for the employment of any individual, procurement of any materials, or the performance of any work to be accomplished under this AGREEMENT.

Section 9

Anti - lobbying

A. It is WSDOT's policy that no funds awarded through the agency to grantees can be used for lobbying activities.

B. GRANTEEs who receive an award through WSDOT shall certify on an annual basis that the awarded funds are not used for lobbying activities. This certification may be provided as part of the Certification & Assurances annual submittal.

Section 10

Reports

A. The GRANTEE shall prepare quarterly reports regarding services provided pursuant to this AGREEMENT and other related information as prescribed in the Guidebook, and any amendments thereto, whichever is applicable, or as requested by WSDOT. Due to Legislative and WSDOT reporting requirements, any required quarterly progress reports shall be submitted for the duration of the AGREEMENT period regardless of whether the underlying funding sources have been exhausted. Post-grant annual performance reporting may also be required as prescribed in the Guidebook. Those reports include, but are not limited to:

1. Project Passenger Trips Provided
2. Project Service Hours Provided
3. Project Revenue Service Miles Provided
4. Narrative Progress Report
5. Financial Status/Summaries of the Project.

B. Failure to meet any of the above-identified report submittal timelines may result in the GRANTEE being considered to be in breach of contract and "Not In Good Standing" as defined in the Guidebook referenced in Section 5 - General Compliance Assurance of this agreement. Failure to meet the above-identified report submittal timelines may also prevent the GRANTEE from receiving future PT Rideshare grant funds in the next biennium.

Section 11

Energy Credit

To the extent GRANTEE receives any monies from the sale or disposition of energy credits, decarbonization credits, environmental credits, or any other monies through its participation of a like program, GRANTEE agrees to reinvest those monies into services and projects consistent with the STATE'S public transportation grant program. GRANTEE'S obligation to reinvest these monies under this provision shall be in an amount no less than the proportion of the STATE'S funding of this AGREEMENT.

Section 12

No Obligation by the State Government

No contract between the GRANTEE and any contractor or subcontractor shall create any obligation or liability for WSDOT with regard to this AGREEMENT without WSDOT's specific written consent, notwithstanding its concurrence in, or approval of, the award of any contract or subcontract or the solicitations thereof.

Section 13

Personal Liability of Public Officers

No officer or employee of WSDOT shall be personally liable for any acts or failure to act in connection with this AGREEMENT, it being understood that in such matters they are acting solely as agents of WSDOT.

Section 14

Ethics

A. Relationships with Employees and Officers of WSDOT. The GRANTEE shall not extend

any loan, gratuity or gift of money in any form whatsoever to any employee or officer of WSDOT, nor shall GRANTEE knowingly rent or purchase any equipment and materials from any employee or officer of WSDOT.

B. Employment of Former WSDOT Employees. The GRANTEE hereby warrants that it shall not engage on a full-time, part-time, or another basis during the period of this AGREEMENT, any professional or technical personnel who are or have been, at any time during the period of this AGREEMENT, in the employ of WSDOT without the written consent of WSDOT.

Section 15

Civil rights

The GRANTEE shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any WSDOT-assisted contract or in the administration of its public transportation services.

Section 16

Compliance with Laws and Regulations

A. The GRANTEE agrees to abide by all applicable state and federal laws and regulations including but not limited to, those concerning employment, equal opportunity employment, nondiscrimination assurances, project record keeping necessary to evidence compliance with such federal and state laws and regulations, and retention of all such records. The GRANTEE will adhere to all applicable nondiscrimination provisions in chapter 49.60 RCW.

B. Additionally, the GRANTEE agrees to comply, as applicable, with the following:

1. SB 5974 Move Ahead Washington
2. RCW 70A.02 Healthy Environmental for All (HEAL) ACT,

3. RCW 70A. 65.260 Climate Commitment ACT, and

4. Chapter 49.46 RCW - Minimum Wage Requirements & Labor Standards

5. Chapter 43.21C RCW - State Environmental Policy Act (SEPA)

6. Executive Order 21-02 Archeological and Cultural Resources

C. Except when a federal statute or regulation preempts state or local law, no provision of the AGREEMENT shall require the GRANTEE to observe or enforce compliance with any provision, perform any other act, or do any other thing in contravention of state or local law. If any provision or compliance with any provision of this AGREEMENT violates state or local law or would require the GRANTEE to violate state or local law, the GRANTEE agrees to notify WSDOT immediately in writing. Should this occur, WSDOT and the GRANTEE agree to make appropriate arrangements to proceed with or, if necessary, expeditiously, terminate the AGREEMENT.

Section 17

Environmental and Regulatory Requirements

The GRANTEE agrees to secure any necessary local, state, and federal permits and approvals, and comply with all applicable requirements of Chapter 43.21C RCW State Environmental Policy Act (SEPA). The GRANTEE agrees to comply with all applicable requirements of Executive Order 21-02, Archaeological and Cultural Resources, for all capital construction projects or land acquisitions not undergoing Section 106 review under the National Historic Preservation Act of 1966 (Section 106).

Section 18

Accounting Records

A. Project Accounts. The GRANTEE agrees to establish and maintain for the Project either a separate set of accounts or separate accounts within the framework of an established accounting system that can be identified with the Project. The GRANTEE agrees that all checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, readily accessible and available to WSDOT upon request, and, to the extent feasible, kept separate from documents not pertaining to the Project.

B. Documentation of Project Costs and Program Income. The GRANTEE agrees to support all allowable costs charged to the Project, including any approved services contributed by the GRANTEE or others, with properly executed payrolls, time records, invoices, contracts, or vouchers describing in detail the nature and propriety of the charges. The GRANTEE also agrees to maintain accurate records of all program income derived from implementing the Project.

Section 19

Audits, Inspection, and Retention of Records

Submission of Proceedings, Contracts, Agreements, and Other Documents. During the performance period of the Project and for six (6) years thereafter, the GRANTEE agrees to retain intact and to provide any data, documents, reports, records, contracts, and supporting materials relating to the Project as WSDOT may require. Project closeout does not alter these recording and record-keeping requirements. Should an audit, enforcement, or litigation process be commenced, but not completed, during the aforementioned six-year period then the GRANTEE's obligations hereunder shall be extended until the conclusion of that pending audit, enforcement, or litigation process.

A. General Audit Requirements. The GRANTEE agrees to obtain any other audits required by WSDOT at GRANTEE's expense. Project closeout will not alter the GRANTEE's audit responsibilities.

B. Inspection. The GRANTEE agrees to permit WSDOT and the State Auditor, or their authorized representatives, to inspect all Project work materials, payrolls, and other data, and to audit the books, records, and accounts of the GRANTEE and its contractors pertaining to the Project. The GRANTEE agrees to require each third party to permit WSDOT, and the State Auditor or their duly authorized representatives, to inspect all work, materials, payrolls, and other data and records involving that third party contract, and to audit the books, records, and accounts involving that third party contract as it affects the Project.

Section 20

Labor Provisions

Overtime Requirements. No GRANTEE or subcontractor contracting for any part of the Project work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty (40) hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty (40) hours in such workweek. The GRANTEE will comply with all applicable provisions of Title 49 RCW, Labor Regulations.

Section 21

Changed Conditions Affecting Performance

The GRANTEE hereby agrees to immediately notify WSDOT of any change in conditions or law, or of any other event, which may affect its ability to perform the Project in accordance with the provisions of this AGREEMENT.

Section 22

Coordination of Special Needs Transportation

It is the policy of WSDOT to actively support the coordination of special needs transportation in the state. As a condition of assistance, the GRANTEE is required to participate in local coordinated planning as led by GRANTEE's relevant Metropolitan Planning Organization (MPO) and/or Regional Transportation Planning Organization (RTPO). Persons with special transportation needs means those persons, including their personal attendants, who because of physical or mental disability, income status, or age are unable to transport themselves or purchase transportation.

Section 23

Remedies for Misuse or Noncompliance.

If WSDOT determines that the Project has been used in a manner materially different from Section 1- Scope of Work, WSDOT may direct the GRANTEE to repay WSDOT the State-funded share of the Project. WSDOT may also withhold payments should it determine that the GRANTEE has failed to materially comply with any provision of this AGREEMENT.

Section 27 Lack of Waiver

In no event shall any WSDOT payment of grant funds to the GRANTEE constitute or be construed

as a waiver by WSDOT of any GRANTEE breach, or default. Such payment shall in no way impair or prejudice any right or remedy available to WSDOT with respect to any breach or default.

EXHIBIT E

Summary of Federal Requirements and Incorporating by Reference Annual List of Certifications and Assurances for FTA Grants and Cooperative Agreements ("Certifications and Assurances") and Federal Transit Administration Master Agreement ("Master Agreement")

The term GRANTEE as used in the body of the agreement is defined as a Subrecipient in the federal appendix

Recipient of federal assistance under 49 U.S.C. chapter 53 must submit annually or as part of its application for federal assistance. Recipient, subrecipient(s), contractor(s), or subcontractor(s), at any tier, if any, must comply with all applicable federal requirements contained in the most current approved Certifications and Assurances available at Certifications & Assurances I FTA. The Certifications and Assurances are by this reference incorporated herein.

Recipient further agrees to comply with all applicable requirements included in the most current approved Master Agreement. This Master Agreement is incorporated by reference and made part of this Agreement. Said Master Agreement is available at FTA Master Agreement (version 33, April 25,2025) I FTA.

Note and comply with the following language stated under the master agreement:

"*Each provision of this Master Agreement must be interpreted in context with all other provisions of this Master Agreement and the Underlying Agreement. If a single provision is read apart from the rest of this Master Agreement or the Underlying Agreement, that provision might not convey the extent of the Recipient's responsibility to comply with the requirements of this Master Agreement and the Underlying Agreement.*"

Without limiting the foregoing, the following are some requirements applicable to transactions covered by this AGREEMENT.

1. **Changes to Federal Requirements** - Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

2. **Civil Rights**- The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts.

The contractor, sub-recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material

breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

a) Withholding monthly progress payments;

b) Assessing sanctions;

c) Liquidated damages; and/or

d) Disqualifying the contractor from future bidding as non-responsible.

(1) Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42

U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C.

§ 6102, section 202 of the Americans with Disabilities Act (ADA) of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

(2) Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:

(a) Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C.

§ 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(b) Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(c) Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29

C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(3) The Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

3. **Disadvantaged Business Enterprises** -The recipient's DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

The Disadvantaged Business Enterprise (DBE) requirements of 49 CFR Part 26 and USDOT's official interpretations (i.e., Questions & Answers) apply to this Contract. As such, the requirements of this Contract are to make affirmative efforts to solicit DBEs, provide information on who submitted a Bid or quote and to report DBE participation. No preference will be included in the evaluation of Bids/Proposals, no minimum level of DBE participation shall be required as a Condition of Award and Bids/Proposals may not be rejected or considered non-responsive on that basis.

4. **ADA Access** - The contractor shall comply with the requirements of FTA C 4710.1 as applicable to this contract. Equal access and the opportunity should be given to individuals with disabilities to fully participate in or benefit from the goods, services, facilities, privileges, advantages, or accommodations.

5. **Incorporation of federal Transit Administration (FTA) Terms** - The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1F, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any (name of grantee) requests which would cause (name of grantee) to be in violation of the FTA terms and conditions.

PROFESSIONAL SERVICES CONTRACT
BETWEEN THE CITY OF ELLENSBURG AND
HOPESOURCE

RELATING TO: MANAGING AND OPERATING THE CITY OF ELLENSBURG'S CABULANCE SYSTEM

THIS PROFESSIONAL SERVICES CONTRACT ("CONTRACT") is made and entered into this 16th day of June, 2026 ("Effective Date"), by and between THE CITY OF ELLENSBURG, a non-charter code city of the State of Washington (hereinafter called the "CITY") and HOPESOURCE, a Nonprofit Corporation authorized to do business in the state of Washington (hereinafter called the "CONTRACTOR").

1. RECITALS

1.1. The CITY issued a Request for Proposals (RFP), RFP #R26-04, dated March 24, 2026, (Attachment 1) for the purpose of procuring the services of a Contractor to manage and operate the CITY's Cabulance System.

1.2. CONTRACTOR submitted a timely response to the CITY's RFP #R26-04 (Attachment 2).

1.3. The CITY evaluated all properly submitted responses to the above-referenced RFP and has identified CONTRACTOR as the apparent successful Respondent.

1.4. The CITY has determined that entering into a Professional Services CONTRACT ("CONTRACT") with CONTRACTOR will meet the CITY's needs.

THEREFORE, the CITY awards to CONTRACTOR this CONTRACT, the terms and conditions of which will govern CONTRACTOR's providing the CITY the services.

IN CONSIDERATION of the above representations and the terms, conditions, covenants, and agreements set forth below, the parties hereto agree as follows:

2. SCOPE OF WORK

2.1. The CONTRACTOR agrees to furnish the CITY with all equipment, labor, materials, and services required to professionally operate the Ellensburg Central Transit Cabulance Services as described and specified in this CONTRACT and in conformance with RFP #R26-04 (Attachment 1), CONTRACTOR's response (Attachment 2), and the Scope of Work (Attachment 3).

2.2. The CONTRACTOR agrees that all services performed under this CONTRACT shall be in accordance with the standards of the profession and in compliance with applicable federal, state and local laws, including the applicable terms and conditions of the CITY's Operating Grant Agreement with the Washington State Department of Transportation (Attachment 5).

2.3. The Scope of Work may be amended upon written approval of both parties.

3. TERM OF CONTRACT AND PRICE CHANGES

3.1. The CONTRACT shall be for an initial three (3) year term with an option to extend up to three (3) additional two (2) year terms. If the CONTRACT is extended, the same terms and conditions shall apply. The CONTRACT term shall begin on July 1, 2026.

3.2. Initial CONTRACT Price. The initial CONTRACT price rate per completed trip is $219.00. The initial price shall remain the same for the first (1) year of the CONTRACT term.

3.3. Annual CONTRACT Adjustment. The CONTRACT rate for years two (2) through eight (8) shall be adjusted annually each year on July 1st based on the change in the April Consumer Price Index Rural (CPI) Pacific Region Transportation for the prior year.

3.4. The rate may also be adjusted for the following reasons:

3.4.1 When a Price change is necessary because of federal, state, or local legislation that is passed that may affect pricing after the contract start date; or

3.4.2 Price changes for any other justifiable reason will be considered on a case-by-case basis and be decided by the Transit Manager, Public Works Director and the City Manager in consultation with the Contractor. Price changes shall be effective upon and be binding on both Parties when in writing and signed by Contractor and by a duly authorized representative of City.

3.5. Any disagreement as to any price change shall be determined by the dispute resolution process detailed in Section 27.

3.6. Price change requests will not be considered or granted until any outstanding financial reports have been submitted to the CITY.

4. INVOICE AND PAYMENT

The CITY shall pay the CONTRACTOR as set forth in this section of the CONTRACT. Such payment shall be full compensation for work performed, services rendered, and all labor, materials, supplies, equipment, and incidentals necessary to complete the work.

4.1. All payments by the CITY shall be made in arrears, after the service has been provided. All invoices shall be submitted to the CITY for approval and shall be paid within the CITY's routine accounts payable process.

4.2. In the event CONTRACTOR charges the CITY for services not provided to the CITY, those charges shall be separated from the invoice and only the charges for services provided to the CITY shall be paid. Any disagreement shall be determined by the dispute resolution process detailed in Section 27.

4.3. Covenant Against Contingent Fees

The CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit or secure the CONTRACT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CONTRACTOR for the purpose of securing business. For breach or violation of this warranty, CITY shall have the right to annul the CONTRACT without liability or at its discretion, to deduct from

the CONTRACT price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

4.4. Payment Does Not Imply Acceptance of Work

The granting of any progress payment or payments by the CITY, or the receipt thereof by the CONTRACTOR, shall not constitute in any sense acceptance of the work or of any portion thereof, and shall in no way lessen the liability of the CONTRACTOR to comply with the CONTRACT.

4.5. Prompt Payment of Subcontractors

The CONTRACTOR is required to pay its subcontractors performing work related to the CONTRACT for satisfactory performance of that work within thirty (30) days after the CONTRACTOR's receipt of payment for that work from the CITY. The CONTRACTOR agrees further to return retainage payments to each subcontractor within thirty (30) days after the subcontractor's work is satisfactorily completed.

4.6. CONTRACTOR will provide a detailed monthly invoice on CONTRACTOR's letterhead for goods or services received via email no later than the 10th day of the month. Each invoice will be numbered and will include the following information:

A. CONTRACTOR's name and address;

B. CONTRACTOR's remittance address (if different from "A" above);

C. Description of service provided, to include at a minimum:
- Total completed trips per month with the amount owed; and
- Total number of billable no-shows with amount owed; and

D. CONTRACT Number and/or P.O. Number Itemized invoices and support documentation are to be emailed to the Transit Manager at dunbarb@ellensburgwa.gov

Invoices should not include any charges for services not covered under this CONTRACT, including but not limited to, for example, total completed trips outside the limits of the City of Ellensburg.

4.7. The CITY will pay invoices within thirty (30) days of receipt, contingent upon preliminary verification of the invoice.

5. COMPENSATION

5.1. The CONTRACTOR will be compensated for verifiable Cabulance completed trips and shall be billed at the completed trip rate specified in the CONTRACTOR's response to RFP #R26-04, Attachment 2.

5.2. Unless otherwise amended by the Parties, in writing, the total dollar value of this three (3) year CONTRACT is not to exceed $286,000.00.

5.3. If a contracted facility requests a ride that is later deemed unnecessary after the driver is en route or arrives at the pick-up site, the CITY will compensate the CONTRACTOR $100.00 for the cancelled transport.

6. RELATIONSHIP OF PARTIES

6.1. The relationship created by this CONTRACT is that of owner-independent contractor. Neither the CONTRACTOR nor CONTRACTOR's employees are employees of the CITY and are not entitled to the benefits provided by the CITY to its employees. The CONTRACTOR, as an independent contractor, has the authority to control and direct the performance of the details of the services to be provided. No employee, agent, representative or subcontractor of CONTRACTOR shall be or shall be deemed to be the employee, agent representative or subcontractor of the CITY. The CONTRACTOR shall assume full responsibility for all wages, along with any Federal, State, and local taxes or contributions imposed or required, including, but not limited to, unemployment insurance, Social Security, and income tax, payable as a result of work performed under this CONTRACT.

6.2. Employees of the CONTRACTOR, while engaged in the performance of any work or services under this CONTRACT, shall be considered employees of the CONTRACTOR only and not of the CITY, and claims that may arise under the Workman's Compensation Act on behalf of said employees while so engaged, and any and all claims made by a third party as a consequence of any negligent act or omission on the part of the CONTRACTOR'S employees while so engaged, on any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of the CONTRACTOR. On or before the Effective Date, CONTRACTOR shall file, maintain and/or open all necessary records with the Internal Revenue Service and the State of Washington, and as may be required by RCW 51.08.195, to establish CONTRACTOR's status as an independent contractor.

7. USE OF MARKS AND COPYRIGHT OWNERSHIP

7.1. CONTRACTOR may use the CITY's name, logo, and trademarks only for the purpose of carrying out the CONSULTANT 's responsibilities under this CONTRACT. Unless otherwise provided, all Materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the CITY. The CITY shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, CONTRACTOR hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to the CITY effective from the moment of creation of such Materials.

7.2. Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, design files, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

7.3. For Materials that are delivered under the CONTRACT, but that incorporate pre-existing materials not produced under the CONTRACT, CONTRACTOR hereby grants to the CITY a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The CONTRACTOR warrants and represents that CONTRACTOR has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the CITY.

7.4. The CONTRACTOR shall exert all reasonable effort to advise the CITY, at the time of delivery of Materials furnished under this CONTRACT, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this CONTRACT. The CITY shall receive prompt written notice of each notice or claim of copyright infringement received by the CONTRACTOR with respect to any data delivered under this CONTRACT. The CITY shall have the right to modify or remove any restrictive markings placed upon the data by the CONTRACTOR.

8. ACCESSIBILITY

Digital deliverables, including but not limited to PDFs and videos will meet the Web Content Accessibility Guidelines (WCAG) Version 2.1, Level AA, which is the technical standard for state and local governments' web content and mobile apps, as required by the Department of Justice's final rule updating its regulations for Title II of the Americans with Disabilities Act.

9. CONFLICT OF INTEREST, NON-COMPETITIVE PRACTICE, AND GRATUITIES

9.1. Conflict of Interest: CONTRACTOR agrees that it has no direct or indirect pecuniary or proprietary interest, that it shall not acquire any such interest which conflicts in any manner or degree with the services required to be performed under the CONTRACT and that it shall not employ any person or agent having any such interest. In the event that the CONTRACTOR or its agents, employees or representatives hereafter acquire such a conflict of interest, the CONTRACTOR shall immediately disclose such interest to the CITY and take action immediately to eliminate the conflict or to withdraw from the CONTRACT, as the CITY may require.

9.2. In addition to the Covenant Against Contingent Fees in Section 4.3 above, CONTRACTOR further warrants that no gratuities, in the form of entertainment, gifts, or otherwise, were offered or given by CONTRACTOR or any of its agents, employees or representatives to any official, member or employee of the CITY or other government agency with a view toward securing this CONTRACT or securing favorable treatment with respect to the awarding or amending, or the making of any determination with respect to the performance of the CONTRACT.

10. WORK PRODUCT AND DOCUMENTS

10.1. The work product and all documents produced under this CONTRACT shall be furnished by the CONTRACTOR to the CITY, and upon completion of the work shall become the property of the CITY, for use without restriction and without representation as to suitability for reuse by any other party unless specifically verified or adapted by the CONTRACTOR, except that the CONTRACTOR may retain one copy of the work product and documents for its records. The CONTRACTOR will be responsible for the accuracy of the work, even though the work has been accepted by the CITY.

10.2. In the event that the CONTRACTOR shall default on this CONTRACT or in the event that this CONTRACT shall be terminated prior to its completion as herein provided, all work product of the CONTRACTOR, along with a summary of work as of the date of default or termination, shall become the property of the CITY. Upon request, the CONTRACTOR shall tender the work product and summary to the CITY. Tender of said work product shall be a prerequisite to final payment under this CONTRACT. The summary of work done shall be prepared at no additional cost to the CITY.

10.3. CONTRACTOR will not be held liable for reuse of documents produced under this CONTRACT or modifications thereof for any purpose other than those authorized under this CONTRACT without the written authorization of CONTRACTOR. All drawings shall be prepared on a current AutoCAD release. Any data used in, or developed as a result of, the CONTRACT shall be revealed to no one except the CITY without the expressed consent of the CITY.

11. RECORDS

As a public agency, the CITY is subject to the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that CONTRACTOR keeps records that are deemed public records and are needed for the CITY to respond to a request under the Act, as determined by the CITY, CONTRACTOR agrees to cooperate with the CITY in fulfilling the request, and to make the records promptly available to the CITY. Should CONTRACTOR receive a request for CITY records, CONTRACTOR will direct the requestor to make the request for CITY records to the CITY. Pursuant to Chapter 40.14 RCW, CONTRACTOR shall retain records associated with this CONTRACT in accordance with the applicable retention schedule. CONTRACTOR also agrees to indemnify and hold the CITY harmless from any claims or losses caused by CONTRACTOR'S failure to make records available to the CITY as provided in this CONTRACT.

12. ACCESS TO RECORDS AND AUDITS

12.1. Local and State Funded Access to Records and Audits: The CONTRACTOR agrees to permit representatives of the CITY and of the Washington State Auditor to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

12.2. CONTRACTOR shall maintain books, accounts, records, documents, and other evidence pertaining to the costs and expenses allowable under the CONTRACT in accordance with generally accepted accounting practices.

12.3. All such books of accounts and records required to be maintained by the CONTRACTOR shall be subject to inspection and audit by representatives of the CITY and of the Washington State Auditor at all times and CONTRACTOR shall afford the proper facilities for such inspection and audit. Such books of account and records may be copied by the CITY where necessary to conduct or document an audit.

12.4. The CONTRACTOR agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

13. DATA SECURITY; SYSTEM ACCESS

For purposes of this CONTRACT, "Confidential Information" includes, but is not limited to, information that is deemed confidential under federal or state law, personal information as defined in RCW 42.56.590, as well as any information identified, in writing, by the CITY as confidential or protected.

CONTRACTOR's use of Confidential Information will be in compliance with all applicable state and federal law. The CITY reserves the right to monitor, audit, and/or investigate CONTRACTOR's use of Confidential Information used, collected, or acquired pursuant to this CONTRACT.

CONTRACTOR shall: (i) hold Confidential Information in strictest confidence and not make use of Confidential Information for any purpose other than the performance of this CONTRACT; (ii) release Confidential Information only to authorized employees or agents requiring such information for the purpose of performing this CONTRACT and who have executed an appropriate nondisclosure agreement or System Access and Confidential Information Agreement as approved by CITY; (iii) implement and maintain physical, electronic, and managerial safeguards to prevent unauthorized access to Confidential Information including, but not limited to, storing Confidential Information on secure servers with access to the data strictly controlled and limited to staff with appropriate training and clearance; and (iv) ensure that all Confidential Information is encrypted in transmission from and to CONTRACTOR, at rest in the data base or other data facility maintained or used by CONTRACTOR, and when transmitted to authorized recipients.

CONTRACTOR shall not use or disclose any non-public information concerning the CITY, or information which may be classified as confidential, for any purpose not directly connected with the administration of this CONTRACT, except with prior written consent of CITY, or as may be required by law.

In addition to the data security measures described in this CONTRACT, CONTRACTOR agrees to comply with the CITY's System Access and Confidential Information Agreement, Attachment 4, attached hereto and incorporated herein.

14. NONDISCRIMINATION

The CONTRACTOR shall conduct its business in a manner, which assures fair, equal, and non-discriminatory treatment of all persons, in particular:

14.1. The CONTRACTOR shall maintain open hiring and employment practices and will welcome applications for employment in all positions, from qualified individuals who are members of minorities protected by federal equal opportunity/affirmative action requirements; and,

14.2. The CONTRACTOR shall comply with all requirements of applicable federal, state or local laws or regulations issued pursuant thereto, relating to the establishment of non-discriminatory requirements in hiring and employment practices and assuring the service of all persons without discrimination as to any person's race, creed, color, religion, national origin, status as a military veteran, marital status, gender, sexual orientation, disability or other legally protected classification. The CONTRACTOR shall enforce all applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation-assisted contracts. Failure by the CONTRACTOR to carry out these requirements is a material breach of the CONTRACT, which may result in the termination of the CONTRACT or other such remedy as the CITY deems appropriate.

15. SUBCONTRACTING

15.1. The performance of all activities under this CONTRACT shall be accomplished personally by CONTRACTOR. The CONTRACTOR must advise the CITY of the necessity for any subcontracts, such as traffic control or an additional provider, prior to requesting such services from any subcontractors.

15.2. The CONTRACTOR shall not sublet or assign any of the work covered by this CONTRACT without the written consent of the CITY.

15.3. In the event any subcontracting is approved, the subcontractor and its employees shall be required to execute the Non-Disclosure Agreement prior to being given access to any confidential information regarding the CITY's computer system.

15.4. In all solicitations, either by competitive bidding or negotiation, made by the CONTRACTOR for work to be performed pursuant to a subcontractor, including procurement of materials and equipment, each potential subcontractor or supplier shall be notified by the CONTRACTOR of the CONTRACTOR's obligations under this CONTRACT, including the nondiscrimination requirements.

15.5. In performing this CONTRACT, the CONTRACTOR shall not subcontract with or employ any CITY employee without the CITY's written consent.

15.6. In the event CONTRACTOR elects to utilize subcontractors to perform work and/or services

under this CONTRACT, and such subcontracting is approved by the CITY, CONTRACTOR shall: (i) incorporate CONTRACTOR's responsibilities under this CONTRACT into its subcontracts, (ii) be fully responsible for the performance of any such subcontractors, and (iii) ensure that subcontractors comply with each and every CONTRACTOR obligation set forth in this CONTRACT.

16. SUPERVISION, INSPECTION, AND PERFORMANCE

16.1. Even though CONTRACTOR is an independent contractor with the authority to control and direct the performance and details of the Services, the Services must meet the approval of CITY and shall be subject to CITY's general right of inspection and supervision to secure the satisfactory completion of this CONTRACT.

16.2. CONTRACTOR represents that it has or will obtain all personnel necessary to perform the Services and that such personnel shall be qualified, experienced, and licensed as may be necessary or required by applicable laws and regulations to perform the Services. CONTRACTOR agrees to comply with all applicable federal, state, county, or municipal standards for the licensing, certifications, operation of facilities and programs, and accreditation and licensing of individuals, if any. All Services shall be performed by CONTRACTOR, its employees, or by subcontractors whose selection has been authorized by CITY; provided that CITY's authorization shall not relieve CONTRACTOR or its subcontractors from any duties or obligations under this CONTRACT, or at law, to perform the Services in a satisfactory and competent manner. CONTRACTOR shall ensure that all contractual duties, requirements, and obligations that CONTRACTOR owes to CITY shall also be owed to CITY by CONTRACTOR's subcontractors retained to perform the Services.

16.3. CONTRACTOR shall be responsible for the professional quality, technical adequacy, accuracy, timely completion, and coordination of the Services and all plans, designs, drawings, specifications, reports, and other work performed pursuant to this CONTRACT. CONTRACTOR shall perform the Services in accordance with the standard of care of its profession in the same or similar localities at the time services are performed. CONTRACTOR shall be responsible for the professional standards, performance, and actions of all persons and firms performing the Services under this CONTRACT. CONTRACTOR shall, without additional compensation, correct any specific breach of a contractual obligation in the Services and revise any errors or omissions in any plans, designs, drawings, specifications, reports, and other products prepared under this CONTRACT.

17. BACKGROUND CHECKS

CONTRACTOR shall obtain background checks on any employee or subcontractor that may be assigned to perform work under this CONTRACT. Thereafter, CONTRACTOR must at least every 36 months obtain current background check results for each employee or subcontractor. At a minimum, CONTRACTOR shall obtain such background checks through the WSP WATCH background check system found at https://fortress.wa.gov/wsp/watch/. The CONTRACTOR will be responsible for: the costs of such background checks; keeping and retaining background check documents; complying with state and federal laws in conducting the background checks (including, but not limited to, notification to employees and/or subcontractors of the results of the background check); not assigning any individual to perform work under this CONTRACT who has a pending criminal charge or disqualifying conviction (which specifically includes, but is not limited to, theft and/or crimes against children or other persons); communicating with the CITY regarding any questions about compliance with these background check requirements; and notifying the CITY of any employee or subcontractor assigned to perform work under this CONTRACT who resigns or is terminated as a result of having a disqualifying conviction record.

18. PRE-EMPLOYMENT AND RANDOM DRUG TESTS

CONTRACTOR' shall obtain pre-employment drug tests, including for Marijuana, on any employee or subcontractor that may be assigned to perform work under this CONTRACT. The CONTRACTOR will be responsible for: the costs of such tests; keeping and retaining pre-employment drug tests documents; complying with state and federal laws in conducting the pre-employment drug tests (including, but not limited to, notification to employees and/or subcontractors of the results of the pre-employment drug tests); not assigning any individual to perform work under this CONTRACT who has a positive pre-employment drug test result; Bus drivers are subject to random drug testing in accordance with Washington State Department of Transportation regulations per 49 CFR Part 655.

19. SUSPENSION OF WORK

19.1. The CITY may, for reasonable cause, issue a written order directing the CONTRACTOR to suspend, delay, or interrupt all or any part of the CONTRACT for a period of time.

19.2. If performance of all or any part of the CONTRACT is suspended, delayed, or interrupted for longer than forty-eight (48) hours by an act of the CITY in the administration of the Contract, or by the CITY's failure to act within the time specified in the CONTRACT, an adjustment will be made for any necessary increases in the cost or time of performance of the CONTRACT and the CONTRACT shall be modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay or interruption to the extent:

A. That performance would have been so suspended, delayed, or interrupted by another cause, including the fault or negligence of the CONTRACTOR; or

B. For which an equitable adjustment is provided for or excluded under any other provision of the CONTRACT.

19.3. No claim under this Section shall be allowed:

A. For any cost incurred more than twenty (20) calendar days before the CONTRACTOR's notification to the CITY, in writing, of the particular act or failure to act upon which the claim is based; or

B. Unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such suspension, delay, or interruption, but not later than the date of final payment under the CONTRACT.

20. NOTICE OF IMPAIRED PERFORMANCE

20.1. Whenever an actual or potential event such as a labor dispute, act of God, change in CONTRACTOR's business or any other event impairs the performance of the CONTRACT, the relevant party will immediately give notice thereof including all relevant information with respect thereto.

20.2. If CONTRACTOR's performance of any obligation to the CITY is delayed or made impossible or commercially impracticable due to any cause beyond CONTRACTOR's reasonable control (including, without limitation, acts of God, labor disputes, compliance with government regulations, equipment failure, shortages in transportation, inability to obtain labor or raw materials, or delays in the performance of CONTRACTOR's suppliers or subcontractors), CONTRACTOR will have such additional time within which

to furnish the services under the CONTRACT as may be reasonably necessary under the circumstances. The CONTRACT is subject to applicable restrictions imposed by any Federal agency or by any other governmental authority.

21. CHANGES IN WORK

Either party may request changes in the scope of work. Such changes shall not become part of this CONTRACT unless and until mutually agreed upon and incorporated herein by written amendments to this CONTRACT executed by both parties.

22. EXTRA WORK

The CITY may desire to have the CONTRACTOR perform work or render services in addition to the Scope of Work set forth in Attachment 3 and minor revisions to satisfactorily completed work. Such work shall be considered as "Extra Work" and shall be addressed in a written supplement to this CONTRACT. The CITY shall not be responsible for paying for such extra work unless and until the written supplement is executed by both parties.

23. TRIAL PERIOD

The CONTRACTOR will have a ninety (90) day trial period. During the trial period, CONTRACTOR must successfully perform and provide services that the CITY finds acceptable. Failure to perform may cause immediate cancellation of the CONTRACT. If a dispute occurs during the trial period as to acceptability of product or service, the CITY's decision prevails. The CITY will only pay for authorized work performed that is properly invoiced pursuant to the CONTRACT up to the date of termination. If the CONTRACT is terminated within the trial period, the CITY may award a contract to the next highest evaluated responsible bidder who submitted a responsive proposal. Any new contract award will also be subject to a trial period.

24. TERMINATION

24.1. The CITY may terminate this CONTRACT at any time during the CONTRACTOR's ninety (90) day Trial Period if the CONTRACTOR fails to successfully perform and provide services that the CITY finds acceptable in accordance with Section 23 above.

24.2. Either Party may terminate this CONTRACT in whole or in part upon not less than ninety (90) day's written notice to the other Party. Written notice will be by certified mail sent to the designated representative at the address provided in Section 29, NOTICE. If this CONTRACT is terminated in its entirety, the CITY shall pay the CONTRACTOR for satisfactory services performed through the date of termination, but no amount shall be allowed for anticipated profit on unperformed Services or other work.

24.3. The CITY may terminate this CONTRACT, in whole or in part and at any time, in writing if CONTRACTOR substantially fails to fulfill any or all of its material obligations through no fault of CITY. If CITY terminates all or part of this CONTRACT for default, CITY shall determine the amount of Services satisfactorily performed to the date of termination and the amount owing to CONTRACTOR using the criteria set forth below; provided that (a) no amount shall be allowed for anticipated profit on unperformed Services or other work, and (b) any payment due to CONTRACTOR at the time of termination may be adjusted to the extent of any additional costs CITY incurs or will incur because of CONTRACTOR's default. In such event, CITY shall consider the actual costs incurred by CONTRACTOR in performing the Services to the date of termination, the amount of Services originally required which was satisfactorily

completed to the date of termination, whether the Services or deliverables were in a form or of a type which is usable and suitable to CITY at the date of termination, the cost to CITY of either completing the Services itself or employing another firm to complete the Services in addition to the inconvenience and time which may be required to do so, and other factors which affect the value to CITY of the Services performed to the date of termination. Under no circumstances shall payments made under this provision exceed the Schedule of Charges. This provision shall not preclude CITY from filing claims and/or commencing litigation to secure compensation for damages incurred beyond that covered by withheld payments.

24.4. In the event this CONTRACT is terminated prior to the completion of the work, a final payment shall be made to the CONTRACTOR, which, when added to any payments previously made, shall compensate the CONTRACTOR for the portion of work completed. Whenever the CONTRACT is terminated in accordance with this Section 24, the CONTRACTOR shall be entitled to payment for actual work performed up to the termination date. Upon such termination, whether for convenience or default, an equitable adjustment in the CONTRACT price will be made by the CITY for partially completed items of work, but such adjustment shall not include provision for loss of anticipated profit on deleted or uncompleted work. Termination under this Section 24 shall not constitute a breach of the CONTRACT by the CITY.

25. INDEMNIFICATION/HOLD HARMLESS

25.1. CONTRACTOR shall defend, indemnify and hold the CITY, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorney fees, arising out of or resulting from the acts, errors or omissions of the CONTRACTOR in performance of this CONTRACT, except for injuries and damages caused by the sole negligence of the CITY.

In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the CONTRACTOR and the CITY, its officers, officials, employees, and volunteers, the CONTRACTOR's liability, including the duty and cost to defend, hereunder shall be only to the extent of the CONTRACTOR's negligence.

25.2. It is further specifically and expressly understood that the indemnification provided herein constitutes the CONTRACTOR's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

25.3. The provisions of this section shall survive the expiration or termination of this CONTRACT. Further, the indemnity obligations shall extend to claims that are not reduced to a suit and to any claims that may be compromised prior to the culmination of any litigation or the institution of any litigation. Inspection, acceptance or payment by CITY of or for any Services performed by CONTRACTOR shall not be grounds for avoidance of any Indemnity Obligations.

26. INSURANCE

26.1. The CONTRACTOR shall procure and maintain for the duration of the CONTRACT, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the CONTRACTOR, its agents, representatives, employees or subcontractors.

26.2. CONTRACTOR'S maintenance of insurance as required by the CONTRACT shall not be

construed to limit the liability of the CONTRACTOR to the coverage provided by such insurance or otherwise limit the CITY's recourse to any remedy available at law or in equity.

26.3. Minimum Scope of Insurance. CONTRACTOR shall obtain insurance of the types described below:

26.3.1. The CONTRACTOR shall provide and maintain Automobile Liability insurance covering all revenue and non-revenue vehicles used in the performance of this CONTRACT. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contract liability coverage; and,

26.3.2. The Commercial General Liability insurance shall be endorsed to provide a per project general aggregate limit using ISO form CG 25 03 05 09 or an endorsement providing at least as broad coverage. Commercial General Liability insurance shall cover liability arising from premises, operations, stop-gap independent contractors, personal injury and advertising injury, and sexual abuse and molestation. The CITY shall be named or added as an additional insured under the CONTRACTOR's Commercial General Liability insurance policy with respect to the work performed for the CITY using ISO additional insured endorsement form CG 20 26, or coverage at least as broad; and,

26.3.3. Professional Liability insurance appropriate to the Consultant's profession.

26.3.4. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington; and

26.3.5. Excess or Umbrella Liability insurance coverage.

26.4. Minimum Amounts of Insurance. CONTRACTOR shall maintain the following insurance limits:

26.4.1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of $2,000,000 per accident.

26.4.2. Commercial General Liability insurance shall be written with limits no less than $2,000,000 each occurrence, $2,000,000 general aggregate.

26.4.3. Professional Liability insurance shall be written with limits no less than $2,000,000 per claim and $2,000,000 policy aggregate limit.

26.4.4. Excess or Umbrella Liability shall be written with limits of not less than $5,000,000 per occurrence and annual aggregate. The Excess or Umbrella Liability requirement and limits may be satisfied instead through the CONTRACTOR's Commercial General Liability and Automobile Liability insurance, or any combination thereof that achieves the overall required limits.

26.5. Other Insurance Provisions. The CONTRACTOR's Automobile Liability, Commercial General Liability, and Excess or Umbrella Liability policy or insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

26.5.1. The CONTRACTOR's insurance coverage shall be primary insurance with respect to the CITY. Any insurance, self-insurance, or insurance pool coverage maintained by the CITY shall be excess of

the CONTRACTOR's insurance and shall not contribute with it.

26.5.2. The CITY shall be named as an insured on CONTRACTOR 's insurance policies. CONTRACTOR shall furnish the CITY with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured and primary coverage endorsement(s) evidencing the insurance requirements of the CONTRACTOR, and evidence of all subcontractors' coverage, before commencement of the work.

26.5.3. Certificates of insurance (except unemployment insurance) are to be submitted to the CITY on an annual basis, or when expired, and immediately when carriers or coverage limits change.

26.5.4. Any payment of deductible or self-insured retention shall be the sole responsibility of the CONTRACTOR.

26.5.5. The CONTRACTOR'S insurance shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

26.6. Acceptability of Insurers. All insurance coverage required to be maintained or provided by the CONTRACTOR must be with insurance companies legally allowed to operate within the State of Washington. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

26.7. Cancellation. CONTRACTOR will provide notice to the CITY of any cancellation of coverage by no later than three (3) days after CONTRACTOR is notified by its insurer that coverage will or has been canceled, whichever occurs earliest.

26.8. CITY Full Availability of CONTRACTOR Limits. If the CONTRACTOR maintains higher insurance limits than the minimum amounts shown above, the CITY shall be insured for the full available limits of Commercial General and Excess, Automobile, or Umbrella liability maintained by the CONTRACTOR, irrespective of whether such limits maintained by the CONTRACTOR are greater than those required by this CONTRACT or whether any certificate of insurance furnished to the CITY evidence limits of liability lower than those maintained by the CONTRACTOR.

26.9. All insurance costs shall be at the expense of the CONTRACTOR. If at any time during the life of the CONTRACT or any extension, the CONTRACTOR fails to maintain the required insurance in full force and effect, all work under the CONTRACT shall be discontinued immediately. Any failure to maintain the required insurance will be considered an inability to perform the work and will be sufficient cause for the CITY to terminate the CONTRACT.

27. DISPUTE RESOLUTION

27.1 Dispute Resolution The Parties intend that any dispute, controversy, or claim arising under, out of, or relating to this Agreement, including its formation, validity, binding effect, interpretation, performance, breach, or termination, as well as non-contractual claims (collectively, a "Dispute"), shall be resolved using the following phased approach.

i. Phase I Dispute Resolution—Negotiation

In the event of a Dispute, the Parties shall meet and confer in good faith to resolve the Dispute within thirty (30) days of written notice of the Dispute. If the Dispute remains unresolved, either

Party may request, in writing, initiation of Phase II.

ii Phase II Dispute Resolution—Mediation

If the Parties proceed to Phase II, they shall mutually select an independent mediator to facilitate resolution of the Dispute within sixty (60) days of the Phase II request. If the Parties cannot agree on a mediator within ten (10) days, each Party shall select a mediator, and those mediators shall select a third mediator to mediate the Dispute. The Parties shall equally share the mediator's fees and costs. Mediation shall be conducted pursuant to the Uniform Mediation Act, codified at Chapter 7.07 of the Revised Code of Washington. If the Dispute remains unresolved, either Party may utilize any dispute resolution authorized by law.

28. APPLICABLE LAW; VENUE; SEVERABILITY

This CONTRACT shall be construed and interpreted in accordance with the laws of the State of Washington, and in the event of dispute the venue of any litigation brought hereunder shall be Kittitas County. Should any part, term or provision of the CONTRACT be decided by the courts to be illegal or in conflict with any applicable statute or regulation, the validity of the remaining portions shall not be affected thereby.

29. NOTICE

All communications regarding this CONTRACT shall be sent to the parties at the addresses listed below, or at such other address as given pursuant to this Section and shall be effective on the next business day if sent by registered or certified mail or deposited with an overnight delivery service.

City of Ellensburg
Ellensburg Central Transit
Attention: Betsy Dunbar 501
N. Anderson
Ellensburg, WA 98926
Email: dunbarb@ellensburgwa.gov

HopeSource
606 West 3rd Avenue
Ellensburg, WA 98926
Email:_____

30. ENTIRE CONTRACT

The written terms and provisions of this CONTRACT, together with all referenced Attachments and Exhibits, supersede all prior verbal statements of any officer or other representative of CITY, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this CONTRACT. The entire agreement between the parties with respect to the subject matter hereunder is contained in this CONTRACT and the referenced Attachments and Exhibits.

31. PRIORITY OF DOCUMENTS

In the event that the language and provisions of this CONTRACT are contrary to or conflict with any language or provisions set forth in any attachment to this CONTRACT, the language and provisions of this CONTRACT shall control, and the contrary or conflicting language or provisions of the attachment(s) and/or exhibit(s) shall be disregarded and shall be considered void.

32. MODIFICATION

No waiver, alteration, or modification of any of the provisions of this CONTRACT shall be binding unless in writing and signed by a duly authorized representative of CITY and CONTRACTOR.

33. ASSIGNMENT

This CONTRACT shall extend to and be binding upon and inure to the benefit of the successors and assignees of the respective parties. However, any assignment of this CONTRACT by CONTRACTOR without the prior written consent of CITY shall be void.

34. WAIVER

A waiver of any breach by either party shall not constitute a waiver of any subsequent breach.

35. THIRD-PARTY BENEFICIARIES

There are no third-party beneficiaries to this CONTRACT.

36. EXHIBITS AND SIGNATURE

This CONTRACT, including its attachments and exhibits, constitutes the entire CONTRACT, supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties. The following attachments and exhibits are hereby made a part of this CONTRACT:

Attachment 1 – CITY's RFP #R26-04

Attachment 2 – CONTRACTOR's Response to CITY's RFP #R26-04

Attachment 3 – Scope of Work

Attachment 4– System Access and Confidential Information Agreement

IN WITNESS WHEREOF, the parties hereto have executed this CONTRACT as of the day and year first written above.

CONTRACTOR:

By: _____

Printed Name: _____

Title: _____

Tax ID#: _____

THE CITY OF ELLENSBURG:

By: _____

Printed Name: _____

Title: _____

ATTEST: _____
Clerk

Approved as to Form:

_____
City Attorney

ATTACHMENT 1: CITY's RFP #R26-04

RFP #R26-04, dated March 24, 2026, including any and all amendments, is an integral part of this CONTRACT and is incorporated herein by reference.

ATTACHMENT 2: CONTRACTOR's RESPONSE TO CITY's RFP #R26-04

CONTRACTOR's response to RFP #R26-04 dated April 10, 2026 is an integral part of this CONTRACT and is incorporated herein by reference.

ATTACHMENT 3: SCOPE OF WORK

The Contractor shall manage and operate the Cabulance system in accordance with the policies and procedures established by the City of Ellensburg (City) and Ellensburg Central Transit (ECT), including the Americans with Disabilities Act.

Cabulance Service Description:

The ECT Cabulance is a Non-Emergency Medical Transportation (NEMT) service which operates independently 24-7/365 to provide accessible transportation for individuals who have non-emergency medical needs that cannot be met by ADA Paratransit, a non-accessible taxi or other similar services. Service area is within City limits, and only facilities with established agreements are eligible to make requests.

Hours and Days of Operation:

The Contractor shall offer Cabulance Service 24-7/365.

Fares:

All ETC services are fare free.

If a passenger is accompanied by a personal care attendant, the attendant will also not be charged a fare.

General City and ECT Responsibilities:

A. Planning and oversight of the ECT Cabulance service.
B. Define reporting requirements and monitor Contractor performance.
C. Marketing and promotion of service.
D. Training of contracted facility staff to assure correct usage of the Cabulance program.
E. Provide Vehicle Operator uniform vests.
F. Public outreach.
G. Provide input to Contractor through the Transit Manager and Ellensburg Transportation Advisory Committee (ETAC).
H. Administrative oversight and contract management.
I. Provide funding to maintain and improve the system as determined and approved by the CITY.
J. Provide Cabulance Vouchers.
K. To the extent allowed by law, the City reserves the right to require removal of any Contractor employee from the ECT service it deems unfit for documented reasons related to safety, misconduct, or failure to meet reasonable performance standards affecting service delivery.

General Contractor Responsibilities:

A. Locate a site in Ellensburg city limits for vehicle storage and operations. This office must meet standards required under the Americans with Disabilities Act (ADA) for access by persons with disabilities. If the Contractor utilizes an existing facility designated as a historic property the facility shall not be required to undergo structural changes that would compromise its character or create

undue burden; instead, ADA compliance should be achieved through alternative access methods to the greatest extent feasible. Full structural compliance is not required when it is technically infeasible, would fundamentally alter the facility, or impose an undue hardship.

B. Provide adequate software/equipment to dispatch vehicles and produce and maintain service records.
C. Provide adequate training for Contractor's office personnel.
D. Provide trained support personnel and supervisory personnel.
E. Provide trained vehicle operators familiar with the service area who are capable of operating and supporting all facets of the Cabulance System.
F. Subject to Contractor's ability to secure grant funding awarded by WSDOT Contractor will provide all needed service for vehicles (accessible minivans are preferable) and support vehicles to successfully provide services for all ECT Cabulance Services.
G. Maintain vehicles to manufacturer's, Washington State Department of Transportation (WSDOT) and Federal Transit Administration (FTA) standards.
H. Provide all ECT required insurance for all vehicles and equipment operated by the Contractor, in accordance with Section 26, Insurance, of Exhibit D, Draft Professional Services Contract.
I. Provide all support equipment and systems, including computer hardware and software necessary to operate and monitor all business and maintenance functions service records and invoices to meet or exceed the requirements of the Proposal (R26-04).
J. The Contractor shall be responsible for providing all customer service functions for ECT during the core hours of 8:00 AM to 5:00 PM, M-F, to include outreach, disseminating information, answering questions and responding to requests, etc.
K. An on-call staff member must be available 24-7/365 to take Cabulance ride requests to and from contracted facilities.
L. Develop safety and maintenance programs that meet WSDOT and FTA requirements.
M. The contractor is required to fully cooperate and participate in the investigation of any complaint, incident or event.
N. Provide the opportunity for resolution of complaints by customers. The City shall be informed if the dispute resolution process is failing and requires attention by City administration.

Required office equipment shall include:

A. A multi-line phone and/or voicemail capable of handling anticipated frequency of calls.
B. A two-way communication system between the office and the vehicles in operation. This communication system shall be capable of establishing 2-way voice contact between dispatch and the service vehicles at all times.
C. The office must provide a means for hearing-impaired persons to readily communicate service requests and other information; this may include a telecommunications device such as a teletypewriter (TTY) machine or use of the Washington Telecommunication Relay Services (WATRS) for persons with disabilities.
D. All callers are to be treated with utmost consideration. Staff must be compassionate and display skills in interpersonal communications.

Vehicle requirements:

The Contractor will use their own vehicles.

Vehicles:

A. Accessible side-loading minivans are preferable.
B. Ramps must be equipped with a non-slip Surface
C. The interior shall have seat belts at all positions. Seats may be vinyl or stain-resistant fabric with micro anti-bacterial properties and/or be easily cleaned and sanitized. Seats, including the operator's seat may not show any wear or staining.
D. Q'Straint securements and straps shall be provided for mobility devices and passengers.
E. Vehicles must have as a minimum the current ECT Logo on the front doors via a wrap or magnet along with a vehicle number.
F. All revenue vehicles shall be equipped at all times with the following safety and accessibility equipment: a fire extinguisher (with up-to-date annual inspection tag), an AED, first-aid kit, blood-borne pathogen/ bodily fluid spill kit, a seatbelt cutter within the operators reach, flares and a set of safety triangles.
G. Vehicles will be equipped with, at a minimum, 5G Tracker equipment.
H. Vehicles shall be equipped with a video system that provides adequate interior, forward, and ramp/lift coverage. Appropriate recording signage shall be displayed.
I. All vehicles should have the same make and model system to ensure compatibility when possible. If ECT requires review of recorded footage, ECT shall submit a written request to the Contractor identifying the specific incident, including the date and approximate time of the footage sought. All requests must be submitted through the established records request process and shall relate to a defined incident. The Contractor will make reasonable efforts to provide access to the requested recordings in accordance with this process.

Washington State requires all transit agencies to have a Zero-Emissions Plan. When possible, the Contractor and the City will work together to create opportunities for supportive infrastructure and vehicles with alternative, clean fuels.

Spare Vehicles:

The Contractor shall maintain at least one spare vehicle or a number of vehicles equal to 20% of the revenue fleet round to the next larger number (i.e. 6 vehicles in revenue service will require 2 spares) equivalent to the other revenue service vehicles.

The Contractor shall dispatch a vehicle as soon as reasonably and safely possible to address any incident that impacts service delivery. They will notify the City if service disruptions arise.

Support Vehicles:

A. It is the Contractor's responsibility to determine the number and type of support vehicles needed to successfully operate the ECT Cabulance Service.
B. All support vehicles must be clean and straight without body damage and a clean and well-maintained interior appearance.
C. Support vehicles will be in good, reliable operating condition.

D. All support vehicles must have the ECT logo on the front doors via a wrap or magnet.

Vehicle Maintenance:

The Contractor shall be responsible for all vehicle maintenance in compliance with manufacturer requirements, and records, including but not limited to:

A. Pre-trip and post-trip inspections.
B. Preventive maintenance.
C. Unscheduled maintenance.
D. Perform manufacturer's recalls.
E. Fueling.
F. Heavy cleaning of interiors and exteriors, a minimum of twice per week, weather permitting.
G. Road calls.
H. Maintain all records related to vehicle maintenance, by establishing a separate file (electronically or hardcopy) for each vehicle by unit number. The file for each vehicle shall be retained until such time the vehicle is disposed of.

ECT expects the service vehicles to be clean (weather permitting) and in good working condition at all times for the sake of safety, public image and customer satisfaction. ECT may inspect service vehicles for cleanliness at any time.

Posters and signage must be approved by ECT, laminated and posted in a professional manner.

The Contractor shall ensure that sufficient numbers of vehicles are available to properly provide service at all times. The Contractor shall properly document all preventive maintenance, repairs, and cleaning and allow for the inspection of such documentation by ECT on a regular basis. Preventive maintenance inspections must be regularly accomplished at intervals that meet all applicable WSDOT, FTA, and the manufacturer's recommended standards and procedures. A comprehensive maintenance report of PMs performed is to be provided to the Transit Manager on a monthly basis.

ECT reserves the right to require inspections of all revenue vehicles to ensure maintenance is performed to the required standards. Such inspections will be coordinated with the Contractor and will not adversely affect service delivery. ECT will be responsible for the cost of these inspections, unless significant safety issues are discovered. Any safety-related deficiencies found during the inspections will be repaired by the Contractor prior to returning the vehicle to revenue service. All non-safety deficiencies shall be repaired as soon as reasonably possible. Vehicles with deficiencies are subject to re-inspection by the City to ensure that corrective repairs were done correctly.

(An alternative or expanded list of safety and accessibility equipment can be suggested.)

The contractor may use a qualified third party to perform maintenance and repair on the vehicles used for ECT Cabulance service. The city prefers the mechanics be ASE certified, preferably with Bus and Medium-Duty truck certifications.

ECT recommends that the Contractor's maintenance provider have a Drug and Alcohol policy in place and ensure that their employees who work on the buses are included in the random drug and alcohol testing

program along with the Contractor's safety-sensitive employees.

Contractor shall also notify ECT of any vehicle out-of-service for greater than one (1) month.

Vehicle Operators:

The Contractor shall supply a sufficient number of properly qualified personnel to operate the equipment in order to provide the required services. Drivers shall consistently maintain a courteous and cooperative attitude in their contact with the public.

All drivers must have a valid Washington State Driver's License and be insurable. All drivers must also carry a valid USDOT Medical Examiner's Certificate.

There must be an 90% majority of Cabulance Operators over the age of 18 during any given service day. The Contractor will conduct individual background checks of each applicant/employee in accordance with applicable state and federal laws.

Applicants may be excluded from employment for a conviction in the last 7 years, including but not limited to:

- Crimes of violence, or crimes against children or vulnerable adults in any state, including any felony convictions.
- Convictions of alcohol-related driving offenses.
- Driving offenses such as leaving the scene of an accident, vehicular assault or homicide, reckless or negligent driving or hit and run.
- Conviction of a sexual assault or other related conviction.

Operators shall be capable of operating all special equipment, including wheelchair lift or ramp, two-way radios, data terminal or tablet, and wheelchair and passenger securement systems.

Operators shall provide any required assistance to riders, including loading/unloading mobility devices.

Operators shall avoid leaving vehicles unattended while any passengers remain on board.

Operators shall not smoke inside vehicles at any time. Operators shall not smoke within 25 feet of the service vehicle.

Operators shall have a thorough knowledge of the service area.

Operators shall be responsible for pre-trip vehicle inspections and shall promptly report unsafe road conditions, including access difficulties at private residences.

Operators shall maintain proper trip records in accordance with contractual requirements.

Operators must receive a pre-employment drug test, including for Marijuana. Drivers are subject to random drug testing in accordance with Washington State Department of Transportation regulations per 49 CFR Part 655.

Training:

The Contractor shall provide a training program in order to ensure that all operators and staff attain proficiency in their area(s) of expertise. The Contractor shall provide proof that all operators have successfully completed the following minimum training:

A. Defensive Driving.
B. Passenger Assistance and Sensitivity Training
C. Anti-harassment Training
D. Workplace Violence Training
E. First Aid/CPR and Bloodborne Pathogens
F. System, equipment, and area familiarity
G. Basic understanding of rights under the Americans with Disabilities Act (ADA)
H. Service Animal training
I. Vehicle evacuation techniques
J. Drug and alcohol training

The Contractor shall provide an overview of the company training program that highlights the primary elements covered in employee training and any written training policies provided to all personnel.

Trip Request Procedure:

The Contractor can expect to receive a growing request for Cabulance service.

Trip reservation procedures are an extremely critical aspect of the Cabulance service. One-to-one communication between requestors and the staff person who schedules the trip needs to follow established industry practices related to customer satisfaction and quality of service. These basic service standards are:

A. All callers are to be treated with utmost consideration. Staff must be compassionate and display skills in interpersonal communications.

B. Passengers wishing to make a complaint shall be allowed to do so. All office staff shall be familiar with the Agency Complaint Resolution procedure.

C. Considerable effort shall be made to accommodate all Cabulance requests. Cabulance vehicle operators have 45 minutes to arrive at the requested contracted facility before the trip is categorized as a late trip.

D. ETC and Contractor must comply with all ADA requirements.

E. No trip priorities or waiting lists may be established.

SYSTEM OPERATION

Service Descriptions:

The service provided shall be as follows:

In order to meet the needs of the community, Cabulance service is requested when:

A. Due to a medically based reason or the need for an accessible vehicle, the passenger cannot use a taxi.
B. Emergency personnel determine the passenger does not need emergency transport but does need immediate transport to a medical facility.
C. Due to a medically based prognosis, the patient must get to a medical facility in a timely manner that is not possible with ADA Paratransit or a Taxi.
D. The trip must originate and terminate within the city limits of Ellensburg.
E. The trip may be required at any time and day unless excluded in the Scope of Work.

Qualified Cabulance Trips:

A. Non-emergency EMT calls requiring an accessible vehicle for immediate transport.
B. A non-emergency accessible trip between contracted medical facilities.
C. Accessible vehicle trips needed to take a passenger home upon discharge from a medical facility.
D. A trip requested by a licensed or certified medical professional at an assisted living facility which has a memorandum of understanding (MOU) / Agreement with the City of Ellensburg and meets the criteria of the Scope of Work.

Cabulance Trip Requirements:

A. All trips must begin and end within the city limits of the City of Ellensburg.
B. A passenger missing a trip on ADA Paratransit or another on-demand service does not justify a Cabulance Trip.
C. A passenger failing to schedule an ADA Paratransit trip does not justify a Cabulance trip.
D. Cabulance trips cannot be used for scheduled appointments.
E. If a trip can be safely provided by a personal vehicle, Taxi, ADA Paratransit or another on-demand service, it does not qualify for the Cabulance service.
F. A Cabulance Trip may not be requested by a contracted assisted living facility Monday through Friday during the hours of 5:00 am to 6:00 pm. During these hours, the assisted living facility must provide accessible transportation for its residents.

Authorized Requesters of Cabulance Trips:

A. EMT's.
B. Contracted hospital staff ,including social workers, nurses, discharge personnel, home healthcare RNs, and medical providers.
C. Contracted Urgent or Family care clinic medical personnel.
D. Local Law Enforcement.
E. Licensed or certified medical professionals at contracted Assisted Care facilities.

F. Government entities will require an Interlocal agreement with the City of Ellensburg.
G. Private entities will require a memorandum of understanding with the City of Ellensburg.
H. Requesters shall complete Part A of the Vouch prior to transport by the Cabulance.

The requirement for maximum on-board travel time (time spent in the vehicle) is sixty (60) minutes within the service area. Contractor will enter a comment on the Cabulance voucher when travel time is over sixty (60) minutes.

The City recognizes that special circumstances, such as inclement weather, can occur which will affect on-time performance. The goals established exist as guidelines to performance and will require inter-agency communication to resolve discrepancies.

The Contractor shall require its vehicle operators to assist those passengers requiring assistance to board or alight the vehicles. Vehicle operators should always get out of the vehicle and ask the passenger how they can assist them.

Vehicle operators are required to provide door-to-door service for every passenger.

Safety:

The Contractor shall ensure the safety of passengers by any and all means necessary, including, but not limited to the use of seat belts for all passengers, use of four-point wheelchair and passenger securement system, maintaining control in and around vehicles, providing safety and emergency procedures, and designating a staff person to coordinate all safety and training programs. All fire extinguishers and appropriate first aid kits shall be furnished and maintained by the Contractor. The cameras and video recording system installed in the vehicles shall be furnished and maintained by the Contractor.

Safety Inspections:

The Contractor shall perform daily safety inspections of all vehicles prior to beginning each day's service. Vehicles failing the daily inspection shall not be used in service until the reason for failure is corrected. All wheelchair lifts shall be cycled at least daily.

Lift and Securement Use:

Contractor shall transport any mobile device, including but not limited to, those that meet the following definition of a common wheelchair: a wheelchair that does not exceed 30 inches in width and 48 inches in length measured two inches above the ground, and not weighing more than 800 pounds when occupied. "Wheelchair" includes both three-wheeled and four-wheeled mobility aids. Contractor shall transport three-wheeled "scooters" and other non-traditional designs that fit within these standards, unless the vehicle's lift or securement system is demonstrably unable to safely accommodate the device. Contractor shall make a reasonable and good-faith effort to load and secure any mobility device prior to denying transport. Denial of service based on mobility device accommodation must be based on actual, demonstrated inability to safely load or secure the device using the available equipment.

Contractor will be required to demonstrate the ability to transport all types of mobility devices that can safely be secured and transported on service vehicles.

Equipment Maintenance:

Vehicles utilized in performing Cabulance service may be inspected by ECT or its designated representative as ECT may deem necessary. Contractor shall be responsible for all costs for the repair and maintenance of vehicles.

Prescribed Equipment shall be maintained and kept in full working order and in excellent condition at all times.

Emergencies:

In the event a passenger is transported by Cabulance to a given destination, and it becomes necessary due to inclement weather or other unforeseen emergency conditions, other than medical emergencies, for the passenger to be transported to another destination, the Contractor or another agency with accessible vehicles shall be called upon to provide emergency transportation service.

The Contractor is required to cooperate with the City in responding to emergencies. In the event of an emergency, the City shall contact the Contractor's Operations/Transportation Manager or designee to initiate special emergency requests.

Accidents and Incidents:

All accidents involving vehicles used for ECT Cabulance operations which result in injury to passengers, and/or damage to any property, must be reported to the appropriate regulatory entities, and the City's Transit Manager. Failure to report accidents within twenty-four hours shall be considered a breach of contract.

Non-accident incidents, including but not exclusively near-misses, occurrences of hard braking, shall be reported to the Transit Manager within forty-eight (48) hours.

Radios:

Two-way radio communications shall be furnished and maintained by the Contractor.

Records and Reports:

The Contractor shall be responsible for monitoring all aspects of the system operation, including but not limited to ridership, capacity constraints, and the quality of service.

The following are the types of data that ECT shall require of the Contractor.

Daily Records:

- Cabulance Vouchers per completed trip
- Late Pickups over 45 minutes
- Missed Trips

Monthly Reports:

Revenue Miles Non-Revenue Miles

Revenue Hours	Non-Revenue Hours
Gallons of Fuel	Accidents/Incidents/Complaints
Wheelchair Count	Ambulatory Count

A monthly operating report shall be prepared and forwarded to ECT by the 7th working day of the following month, which shall summarize the data collected daily. It shall also include a statement of any existing or potential problems along with suggested solutions.

Methods of improving system operation and service shall be sought, and the results shall be reported to the City's Transit Manager, along with any corrective actions which may have been taken. In no case shall a corrective action which affects the nature, quality, or quantity of service be taken without first obtaining ECT approval.

Substance Abuse Requirements:

The Contractor shall comply with the Federal Transit Administration 49 CFR Part 655, Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations and provide a copy of the annual MIS for all safety-sensitive employees involved in Central Transit service delivery to the City by January 30 of each year.

Confidentiality of Client Information:

Any and all information regarding individual persons served by the City's Cabulance service is strictly confidential. Information shall not be released to any party in any form without the authorization of the individual, legal guardian, and/or the City.

Dispute Resolution Procedure:

Passengers with complaints about service shall be allowed an opportunity to register that complaint with the Contractor and receive prompt and fair consideration. Every effort shall be made to resolve complaints at the staff level of the Contractor. Any complaint that cannot be resolved by the Contractor shall be referred to the City's Transit Manager, who will attempt to resolve the complaint or refer the complaint to a higher level of the City.

The Contractor shall forward to the City's Transit Manager via the approved Event Form any complaint(s) received from ECT customers/passengers within two (2) Business days, along with a description of the action(s) taken to resolve the complaint within four (4) Business days.

Any complaints that include an ADA issue shall be forwarded to the Transit Manager within two (2) business days of receipt of said complaint, regardless of whether it has been resolved or not. If the on-board video needs to be examined before a response can be made, it must be noted in the notice to the Transit Manager.

Performance Requirements:

The Contractor shall strive to be on time while minimizing road calls, vehicle damage and complaints. This shall be accomplished by initial and ongoing employee training, street supervision, random checks, corrective

personnel actions, and standards that will be established by the City with the Contractor's input.

The City expects 90% on-time performance for the duration of this contract. On time shall be defined as the Cabulance vehicle arriving within 30 minutes of the requested pick-up time.

The Transit Manager or other City designee shall make decisions on questions that arise as to the quality and acceptability of any work performed under the Contract. If performance (in the opinion of the representative or designee) becomes unsatisfactory, the City will notify the Contractor.

Upon observance of the Contractor's failure to perform satisfactory services, the City will issue a Notice of Service Correction to the Contractor via email. The notice will identify the service correction requirement and provide the Contractor with twenty-four (24) hours to begin correction. If the Contractor fails to begin correction of services within the time stipulated in the notice, the City will correct the service shortcoming with its own forces or by engaging another Contractor.

Access to Records:

The City of Ellensburg, Washington State, and the US Department of Transportation, or their designee(s) may at any time perform audits of the financial books, records, and accounts of the Contractor. The Contractor agrees to preserve, and to cause any subcontractor to preserve, and to make available for a period of six (6) years after the completion of the contract, or in accordance with applicable federal and/or Washington State retention schedules, whichever retention schedule is longer, any and all financial, operations, administrative, and maintenance records pertaining to ECT.

Meetings:

In order to maintain open and frequent communications between the two entities, the Contractor shall hold weekly meetings with the City's Transit Manager to discuss service problems and proposed solutions.

Additionally, upon request, the Contractor shall attend all meetings of the ETAC which are held monthly.

No-Show Policy:

A "no-show" occurs when a passenger is not released to the driver within (10) ten minutes of their arrival during the scheduled pick-up window, or when a scheduled trip is not canceled at least (2) two hours prior to the pick-up time.

The Contractor shall create a log for facilities that receive no-shows. The Contractor will work together with the City to decide the no-show percentage allowed before a facility is suspended.

There may be circumstances beyond the facility's control. Such circumstances would not result in a no-show.

Service Animals/Life Support Equipment:

In accordance with U.S. Department of Transportation (DOT) Americans with Disabilities Act (ADA) regulations at 49 C.F.R. § 37.167(d), Contractor shall permit Cabulance riders to travel with service animals that accompany individuals with disabilities in vehicles and facilities. As defined in 49 C.F.R. § 37.3, a service animal is an animal "individually trained to work or perform tasks for an individual with a disability." This

includes, but is not limited to, guide dogs used by individuals with vision or hearing impairments, and animals trained to provide aid to individuals with mobility impairments.

Contractor shall also permit persons to travel with respirators, portable oxygen, and other life support equipment, unless the equipment violates rules concerning the transportation of hazardous materials. (49 CFR Parts 100-199). An intravenous line must be capped and wrapped before entering the vehicle.

Cabulance Information:

Additional information regarding ECT's Cabulance Services can be found on the City's ECT website.

RIDER GUIDE – Central Transit

ECT reserves the right to provide Cabulance service during the term of the agreement as it deems necessary.

ATTACHMENT 4:

CITY's System Access & Confidential Information Agreement

The CITY and CONTRACTOR mutually agree to the terms of this System Access and Confidential Information Agreement ("Agreement") to govern the access to CITY systems and handling of CITY data and information by any employee, subcontractor, agent or other individual affiliated with CONTRACTOR to which they may have access during any work done for the CITY.
If any conflict exists between the terms of this agreement and any prior agreement, the terms of this agreement shall govern.

1. **Definitions**
   "Access" is the physical or logical (electronic) ability, right, or privilege to view, modify, or make use of Covered Data.
   "Covered Data" refers to any piece of CITY data and information that is provided by the CITY or to which any CONTRACTOR may create, receive, or have access to while performing work for the CITY.

2. **Term and Termination**
   a. This Agreement shall take effect upon execution of the Professional Services Contract between the Parties and shall be coterminous with that Contract.

3. **Acknowledgment of Access to Covered Data**
   CONTRACTOR acknowledges that this Agreement allows access to Covered Data. The Covered Data to be shared includes information and data related to the work being performed by the CONTRACTOR under the Scope of Work, ATTACHMENT 3 of the Professional Services Contract. The Covered Data and information include but is not limited to the data and information listed in the following sections of the Scope of Work:

   a. Vehicles, subsections G and H, tracking data and video system
   b. Vehicle Maintenance
   c. Bus Operators
   d. Training
   e. Safety Inspections
   f. Accidents and Incidents
   g. Computerized Dispatch and Scheduling System
   h. Records and Reports
   i. Substance Abuse Requirements
   j. Other records related to fulfillment of the Scope of Work

4. **Prohibition on Unauthorized Use or Disclosure of Covered Data**
   CONTRACTOR agrees to hold the Covered Data in strict confidence. CONTRACTOR shall not use, exploit, or disclose, or permit the use, exploitation, or disclosure of any Covered Data that may be accessed except as permitted or required by this Agreement, as required by law, or as otherwise authorized in writing by the CITY.

   However, as a public agency, the CITY is subject to the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that CONTRACTOR keeps records that are deemed public records and are needed for the CITY to respond to a request under the Act, as determined by the CITY, CONTRACTOR

agrees to make them promptly available to the CITY. Pursuant to Chapter 40.14 RCW, CONTRACTOR shall retain records associated with this Agreement in accordance with the applicable retention schedule. CONTRACTOR also agrees to indemnify and hold the CITY harmless from any claims or losses caused by CONTRACTOR's failure to make records available to the CITY as provided in this Agreement.

In the event CONTRACTOR receives a public records request for Covered Data, CONTRACTOR will notify the CITY's Transit Manager, in writing, within three (3) business days of receiving the request.

5. **Safeguard Standard**

CONTRACTOR agrees to protect the Covered Data according to commercially acceptable standards and no less rigorously than it protects its own Covered Data. Notwithstanding the foregoing, it is the responsibility of the CONTRACTOR to be aware of and abide by any CITY Policies that address Covered Data, security practices and procedures, and the appropriate use of CITY computer systems.

6. **Access**

The CITY may allow CONTRACTOR direct access into CITY computer systems.

a. The method of access will be determined and supplied by the CITY IT Director.
b. Accounts will be limited to those individuals who need access to perform necessary services, as requested by the CONTRACTOR who signed this Agreement and as approved by the CITY IT Director.
c. Accounts will be assigned to individuals with unique IDs. Passwords may not be shared.
d. Accounts will be inactive by default.
e. CONTRACTOR shall request access of the department director of the CITY department responsible for that data who will request access through CITY IT.
f. CONTRACTOR access will be limited to the amount of time necessary to complete services but will not exceed 3 calendar days or as determined by any previously or concurrently executed Agreement between the CITY and CONTRACTOR.
g. Application Programming Interface (API) access will coincide with the CONTRACTOR's service agreement.
h. Requests to reset or modify accounts or reset passwords must be approved by the CONTRACTOR who signed this Agreement before being routed to the IT Director.
i. In the event an individual with access to Covered Data is no longer employed by CONTRACTOR, CONTRACTOR shall immediately notify the CITY IT Director to terminate separated employee's access.
j. The CITY may reset or change any passwords provided by the CITY, with or without prior notice to CONTRACTOR.

7. **Handling of Covered Data**

CONTRACTOR shall only copy Covered Data onto any system, computer, or media with prior authorization by the department director of the CITY department responsible for that data and/or by previously or concurrently executed Agreement between the CITY and CONTRACTOR. In cases where Covered Data is copied onto any media, electronic, magnetic, optical, print, film, or otherwise, such Covered Data will be encrypted and carefully guarded by CONTRACTOR against unauthorized exposure and once the work has been completed, CONTRACTOR will destroy all copies of Covered Data either through the standard articulated in Department of Defense (DoD) 5220.22-M (National Industrial Security Program Operating Manual) 3-pass data sanitization or physical shredding.

a. **Breach.** In addition to the rights of the parties established by any previously or concurrently executed Agreement between the CITY and CONTRACTOR, if the CITY

reasonably determines in good faith that CONTRACTOR has materially breached any of its obligations under this Agreement, the CITY, in its sole discretion, shall have the right to:

i. Exercise any of its rights to request and/or inspect documents and/or records under this or any other Agreement between the CITY and CONTRACTOR; and/or
ii. Require CONTRACTOR to submit to a plan of monitoring and reporting to maintain compliance with this Agreement; and/or
iii. Provide CONTRACTOR with a fifteen (15) day period to cure the breach; and/or
iv. Terminate the Agreement immediately.

b. Before exercising any of the above-described rights, the CITY shall provide written notice to CONTRACTOR describing the violation and the action it intends to take.
c. Notwithstanding the above, CONTRACTOR acknowledges that a breach of this Agreement may cause irreparable harm to the CITY for which a remedy at law would not be adequate. In the event of such a breach or threatened breach, the CITY shall be entitled to seek appropriate injunctive relief in any court of competent jurisdiction, restraining CONTRACTOR from any such threatened or actual violation of the provisions of this Agreement. This provision does not limit the CITY's rights to seek monetary damages in addition to injunctive relief.

8. Subcontractors and Agents

If CONTRACTOR provides any Covered Data, which was received from or created for the CITY, to a subcontractor or agent, the CONTRACTOR shall require such subcontractor or agent to agree to the same restrictions and conditions as are imposed on CONTRACTOR by this Agreement.

9. Maintenance of the Security of Electronic Information

CONTRACTOR shall develop, implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the confidentiality, integrity, and availability of all electronically maintained or transmitted Covered Data received from, or on behalf of, the CITY.

10. Monitoring

CONTRACTOR understands and acknowledges that the CITY has the right to conduct and maintain an audit trail of all access to Covered Data and that the CITY may monitor CONTRACTOR's activity on CITY systems at any time without notice. CONTRACTOR acknowledges that it has no expectation of privacy while operating on an account provided by the CITY under this agreement.

11. Reporting of Unauthorized Disclosure or Misuse of Covered Data

CONTRACTOR shall report to the CITY IT Director and the department director of the CITY department responsible for the Covered Data, any use or disclosure of Covered Data not authorized by this Agreement or otherwise agreed to in writing by the CITY, or in the event that CONTRACTOR is required to disclose Covered Data in any legal or regulatory proceeding. CONTRACTOR shall make the report to the CITY not less than one (1) business day after CONTRACTOR learns of such use or disclosure. CONTRACTOR's report shall identify:

a. The nature of the unauthorized use or disclosure,
b. The Covered Data used or disclosed,
c. Who made the unauthorized use or received the unauthorized disclosure,
d. What CONTRACTOR has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and
e. What corrective action CONTRACTOR has taken or shall take to prevent future similar unauthorized use or disclosure.

CONTRACTOR shall provide such other information, including a written report, as reasonably requested by the CITY.

12. Notification

CONTRACTOR shall ensure that all new and current employees, subcontractors, agents, or other individuals affiliated with CONTRACTOR who may have access to CITY systems or records are aware of the requirements of this Agreement.

13. Survival

The respective rights and obligations of CONTRACTOR under Sections 3 through 13 shall survive, notwithstanding the termination or invalidity of this Agreement for any reason.

14. Waiver

Waiver of any breach or condition of this Agreement shall not be deemed a waiver of any prior or subsequent breach. No terms or conditions of this Agreement shall be held to be waived, modified, or deleted except by an instrument, in writing, signed by the parties hereto.

15. Intellectual Property

Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise in any Covered Data disclosed to CONTRACTOR or in any intellectual property rights related thereto.

16. Successors and Assigns

This Agreement and all its terms shall be binding upon and shall inure to the benefit of the CITY and CONTRACTOR and their respective successors and assigns, as may be permitted.

17. Modification

The Agreement may be changed, modified, or amended only in writing signed by both parties.

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Bonneville Power Administration Provider of Choice Above-CHWM Election (Public Comment Opportunity)
Submitted by:	Nichole Baker, Energy Resources Manager
Department:	Energy Services

Suggested Motion/Action:
Move to elect Option A - All Tier 2 Long-Term Rate Option on Exhibit C (Purchase Obligations) of the Bonneville Power Administration Provider of Choice contract, to serve Above-Contract High Water Mark load.

Background/Summary:
Beginning in October 2028, Ellensburg will transition to Bonneville Power Administration's (BPA) new Provider of Choice contract and must decide how to serve electricity loads above its Contract High Water Mark (CHWM), also referred to as Tier 2 load. The City of Ellensburg must make a Tier 2 service election in time for the July 27, 2026 deadline.

The City has evaluated a one-time election under BPA's Provider of Choice framework for Above-CHWM service. This election will remain in effect for the duration of the contract, subject only to limited future adjustment provisions. BPA has advised that Ellensburg must select one of four Above-CHWM service options identified in Exhibit C of the Provider of Choice Agreement. The City has several options for this service, including but not limited to a more stable long-term rate, a potentially more volatile rate that is tied to short-term market prices, or some combination of the two.

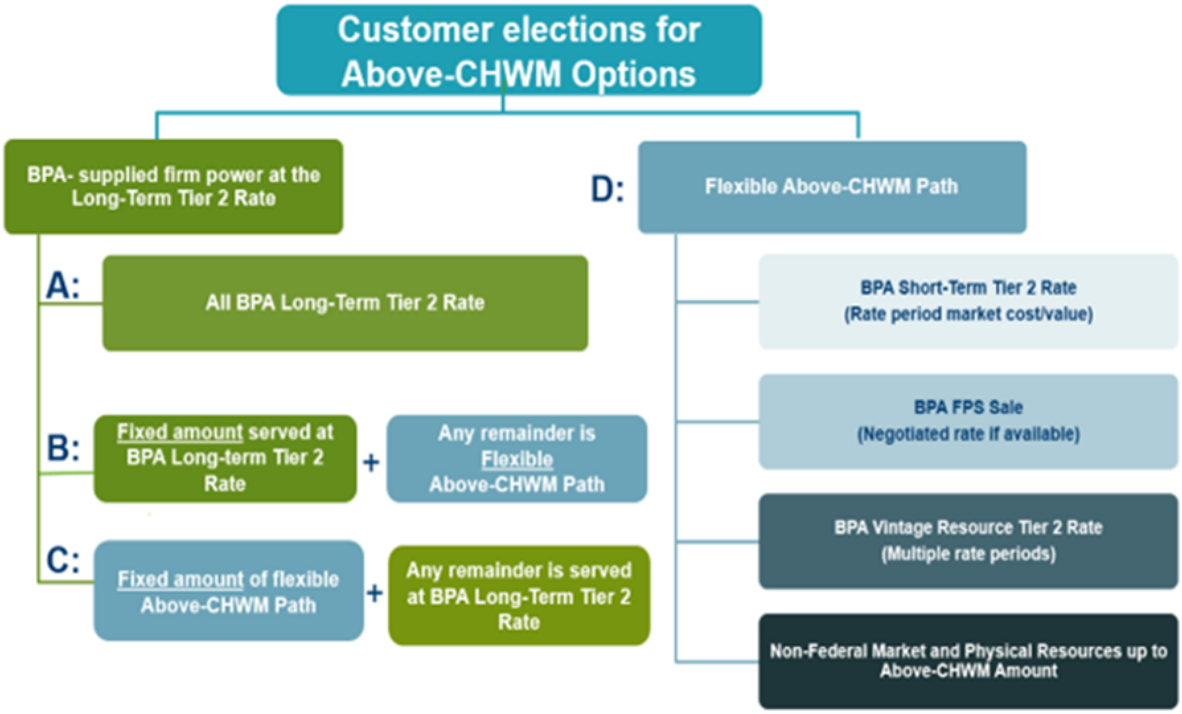
To support the City's evaluation of its above-CHWM service election options, staff has retained Ted Light of Lighthouse Energy Consulting to provide specialized technical and strategic advisory assistance. Lighthouse Energy Consulting assisted the City in reviewing the applicable selection pathways, evaluating operational and financial implications, and supporting staff's development of information and recommendations for Council and committee consideration. This consultant support was intended to help ensure the City's above-CHWM selection is informed, well-documented, and aligned with the City's long-term utility interests.

BPA's preliminary final CHWM for the City is 25.231 aMW, unchanged from the draft value, and Lighthouse found that calculation reasonable. Based on the City's current load forecast, Ellensburg is expected to remain above CHWM throughout the 2028–2044 contract term, starting at about 6 aMW above CHWM in 2029, increasing to 7.4 aMW in 2030, and then rising gradually over time as load grows while CHWM remains fixed. Lighthouse prepared the Ellensburg Provider of Choice Contract Elections memo to help the City compare the cost and risk tradeoffs of the available above-CHWM election choices before BPA's election

deadline.On May 21, 2026 the Utility Advisory Committee forwarded a favorable recommendation to Council to approve staff's recommended Above-Contract High Water Mark election, selecting Option A under the Bonneville Power Administration Provider of Choice contract.

Previous Council Action:
Council moved to authorize the Mayor to sign the Provider of Choice contract with the Bonneville Power Administration at the November 3, 2025 meeting. The contract was executed on November 13, 2025.

Analysis:
This analysis highlights the tradeoffs among the service options the City may consider under its Provider of Choice contract. While qualitative factors may also influence the decision, Lighthouse's analysis illustrates how those considerations could affect outcomes across a range of potential scenarios. Ultimately, the selection of a service option will depend on the City's risk tolerance, as each option presents a different balance of risk and potential benefit. Lighthouse's modeling found that all options cluster around a similar central cost outcome, but Option A has the lowest worst-case cost while Option D has the widest volatility; Options B and C fall between those two depending on how much risk the City is willing to accept.



Above-CHWM Load Service Options

The memorandum prepared by Lighthouse Energy Consulting outlines four Tier 2 service path options:

Option A: If the City wants to prioritize rate stability and limit its exposure to market volatility, Option A is the preferred choice.

Option B and C : Options B & C can be structured to provide a blend of these two

approaches, with blends of short- and long-term pricing.

Option D: If the City wants market exposure to take full advantage of potential low market prices, Option D would be preferable but comes with exposure to higher prices as well.

Financial Impact:
BPA long-term Tier 2 rates have not yet been determined. Any costs associated with these rates will be recovered from utility ratepayers based on a cost of service analysis (COSA).

Budget Adjustment: No

Attachments:
1. Lighthouse Ellensburg Tier 2 Election Support
2. A2700-Power Sales Agreement No. 26PS-25027-Dept of Energy Bonneville Power Administration

LIGHTHOUSE ENERGY CONSULTING

TO: Buddy Stanavich, City of Ellensburg
Nichole Baker, City of Ellensburg

FROM: Ted Light, Lighthouse Energy Consulting

SUBJECT: Ellensburg Provider of Choice Contract Elections

DATE: May 18, 2026

Disclaimer: This memo presents an analytical assessment of potential Tier 2 power supply options intended to support discussion and policy decision-making. The results reflect modeled scenarios based on forecasts, assumptions, and probabilistic methods—not predictions of actual future costs. Future outcomes will depend on factors such as electricity demand, market prices, regulatory requirements, and BPA policies, all of which are inherently uncertain and may differ materially from those assumed in the analysis. Accordingly, the results should be used to compare relative risks, tradeoffs, and ranges of potential outcomes among options, rather than as precise estimates of future costs.

Overview

Beginning in October 2028, the City of Ellensburg will begin receiving service under a new "Provider of Choice" contract with the Bonneville Power Administration (BPA). As part of the contract, the City will need to determine how to serve loads above its allotment of power from the federal system, referred to as above-Contract High Water Mark (CHWM) or Tier 2 loads.

The City requested assistance from Lighthouse Energy Consulting in evaluating its options. This memo serves as a summary of those options and the work Lighthouse conducted to help the City consider the costs and risks with each option.

CHWM Mark Determination & Timeline

On May 4, BPA posted its preliminary final CHWM values for its customer utilities. This followed the release of draft CHWM values that were provided on March 10. BPA customers have until May 14 to dispute the results. If no customer disputes the process, the preliminary final CHWM values will become final values and BPA's customer utilities will have until July 14 to make any elections for above-CHWM loads.

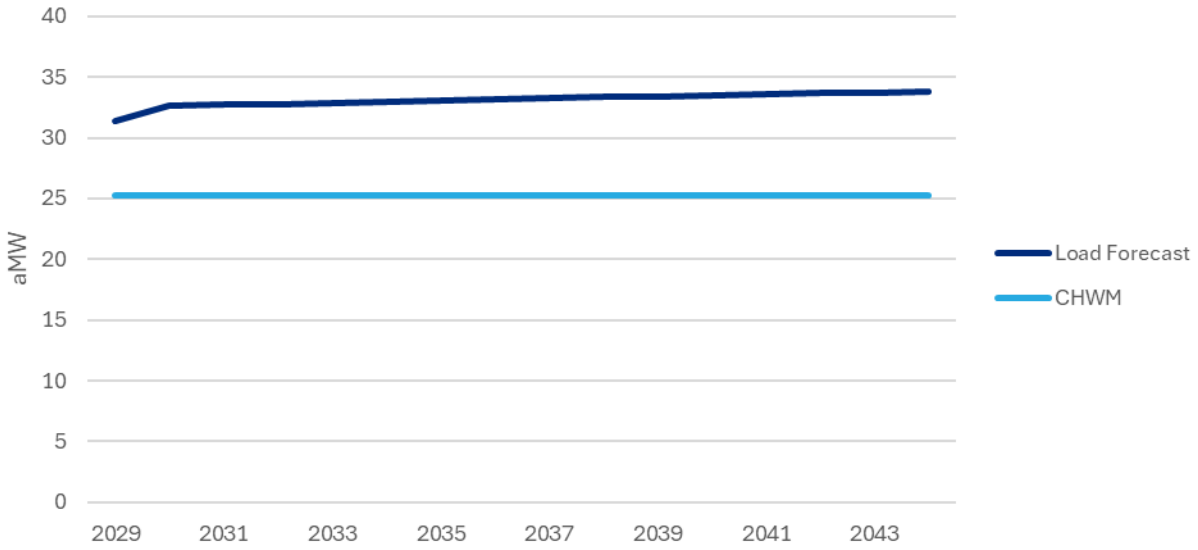
The preliminary final CHWM value for the City is 25.231 aMW, which is unchanged from the draft value provided earlier in the year. Lighthouse reviewed the draft CHWM calculation for the City and found the result to be reasonable. A separate memo documented this review.

Ellensburg's CHWM Position

Based on the City's CHWM and its most recent load forecast, it will have a need to serve loads above its designated CHWM throughout the federal fiscal year 2029-2044 contract duration. Based on Figure 1, the City will have approximately 6 aMW of above-CHWM load in 2029. This increases to 7.4 aMW with an expected increase in load in 2030. The City's above-CHWM load then increases steadily

over time as the City's projected load grows at approximately 0.3% per year while the CHWM values are fixed throughout the contract term.

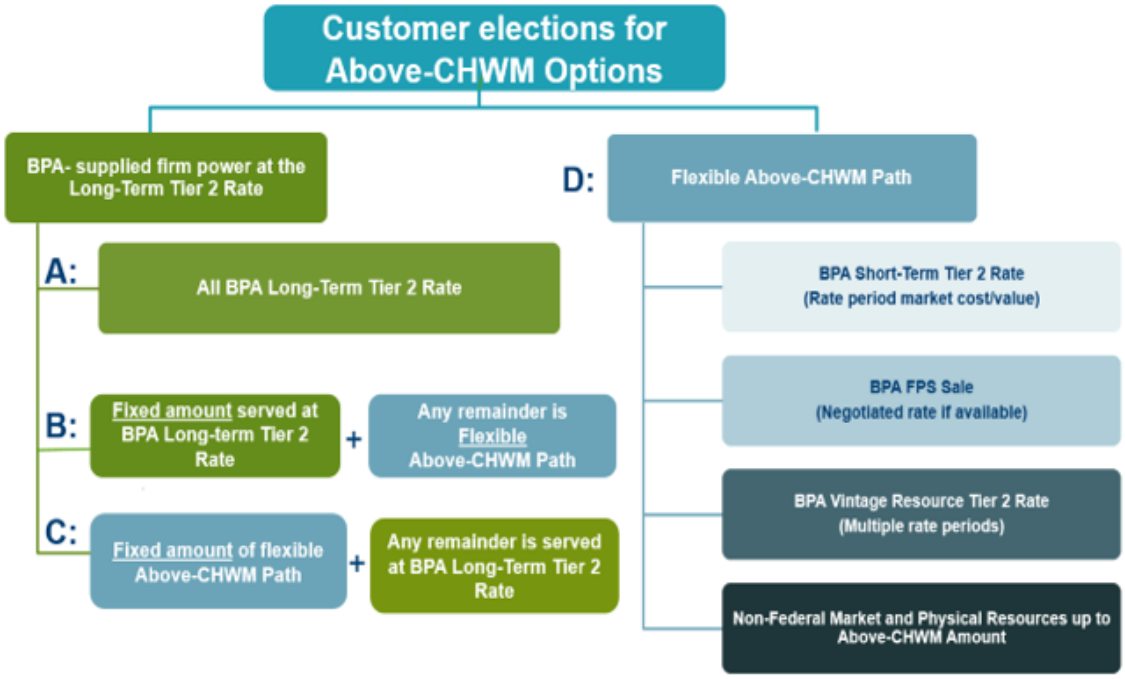
Figure 1 - Load Forecast and CHWM



Above Contract High Water Mark Options

BPA provided the following diagram which identifies the options for above-CHWM service. Customers make this election once for the contract duration, with limited options for changing the elections. In addition, customers selecting Options B or C must specify the fixed amount included as part of those service options.

Figure 2 - Above-CHWM Load Service Options



The sections below discuss the options and some of the advantages and disadvantages of each.

Option A: All BPA Long-Term Tier 2

The first option is one in which all above-CHWM load is served at BPA's long-term Tier 2 rate. Under this option, BPA would acquire resources or long-term contracts to meet customer demand.

Advantages

- Long-term resource acquisitions lock in prices and insulate customers from market price volatility
- BPA *may* be able to procure resources that are compliant with Washington's Clean Energy Transformation Act (CETA), although current federal policies may constrain this.
- This product may have built-in insurance. For example, if BPA releases an RFP for resources under this option but finds that market prices are lower, BPA may elect to use market purchases instead of higher-cost resources.

Disadvantages

- If market prices decline below the cost of acquired resources, customers electing this option would lose out on procuring power at those lower prices.
- Customers electing this option are limited to a one-time option to reduce their long-term election, which is subject to fees.

Option B: Fixed Amount of Long-Term then Flexible Option

Under this option, customers elect to purchase up to a fixed amount of power at the long-term rate and then any remaining above-CHWM load will be served by the options available under the flexible path, including the short-term rate or non-federal resources. The long-term election is fixed throughout the contract duration, although there is an allowance for a one-time change, subject to fees.

Advantages

- Provides price stability for the quantity elected at the long-term rate
- Can provide some exposure to market prices, although the exposure is limited to loads above the elected quantity
- BPA *may* be able to procure resources that are compliant with Washington's Clean Energy Transformation Act (CETA), although current federal policies may constrain this.
- Customers can more flexibly change resources within the flexible path, potentially shifting from short-term rates and customer-owned non-federal resources.

Disadvantages

- This option has some amount of exposure to markets and price spikes

Option C: Fixed Flexible Option then Long-Term

Option C requires customers to elect a fixed amount of power to be served under one of the flexible options, then any remaining above-CHWM load would be served with power sold at the long-term rate. The elected quantity is fixed throughout the contract duration although there is an option to change the long-term election amount, subject to fees.

Advantages

- Can provides some exposure to market prices, although the exposure is capped
- Customers can more flexibly change resources within the flexible path, potentially shifting from short-term rates and customer-owned non-federal resources.

Disadvantages

- Depending on the amounts elected, customers may be exposed to higher market prices

Option D: All Flexible Path

In Option D, customers elect to serve their above-CHWM loads through some combination of options, including:

- BPA's Short-term option
- BPA's vintage rate, if available
- Customer-owned dedicated resources

The short-term rate option is based on market prices and subject to changes based on current market conditions in each rate period. Customer-owned resources provide more utility control but come with additional responsibility. The power from customer-owned resources must be delivered to BPA's system in flat amounts or accompanied by BPA's Resource Support Services.

Advantages

- Can take full advantage of lower market prices if that occurs

Disadvantages

- Full utility above-CHWM load could be exposed to high market prices
- BPA's short-term option is likely to be based on market purchases, which are unlikely to comply with state clean energy requirements.

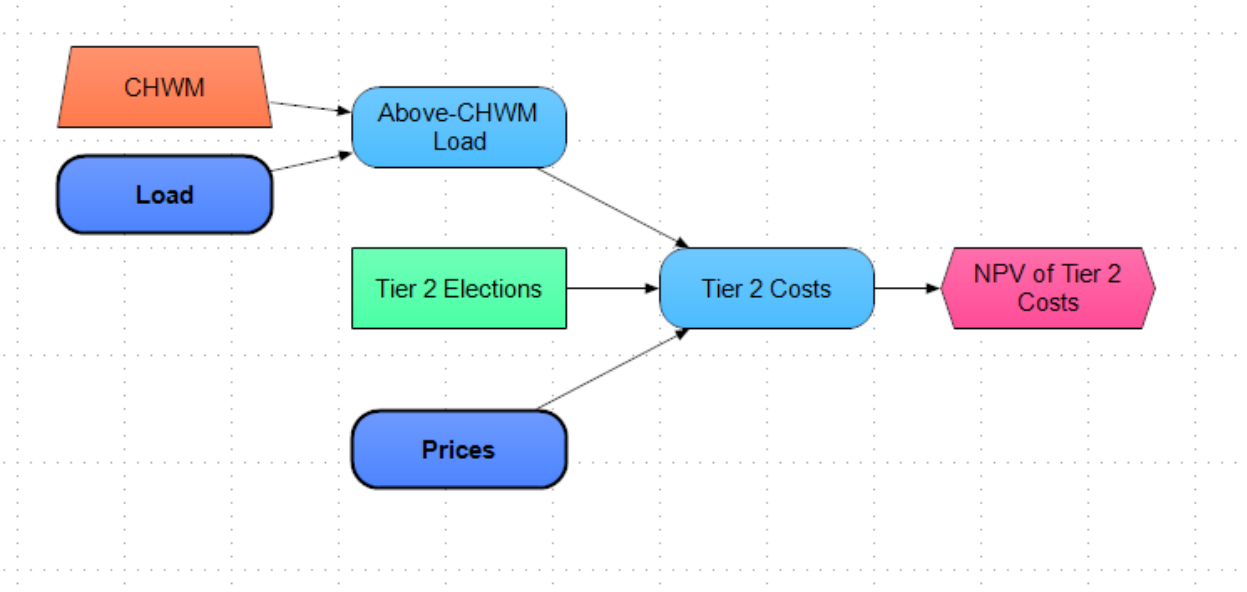
Analysis of Above-CHWM Service Options

At a high level, the tradeoffs of these product options are fairly straightforward: the long-term rate options provide price stability, albeit at a potentially higher price while the short-term rate options provide flexibility while experiencing the highs and lows of short-term market prices.

To quantify the tradeoffs of these approaches, Lighthouse built a model which would allow for the examination of these options while acknowledging the significant uncertainty involved. In addition to the selected service option, the actual outcome in any given year is highly dependent on the City's load as well as the market prices. Lighthouse used a software package called Analytica for this analysis, due to its ability to account for uncertainty.

Figure 3 shows the high-level structure of the model. The City's defined CHWM and load are combined to determine the above-CHWM load. The City's possible Tier 2 service options are combined with prices and the above-CHWM loads to calculate the cost of serving Tier 2 load for any given year. Finally, a net present value of costs over the contract period is calculated to combine the results across years.

Figure 3 - Analytica Model Diagram

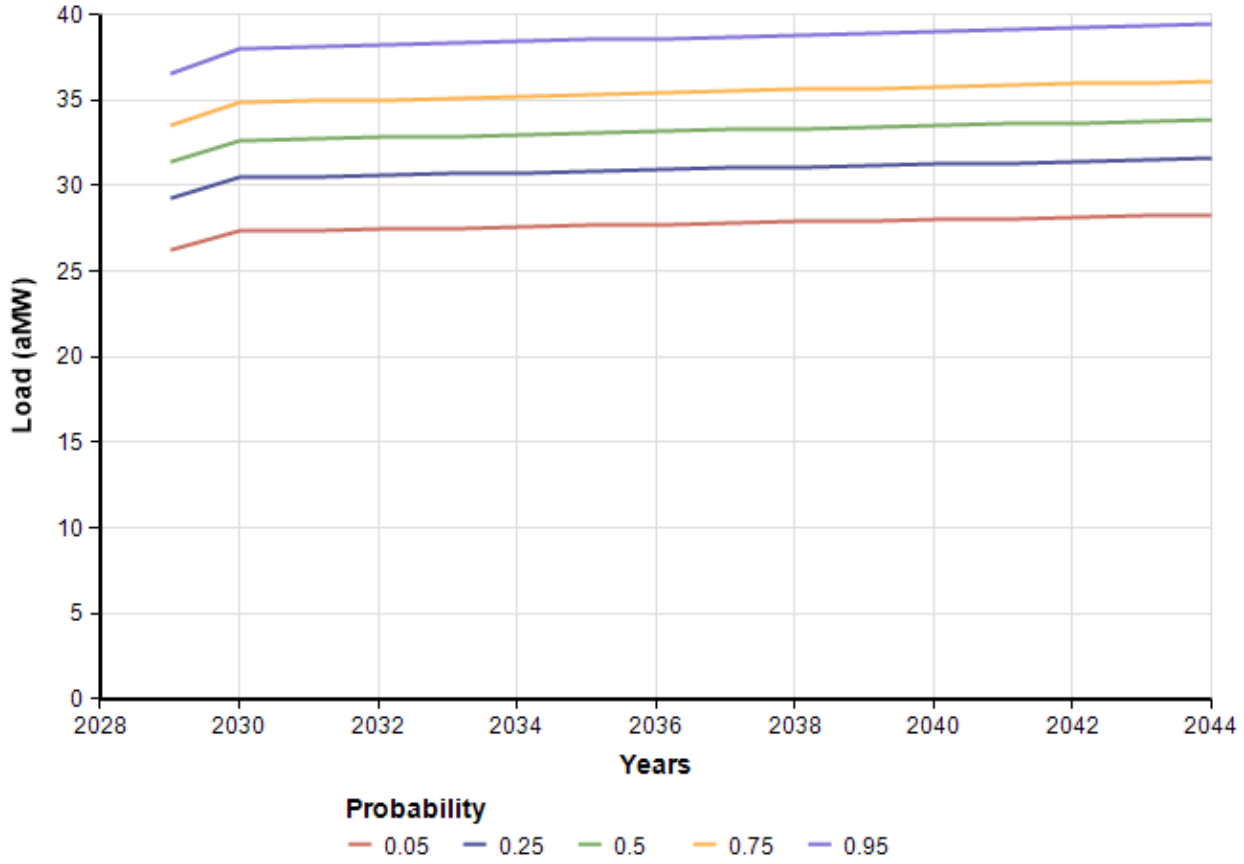


To account for uncertainty in future loads. Lighthouse added uncertainty bands around the City's load forecast. In Figure 4, the green line represents the City's current expected load. The lines above

and below show the 5%, 25%, 75%, and 95% probability forecasts. For example, only 25% of the forecasts in a given year are less than the blue line shown below.

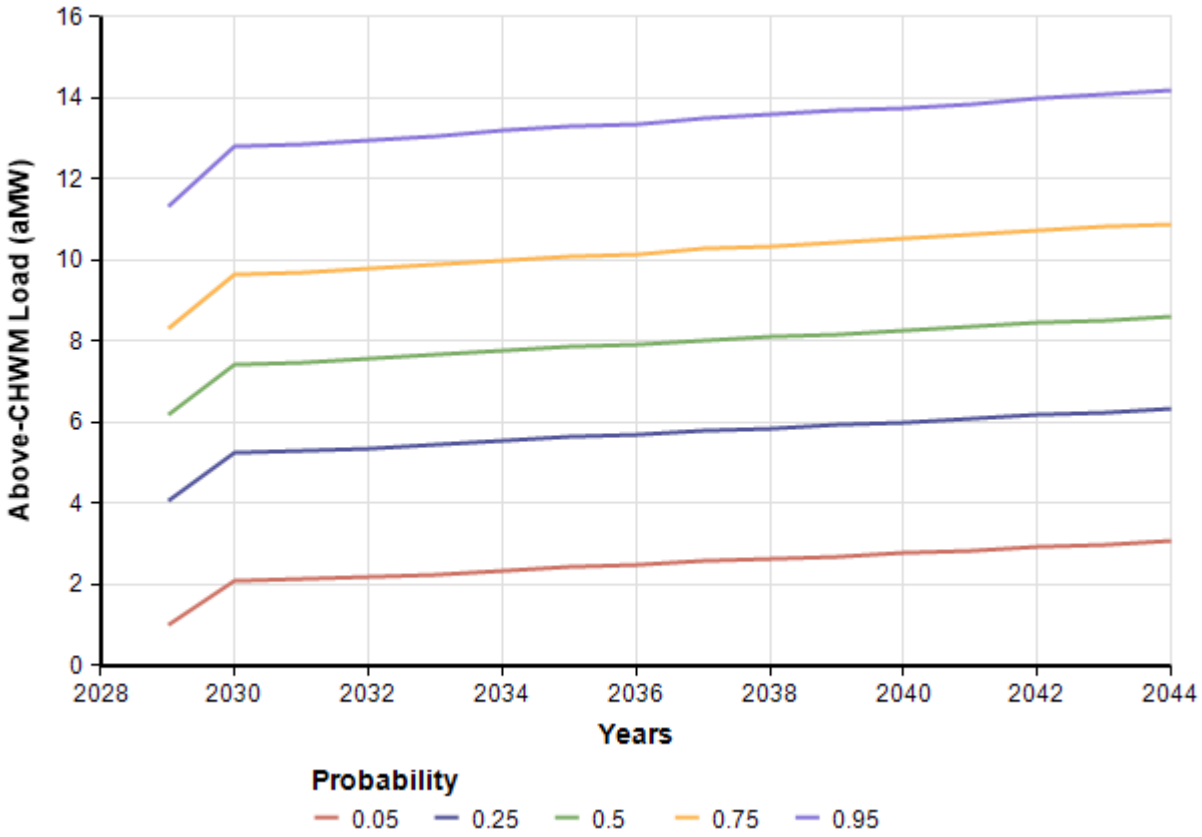
Note that in an earlier analysis of the City's loads under fuel switching driven by the state's Climate Commitment Act (CCA), Lighthouse estimated that the City would see less than one average megawatt of additional energy demand across the year (although the incremental demand in the winter months would be higher). Therefore, this distribution of forecasts covers a broader range than what might be expected from fuel switching driven by the CCA.

Figure 4 - Load Forecast Probability Bands



With this distribution in forecasted loads, Lighthouse then estimated the distribution of the City's above-CHWM loads, shown in Figure 5. Like before, the middle green line shows the 50% percentile, where the forecast has equal chances of being higher and lower.

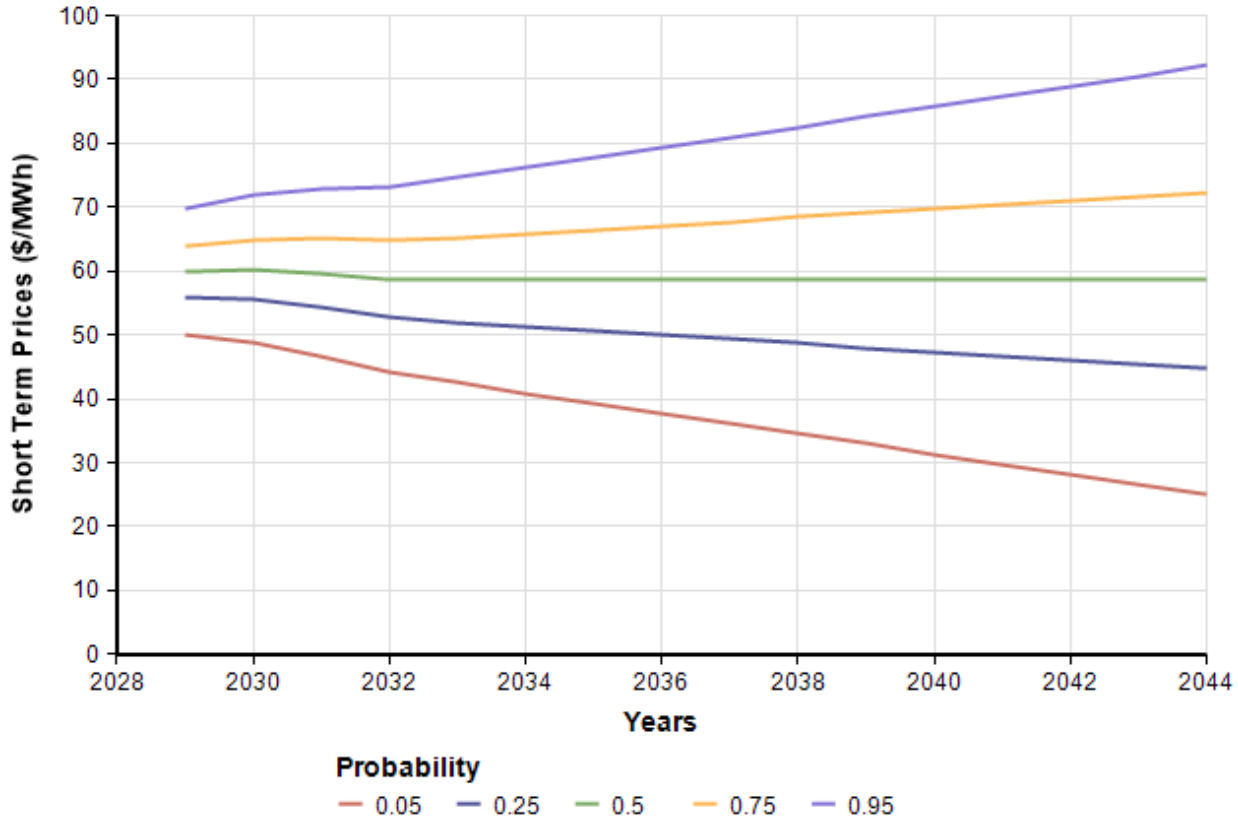
Figure 5 - Above-CHWM Load Probability Bands



Next Lighthouse developed estimates of prices for the different service options. For the flexible path, Lighthouse assumed that the City would select the short-term rate option. Lighthouse started with a forecast of monthly on- and off-peak futures pricing at the mid-Columbia trading hub from the Intercontinental Exchange. These prices were combined into a single annual value using an assumed proportion of monthly on- and off-peak loads. These prices were set as the long-term rate option. To account for the fact that short term prices could be higher or lower than current prices, Lighthouse defined the short-term prices to be a distribution of prices around these values.

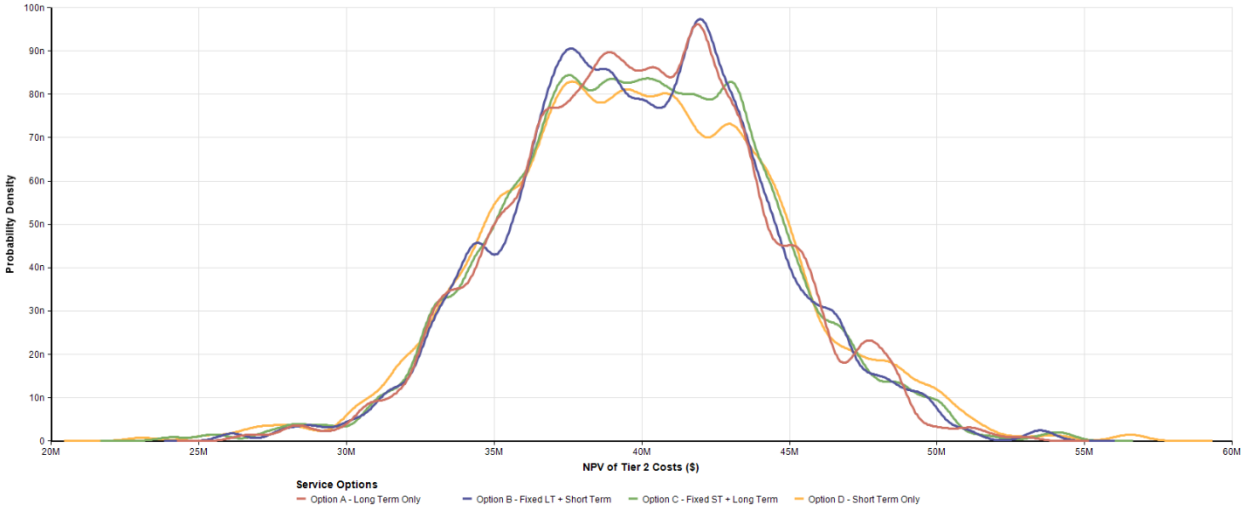
Figure 6 shows the probability bands for the short-term prices. Here, the green 50% probability line is also the assumed long-term prices. Future electricity prices are highly uncertain, so the intent here was to reflect a reasonable range of outcomes, with higher uncertainty in the long term. For context, BPA's current Tier 2 pricing is approximately $70 per megawatt-hour.

Figure 6 - Short-Term Price Probability Bands



Finally, Lighthouse needed to define the City's election amounts if it were to selection Options B or C. Due to the risk of selecting too high a value and facing losses from remarking, Lighthouse selected 6 aMW as the fixed amounts for service Options B and C.

Figure



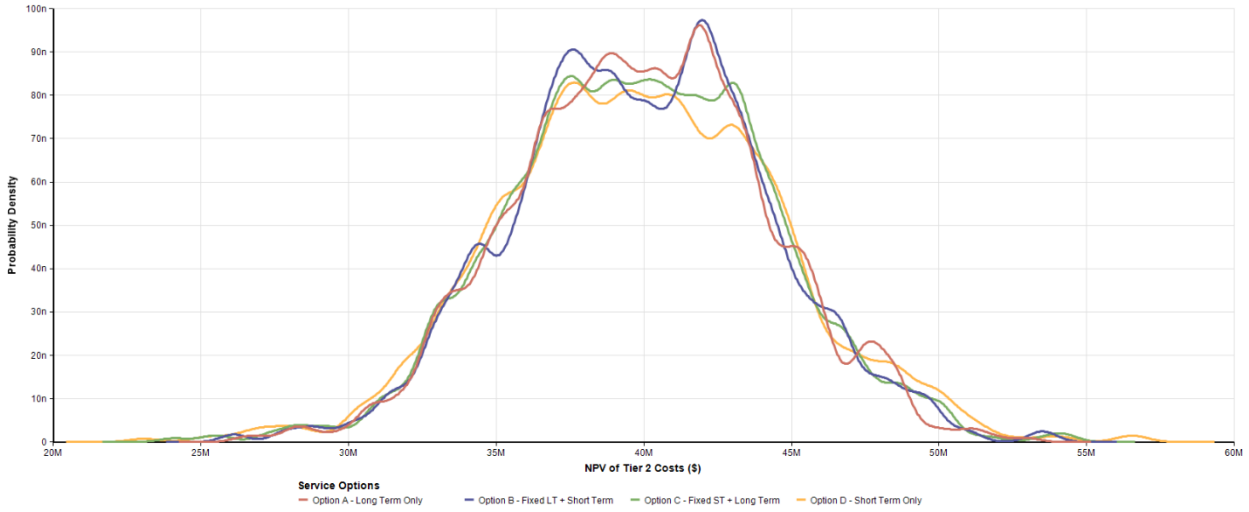
7 shows the probability density of the net present value of Tier 2 costs over the contract period, by service option. This shows the relative probability of Tier 2 service costs for the four service options,

given the range and probability of different loads and market prices. All four service options show a clustering of outcomes around $40 million based on the assumed loads and market prices and their most likely values, but there are subtle differences worth exploring.

For example, the yellow line represents the all short-term rate Option D. It has the lowest probability around the central $40 million point but has comparatively higher probabilities among the higher and lower cost outcomes. This mirrors the earlier discussion that this service option is fully exposed to market prices and is subject to the ups and downs of the market. If market prices are consistently low, this service option is best positioned to take advantage of those prices. Unfortunately, if prices are consistently high, Option D is also the most exposed.

In contrast, the salmon-colored line for Option A has relatively higher probabilities at lower and middle cost outcomes, reflecting the ability of this option to insulate utilities from higher market prices. Based on the selection of 6 aMW for the fixed amounts for options B and C, these options are fairly close in outcome to options A and D, respectively.

Figure



7 - Net Present Value of Tier 2 Costs

Another way to examine the results of this modeling exercise is to look at the summary statistics from the distributions above, shown in Table 1. These results mirror the earlier discussion, with Option D having the lowest minimum net present value and highest maximum cost. Similarly, Option A has one of the highest minimum cost amounts but the lowest maximum cost. With the load and price assumptions used in this analysis, Option A's worst outcome is nearly $4 million less than Option D over the contract period. Option D has the highest standard deviation, reflecting its inherent volatility, while Option A has the lowest, reflecting the price stability of long-term pricing.

Table 1 – Summary Statistics of Service Options

	Option A - Long Term Only	Option B - Fixed LT + Short Term	Option C - Fixed ST + Long Term	Option D - Short Term Only
Min	$26,440,718	$26,060,511	$24,060,020	$23,070,071
Median	$39,960,362	$39,930,167	$39,913,414	$39,827,616
Mean	$39,917,443	$39,918,836	$39,907,920	$39,909,313
Max	$52,981,462	$53,768,513	$54,257,522	$56,678,541
Std. Dev	$4,213,275	$4,288,244	$4,415,446	$4,713,435

Summary

This analysis has shown the tradeoffs of different service options that the City may consider for its Provider of Choice contract. While there are qualitative considerations that may influence the decision, Lighthouse's analysis has shown how those considerations may play out over a range of possible outcomes. Ultimately, the selection of a service option will depend on the City's risk appetite, with different options available along a spectrum of risk and reward. If the City wants to prioritize rate stability and limit its exposure to market volatility, Option A is the preferred choice. If the City wants market exposure to take full advantage of potential low market prices, Option D would be preferrable but comes with exposure to higher prices as well. Options B & C can be structured to provide a blend of these two approaches, with blends of short- and long-term pricing.

Regardless of the approach selected, the City can limit the cost of its Tier 2 load service through its energy efficiency programs. While state policy requirements and regional power planning may differ in the treatment of avoided cost, the City's Tier 2 power represents its marginal cost of power and any energy efficiency that can be acquired below this cost.

A2700

Department of Energy

Bonneville Power Administration
Eastern Customer Service Center
1620 E Hawthorne Rd, PO Box 789
Mead, WA 99021

POWER SERVICES

November 13, 2025

In reply refer to: PSE-MEAD-GOB

Mr. Buddy Stanavich
Energy Services Director
City of Ellensburg
501 N Anderson Street
Ellensburg, WA 98926-3147

RE: Provider of Choice Fully Executed Contract

Dear Buddy:

A fully executed original of Power Sales Agreement, Contract No. 26PS-25027 (Agreement), between the Bonneville Power Administration and City of Ellensburg is attached for your records. This new Agreement provides for power service from October 1, 2028 through September 30, 2044.

This contract reflects years of regional collaboration, represents a historic accomplishment, and forges our continued relationship. I look forward to continuing to work with you in the future.

If you have any questions please contact me at (509) 822-4590.

Sincerely,

HOPE ROSS Digitally signed by HOPE ROSS
Date: 2025.11.13 13:58:23 -08'00'

Hope Ross
Account Executive

Enclosure

A2700

Contract No. 26PS-25027

POWER SALES AGREEMENT
executed by the
BONNEVILLE POWER ADMINISTRATION
and
CITY OF ELLENSBURG

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Exhibit A Net Requirements and Resources
Exhibit B Contract High Water Marks
Exhibit C Purchase Obligations
Exhibit D Additional Products and Special Provisions
Exhibit E Metering
Exhibit F Scheduling
Exhibit G This Exhibit Intentionally Left Blank

Exhibit H Renewable Energy Certificates and Environmental Attributes
Exhibit I Notices and Contact Information
Exhibit J Support Services; Additional Resource and Energy Storage Device Requirements

This POWER SALES AGREEMENT (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA), and CITY OF ELLENSBURG (Ellensburg), hereinafter individually referred to as "Party" and collectively referred to as the "Parties". Ellensburg is a municipal corporation, organized and authorized under the laws of the State of Washington, to purchase and distribute electric power to serve retail consumers from its distribution system within its service area.

RECITALS

Ellensburg's power sales agreement Contract No. 09PB-13037 continues through September 30, 2028, and power sales under this Agreement begin on October 1, 2028. All obligations and liabilities accrued under Contract No. 09PB-13037 are preserved until satisfied.

BPA is a functionally separated organization with distinct administrative and decision-making activities for BPA's power and transmission functions. References in this Agreement to Power Services or Transmission Services are solely for the purpose of clarifying which BPA function is responsible for such administrative and decision-making activities.

BPA is authorized to market electric power to qualified entities eligible to purchase such power. Under Section 5(b)(1) of the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act), 16 U.S.C. § 839c(b)(1), BPA is obligated to offer a power sales agreement to any eligible customer for the sale and purchase of electric power to serve the customer's regional consumer load not served by the customer's resources.

In the final Provider of Choice Policy, March 2024 BPA proposed to develop the contracts requested under Section 5(b) of the Northwest Power Act consistent with a tiered rates pricing construct for the Section 7(b) rate, in order to provide signals and to encourage the timely development of regional power resource infrastructure to meet regional consumer loads under this Agreement.

This Agreement effectuates a Contract High Water Mark (CHWM) for Ellensburg that establishes the amount of power Ellensburg may purchase from BPA at Tier 1 Rates.

The Parties agree:

1. TERM

This Agreement takes effect on the date signed by the Parties and expires on September 30, 2044. Power sales by BPA to Ellensburg under this Agreement shall commence on October 1, 2028, provided that the Parties have completed any obligations required between the Effective Date and October 1, 2028 as specified under this Agreement.

Until October 1, 2028, section 19, Governing Law and Dispute Resolution will only apply to the extent there is a dispute regarding actions required under this Agreement that occur prior to October 1, 2028.

All obligations and liabilities accrued under this Agreement are preserved until satisfied.

2. DEFINITIONS

Capitalized terms below shall have the meaning stated. Capitalized terms that are not listed below are either defined within the section or exhibit in which the term is used, or if not so defined, shall have the meaning stated in BPA's applicable Power Rate Schedules, including the General Rate Schedule Provisions (GRSPs) or Public Rate Design Methodology (PRDM). Definitions in **bold** indicate terms that are both defined in the PRDM and that the Parties agree should conform to the PRDM as it may be revised. The Parties agree that if such definitions are revised pursuant to the PRDM, then BPA shall promptly and unilaterally amend this Agreement to incorporate such revised definitions from the PRDM, to the extent they are applicable.

2.1 "5(b)/9(c) Policy" means BPA's Policy on Determining Net Requirements of Pacific Northwest Utility Customers Under Sections 5(b)(1) and 9(c) of the Northwest Power Act issued May 23, 2000, and its revisions or successors.

2.2 "**7(i) Process**" means a public process conducted by BPA, pursuant to Section 7(i) of the Northwest Power Act, 16 U.S.C. § 839e(i), or its successor, to establish rates for the sale of power and other products.

2.3 "Above-CHWM Load" means the forecasted portion of a customer's Preliminary Net Requirement that is in excess of the customer's CHWM, if any, as determined in the Above-CHWM Load Process.

2.4 "Above-CHWM Load Process" means the public process conducted during each Forecast Year, in which BPA will calculate the following values for the upcoming Rate Period: (1) each customer's Preliminary Net Requirement; (2) adjusted CHWMs; and (3) each customer's Above-CHWM Load.

2.5 "Annexed Load" means existing load, distribution system (regardless of voltage), or service territory Ellensburg acquires after the Effective Date from another utility, by means of annexation, merger, purchase, trade, or other acquisition of rights, the acquisition of which BPA determines is consistent with BPA's standards of service and has been authorized by agreement between the impacted utilities or by a final state, regulatory, or court action. The Annexed Load must be served from distribution facilities of any voltage that are owned or acquired by Ellensburg.

2.6 "Attribute Pools" shall have the meaning as defined in section 2 of Exhibit H.

2.7 "Average Megawatts" or "aMW" means the amount of electric energy in megawatt-hours (MWh) during a specified period of time divided by the number of hours in such period.

2.8 "Balancing Authority" shall have the meaning as defined in section 1 of Exhibit F.

2.9 "Balancing Authority Area" shall have the meaning as defined in section 1 of Exhibit F.

2.10 "Block" or "Block Product" means a planned amount of Firm Requirements Power sold to a customer to meet a portion of its regional consumer load.

2.11 "Business Day(s)" means every Monday through Friday, except federal holidays.

2.12 "**CHWM Contract**" means the power sales agreement between a customer and BPA that contains a Contract High Water Mark (CHWM), and under which the customer purchases power from BPA at rates established by BPA in accordance with the PRDM.

2.13 "Committed Power Purchase Amount" means an amount of firm energy, listed in sections 3 and 4 of Exhibit A, that Ellensburg has agreed to supply and use to serve its Total Retail Load. Such amount is not attributed to a Specified Resource.

2.14 "Consumer-Owned Resource" means a Generating Resource connected to Ellensburg's distribution system (regardless of voltage) from which the output is owned by a retail consumer, has a nameplate capability greater than 1.000 megawatt, is operated to serve load, and is not operated occasionally or intermittently as a back-up energy source at times of maintenance or forced outage. Consumer-Owned Resource does not include a resource where the owner of the resource is a retail consumer that exists solely for the purpose of selling wholesale power and for which Ellensburg only provides incidental station service energy for local use at the retail consumer's generating plant for uses such as lighting, heat and the operation of auxiliary equipment.

2.15 "Contracted For, or Committed To" or "CF/CT" shall have the meaning as described in section 20.3.1.1.

2.16 "Contract High Water Mark" or "CHWM" means the amount of Firm Requirements Power (expressed in annual Average Megawatts) that a customer is eligible to access at Tier 1 Rates. The amount of Firm Requirements Power a customer purchases at Tier 1 Rates is limited to the lesser of its CHWM or its Net Requirement as established consistent with section 1 of Exhibit A.

2.17 "Contract High Water Mark (CHWM) Implementation Policy" means the policy that documents the process details around the FY 2026 CHWM Calculation Process and Above-CHWM Load Process.

2.18 "Cumulative Prior Load" shall have the meaning as established in section 20.3.5.2.

2.19 "Cycle" shall have the meaning as defined in section 6 of Exhibit J.

2.20 "Cycles per Day" shall have the meaning as defined in section 6 of Exhibit J.

2.21 "Dedicated Resource" means a Specified Resource or a Committed Power Purchase Amount listed in Exhibit A that Ellensburg is required by statute to provide or obligates itself to provide under this Agreement for use to serve its Total Retail Load.

2.22 "Dispatchable Resource" means a Specified Resource from which generation amounts can be intentionally increased or decreased by the resource owner or operator, and which has capacity capability greater than the energy capability as defined in Exhibit J.

2.23 "Diurnal" means the division of hours within a month between Heavy Load Hours (HLH) and Light Load Hours (LLH).

2.24 "Due Date" shall have the meaning as described in section 16.2.

2.25 "Effective Date" means the date on which this Agreement has been signed by both Ellensburg and BPA.

2.26 "Electronic Tag" or "E-Tag" shall have the meaning as defined in section 1 of Exhibit F.

2.27 "Eligible Annexed Load" shall have the meaning as defined in section 3.5.7.

2.28 "Emissions Allowance" shall have the meaning as defined in section 2 of Exhibit H.

2.29 "Energy Storage Device" or "ESD" means a facility used to hold generated electric energy for release at a later time. Energy Storage Devices include energy storage facilities such as batteries. In Exhibit J, BPA documents Energy Storage Devices with alternating current (AC) nameplates (in some cases stated as facility interconnection AC nameplates) greater than 1.000 megawatt.

2.30 "Environmental Attribute Accounting Process" shall have the meaning as defined in section 2 of Exhibit H.

2.31 "Environmental Attributes" shall have the meaning as defined in section 2 of Exhibit H.

2.32 "Existing Resource" means a Specified Resource listed in section 2 of Exhibit A that Ellensburg was obligated by contract or statute to use to serve Ellensburg's Total Retail Load prior to October 1, 2023.

2.33 "Federal Columbia River Power System" or "FCRPS" means the integrated power system that includes, but is not limited to, the transmission system constructed and operated by BPA and the hydroelectric dams in the Pacific Northwest constructed and operated by the U.S. Army Corps of Engineers and the Bureau of Reclamation.

2.34 "FERC" means the Federal Energy Regulatory Commission, or its successor.

2.35 "Firm Requirements Power" means electric power that BPA sells under this Agreement and makes continuously available to Ellensburg to meet BPA's obligations to Ellensburg under Section 5(b) of the Northwest Power Act.

2.36 "Fiscal Year" or "FY" means the period beginning each October 1 and ending the following September 30.

2.37 "Flat Annual Shape" means a distribution of energy having the same Average Megawatt value of energy in each month of the year.

2.38 "Flat Within-Month Shape" means a distribution of energy having the same Average Megawatt value of energy in each Diurnal period of the month.

2.39 "Forecast Year" means the Fiscal Year ending one full year prior to the commencement of a Rate Period.

2.40 "FY 2026 CHWM Calculation Process" means the public process where BPA shall calculate each customer's CHWM in accordance with section 2.4 of the Provider of Choice Policy, March 2024, as amended or revised.

2.41 "Generating Resource" means any source or amount of electric power from an identified electricity-producing unit, and for which the amount of power received by Ellensburg or Ellensburg's retail consumer is determined by the power produced from such identified electricity-producing unit. Such unit may be owned by Ellensburg or Ellensburg's retail consumer in whole or in part, or all or any part of the output from such unit may be owned for a defined period by contract.

2.42 "Heavy Load Hours" or "HLH" shall have the meaning as defined in section 1 of Exhibit F.

2.43 "HLH Diurnal Shape" means a distribution of energy between the Diurnal periods in which more megawatt-hours per hour are applied in the Heavy Load Hour (HLH) periods than megawatt-hours per hour applied in the Light

Load Hour (LLH) periods. Such distributions are determined by Ellensburg consistent with section 8 of Exhibit A.

2.44 "Hours of Maximum Discharge" shall have the meaning as defined in section 6 of Exhibit J.

2.45 "Interchange Points" shall have the meaning as defined in section 1 of Exhibit F.

2.46 "Inventory" or "Inventories" shall have the meaning as defined in section 2 of Exhibit H.

2.47 "Issue Date" shall have the meaning as described in section 16.1.

2.48 "Joint Operating Entity" or "JOE" means an entity that meets the requirements of Section 5(b)(7) of the Northwest Power Act.

2.49 "Light Load Hours" or "LLH" shall have the meaning as defined in section 1 of Exhibit F.

2.50 "Low Voltage Segment" means the facilities of a Third-Party Transmission Provider that are below 34.5kV.

2.51 "Maximum Charge Rate" shall have the meaning as defined in section 6 of Exhibit J.

2.52 "Maximum Potential CHWM" shall have the meaning as defined in section 1.2.5 of Exhibit B.

2.53 "Maximum Single Hour Discharge" shall have the meaning as defined in section 6 of Exhibit J.

2.54 "Net Requirement" means the amount of electric power that a customer may purchase from BPA to serve its Total Retail Load, minus amounts of its Dedicated Resources shown in Exhibit A, as determined consistent with Section 5(b)(1) of the Northwest Power Act.

2.55 "New Large Single Load" or "NLSL" shall have the meaning as specified in Section 3(13) of the Northwest Power Act and in the April 2001 Bonneville Power Administration New Large Single Load Policy or its successor (BPA's NLSL Policy).

2.56 "New Resource" means: (1) a Specified Resource listed in section 2 of Exhibit A that Ellensburg was or is obligated by contract to use to serve Ellensburg's Total Retail Load after September 30, 2023, and (2) any Committed Power Purchase Amounts listed in Exhibit A.

2.57 "**New Resource Rate**" or "NR Rate" means the rate for requirements firm power sold to an investor-owned utility (IOU) or public customer pursuant to Section 7(f) of the Northwest Power Act, 16 U.S.C. § 839e(c).

2.58 "Northwest Power Act" means the Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. § 839 et seq., Public Law No. 96-501, as amended.

2.59 "On-Site Consumer Load" means the load of an identified retail consumer of Ellensburg that is electrically interconnected at the same Point of Delivery to Ellensburg's system with a Consumer-Owned Resource of that same identified retail consumer. Such load does not utilize BPA or Third-Party Transmission Provider transmission facilities to deliver the generation from the Consumer-Owned Resource to the consumer load.

2.60 "Open Access Transmission Tariff" or "OATT" shall have the meaning as defined in section 1 of Exhibit F.

2.61 "Peak Load Variance Service" or "PLVS" means a resource-capacity planning-based service for instances when planned load exceeds expected load forecast values.

2.62 "Planned NLSL" means the load at a facility that BPA and a customer have agreed, pursuant to the provisions of Section V.B. of BPA's NLSL Policy, is expected to become an NLSL during the facility's next consecutive 12-month monitoring period.

2.63 "Planned Transmission Outage" shall have the meaning as defined in section 1 of Exhibit F.

2.64 "Point of Delivery" or "POD" means the point where power is transferred from a transmission provider to Ellensburg.

2.65 "Point of Metering" or "POM" means the point at which power is measured.

2.66 "Potential NLSL" means a load at a facility that BPA determines is capable of growing ten Average Megawatt or more in a consecutive 12-month monitoring period that may qualify as an NLSL.

2.67 "Power Services" means the organization, or its successor organization, within BPA that is responsible for the management and sale of BPA-provided electric power.

2.68 "**Preliminary Net Requirement**" means a customer's annual Net Requirement prior to accounting for any New Resources a customer may elect to serve its Above-CHWM Load. Preliminary Net Requirement is determined as the forecasted annual Total Retail Load less Existing Resources, NLSLs, Specified Resources added to Tier 1 Allowance Amount, and Consumer-

Owned Resources serving On-Site Consumer Load, as determined in the Above-CHWM Load Process.

2.69 "Primary Points of Receipt" shall have the meaning as defined in section 14.1.

2.70 "**Public Rate Design Methodology**" or "**PRDM**" means the methodology describing the manner in which BPA will collect a portion of its Power Revenue Requirement from public customers with a CHWM Contract through a combination of charges, credits, fees, and discounts, as well as the terms and conditions related to any potential changes to the methodology.

2.71 "Qualified Capacity Contribution" or "QCC" means the megawatt quantity of capacity provided by a resource, contract, or portfolio as defined by the Western Resource Adequacy Program (WRAP).

2.72 "Rate Case Year" means the Fiscal Year ending prior to the commencement of a Rate Period. The Rate Case Year immediately follows the Forecast Year and is the year in which the 7(i) Process for the next Rate Period is conducted.

2.73 "Rate Period" means the period of time during which a specific set of rates established by BPA pursuant to the PRDM is intended to remain in effect.

2.74 "Region" means the Pacific Northwest as defined in Section 3(14) of the Northwest Power Act.

2.75 "Renewable Energy Certificates" or "Renewable Energy Credits" or "RECs" shall have the meaning as defined in section 2 of Exhibit H.

2.76 "Retire" or "Retirement" shall have the meaning as defined in section 2 of Exhibit H.

2.77 "Resource Diurnal Shape" means a distribution of energy within each Diurnal period that a Specified Resource is expected to produce, as agreed to by the Parties in accordance with section 3.4.1(1).

2.78 "Resource Monthly Shape" means a distribution of energy within each month that a Specified Resource is expected to produce, as agreed to by the Parties in accordance with section 3.4.1(1).

2.79 "Resource Support Services" or "RSS" means a suite of services BPA Power Services provides to integrate federal and non-federal resources defined in Exhibit J and priced in each regular 7(i) Process consistent with chapter 6 of the PRDM.

2.80 "Round Trip Efficiency" shall have the meaning as defined in section 6 of Exhibit J.

2.81 "Scheduling Points of Receipt" shall have the meaning as defined in section 14.1.

2.82 "Slice/Block Product" means a customer's purchase obligation under the Slice Product and the Block Product to meet its regional consumer load obligation as described in section 3.1 of the Slice/Block Product CHWM Contract.

2.83 "Slice Percentage" means the percentage used to determine the amount of the Slice Product a customer purchases, pursuant to its CHWM Contract.

2.84 "Slice Product" means the power product defined in section 5 of the Slice/Block Product CHWM Contract.

2.85 "Small Utility Adjustment" means the subsequent CHWM adjustment as provided in section 2.4.2.1 of the Provider of Choice Policy, March 2024, as amended or revised.

2.86 "Specified Resource" means a Generating Resource that has a nameplate capability or maximum hourly purchase amount greater than 1.000 megawatt, that a customer is required by statute or has agreed to use to serve its Total Retail Load. Each such resource is identified as a specific Generating Resource listed in sections 2 and 4 of Exhibit A.

2.87 "Storage Capacity" shall have the meaning as defined in section 6 of Exhibit J.

2.88 "Submitted Schedule" shall have the meaning as defined in section 3.7.

2.89 "Support Services" means a suite of services Power Services provides to customers, including RSS and other Support Services, as defined in Exhibit J and priced in each 7(i) Process consistent with chapter 6 of the PRDM.

2.90 "Surplus Firm Power" means firm power that is in excess of BPA's obligations, including those incurred under Sections 5(b), 5(c), and 5(d) of the Northwest Power Act, as available.

2.91 "Third-Party Transmission Provider" means a transmission provider other than BPA that provides transmission service to serve Ellensburg's load.

2.92 "Tier 1 Allowance Amount" means the aggregate total nameplate capacity of qualifying Specified Resources listed in section 2 of Exhibit A that Ellensburg is applying to offset its purchase obligation in accordance with section 3.5.2.

2.93 "**Tier 1 Marginal Energy True-Up**" means an end-of-Fiscal-Year process that evaluates the difference between forecast and actual energy usage and aligns that difference with appropriate Tier 1 Rate and market-based pricing levels, as described in chapter 4.2 of the PRDM.

2.94 "Tier 1 Rate(s)" shall have the meaning as described in chapter 4 of the PRDM.

2.95 "Tier 2 Long-Term Rate" means a Tier 2 Rate at which customers may elect to purchase Firm Requirements Power in accordance with section 2.3 of Exhibit C.

2.96 "Tier 2 Rate(s)" shall have the meaning as described in chapter 5 of the PRDM.

2.97 "Tier 2 Short-Term Rate" means a Tier 2 Rate at which customers may elect to purchase Firm Requirements Power in accordance with section 2.4 of Exhibit C.

2.98 "Tier 2 Vintage Rate" means a Tier 2 Rate(s) at which customers may elect to purchase Firm Requirements Power in accordance with section 2.5 of Exhibit C.

2.99 "Total Retail Load" or "TRL" means all retail electric power consumption, including electric system losses, within a customer's electrical system, excluding:

(1) those loads BPA and the customer have agreed are non-firm or interruptible loads,

(2) loads of other utilities served by such customer, and

(3) any loads not on such customer's electrical system or not within such customer's service territory, unless specifically agreed to by BPA.

2.100 "Transfer Service" means the transmission, distribution and other services provided by a Third-Party Transmission Provider to BPA to serve customer load over its transmission system, as listed in Exhibit E.

2.101 "Transfer Service Eligible Resource" means any (1) Dedicated Resource serving Total Retail Load, (2) Consumer-Owned Resource serving On-Site Consumer Load, or (3) any new non-federal resource pursuant to section 14.6.7.2.

2.102 "Transmission Curtailment" shall have the meaning as defined in section 1 of Exhibit F.

2.103 "Transmission Curtailment Management Service" or "TCMS" shall have the meaning as defined in section 1 of Exhibit F.

2.104 "Transmission Event" shall have the meaning as defined in section 1 of Exhibit F.

2.105 "Transmission Scheduling Service" or "TSS" shall have the meaning as defined in section 1 of Exhibit F.

2.106 "Transmission Scheduling Service-Full" or "TSS-Full" shall have the meaning as defined in section 1 of Exhibit F.

2.107 "Transmission Scheduling Service-Partial" or "TSS-Partial" shall have the meaning as defined in section 1 of Exhibit F.

2.108 "Transmission Services" means the organization, or its successor organization, within BPA that is responsible for the management and sale of transmission service on the Federal Columbia River Transmission System.

2.109 "Transmission System Delivery Plan" or "Delivery Plan" means the plan for each Dedicated Resource serving Ellensburg's load or Consumer-Owned Resource serving On-Site Consumer Load that states the transmission system of the load that resource will serve.

2.110 "Uncontrollable Force" shall have the meaning as defined in section 18.

2.111 "Vintage Resource" shall have the meaning as defined in section 2.5 of Exhibit C.

3. LOAD FOLLOWING POWER PURCHASE OBLIGATION

3.1 Purchase Obligation

From October 1, 2028, and continuing through September 30, 2044, BPA shall sell and make available, and Ellensburg shall purchase, Firm Requirements Power in hourly amounts equal to Ellensburg's hourly Total Retail Load minus the hourly firm energy from each of Ellensburg's Dedicated Resources listed in sections 2, 3, and 4 of Exhibit A and Consumer-Owned Resources listed in sections 7.1, 7.3, and 7.4 of Exhibit A. Ellensburg shall determine the hourly firm energy from each of its Dedicated Resources pursuant to section 3.3. Such amounts of energy are subject to change pursuant to section 3.5 and section 10.

3.2 Take or Pay

Ellensburg shall pay for the Firm Requirements Power it is obligated to purchase and that BPA makes available under section 3.1, at the rates BPA establishes in a 7(i) Process pursuant to the PRDM, as applicable to such power, whether or not Ellensburg took delivery of such power.

3.3 Application of Dedicated Resources

Ellensburg shall serve a portion of its Total Retail Load with the Dedicated Resources listed in Exhibit A as follows:

(1) Specified Resources, listed in section 2 of Exhibit A, and

(2) Committed Power Purchase Amounts, listed in section 3.1 of Exhibit A.

Ellensburg shall use its Dedicated Resources to serve its Total Retail Load, and the Parties shall specify amounts of such Dedicated Resources in Exhibit A as stated below for each specific resource and type. BPA shall use the amounts listed in Exhibit A in determining Ellensburg's Net Requirement. The amounts listed are not intended to govern how Ellensburg operates its Specified Resources, except for those resources applied to the Tier 1 Allowance Amount and those resources supported with RSS from BPA.

3.3.1 Specified Resources

3.3.1.1 Application of Specified Resources

Ellensburg shall apply the output of all Specified Resources, listed in section 2 of Exhibit A, to Ellensburg's Total Retail Load in predefined hourly amounts consistent with section 3.7 except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources that Ellensburg is supporting with RSS from BPA. For those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, Ellensburg shall apply all of the output as it is generated to Ellensburg's Total Retail Load. Ellensburg shall apply all Existing Resources that are Dispatchable Resources consistent with section 4 of Exhibit J. Ellensburg shall apply all Specified Resources supported with RSS from BPA to Ellensburg's Total Retail Load consistent with section 3 of Exhibit J.

3.3.1.2 Determining Specified Resource Amounts

For each Specified Resource, BPA, in consultation with Ellensburg, shall determine firm energy amounts for each Diurnal period and peak amounts for each month beginning with the later of the date the resource was dedicated to load or October 1, 2028, through the earlier of the date the resource will be permanently removed or September 30, 2044, and BPA shall list such amounts in section 2 of Exhibit A. BPA shall determine such amounts consistent with the 5(b)/9(c) Policy, and using the allowable shapes established in section 3.4.

3.3.2 Committed Power Purchase Amounts

3.3.2.1 Application of Committed Power Purchase Amounts

To serve Ellensburg's Above-CHWM Load that it commits to meet with Dedicated Resources in Exhibit C, Ellensburg shall provide and use Committed Power Purchase Amounts to meet any amount of such load not met with its Specified Resources

during each Rate Period. Ellensburg shall apply its Committed Power Purchase Amounts, listed in section 3 of Exhibit A, to Ellensburg's Total Retail Load in predefined hourly amounts consistent with section 3.7.

3.3.2.2 **Determining Committed Power Purchase Amounts**
By March 31 of each Rate Case Year, BPA shall calculate and update the table in section 3.1.2 of Exhibit A with Ellensburg's Committed Power Purchase Amounts for each year of the upcoming Rate Period. BPA shall calculate such Committed Power Purchase Amounts using the monthly and Diurnal shapes stated in section 3.1.1 of Exhibit A. Upon termination or expiration of this Agreement, any Committed Power Purchase Amounts listed in Exhibit A shall expire, and Ellensburg shall have no further obligation to apply Committed Power Purchase Amounts.

3.4 Shaping of Dedicated Resources

Ellensburg's Dedicated Resource amounts shall be shaped as follows.

3.4.1 Initial Monthly and Diurnal Resource Shapes

BPA shall initially state Ellensburg's Dedicated Resource amounts in Exhibit A with one of the following shapes:

(1) Specified Resources in the amount of energy within each month and Diurnal period of a year that each resource is expected to generate output as determined pursuant to section 3.3.1.2; and

(2) Committed Power Purchase Amounts in equal megawatt amounts for each hour in a year.

3.4.2 Reshaping Dedicated Resources

By October 31, 2027, and by October 31 of each Rate Case Year thereafter, Ellensburg may elect in writing, pursuant to section 3.4.3, to reshape its amounts of Dedicated Resources listed in sections 2 and 3.1 of Exhibit A, except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources Ellensburg is supporting with RSS from BPA, for the next Rate Period. After BPA receives such written notice from Ellensburg, BPA shall, by the following March 31, revise Exhibit A to reflect such election.

3.4.3 Monthly and Diurnal Reshaping Options

Consistent with section 3.4.2, Ellensburg may elect to reshape one or more of its Dedicated Resources using the allowable shapes described below. If Ellensburg elects to reshape its Specified Resources, then Ellensburg shall elect both a monthly and a Diurnal shape for each Specified Resource that is reshaped. If Ellensburg elects to reshape its Committed Power Purchase Amounts, then the applicable monthly

shape will be the Flat Annual Shape and Ellensburg shall elect a Diurnal shape.

3.4.3.1 **Specified Resources**
For each Specified Resource listed in section 2 of Exhibit A Ellensburg may elect to apply each resource, in any of the following shapes:

(1) Monthly shapes: (A) Resource Monthly Shape; or (B) Flat Annual Shape.

(2) Diurnal shapes: (A) Resource Diurnal Shape; (B) Flat Within-Month Shape; or (C) HLH Diurnal Shape.

3.4.3.2 **Committed Power Purchase Amounts**
Ellensburg may elect to apply its Committed Power Purchase Amounts, listed in section 3.1 of Exhibit A, in either of the following Diurnal shapes: (A) Flat Within-Month Shape; or (B) HLH Diurnal Shape.

3.4.4 **Hourly Resource Shape**
Ellensburg shall apply its Dedicated Resources stated in sections 2 and 3.1 of Exhibit A in equal megawatt amounts during all LLH of a month and in equal megawatt amounts during all HLH of a month, except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources Ellensburg is supporting with RSS from BPA.

3.5 Changes to Dedicated Resources

3.5.1 **Specified Resource Additions to Meet Above-CHWM Load**
With written notice to BPA by July 31 of a Forecast Year, Ellensburg may elect to add Specified Resources to section 2 of Exhibit A, with amounts effective at the start of the upcoming Rate Period, to meet any obligation Ellensburg may have in Exhibit C to serve its Above-CHWM Load with Dedicated Resources. The following apply for such Specified Resources:

(1) BPA shall determine amounts for such Specified Resources in accordance with section 3.3.1.2.

(2) Ellensburg may elect to reshape such Specified Resources in accordance with section 3.4.3, or may elect to purchase RSS from BPA to support such Specified Resources.

BPA shall revise Exhibit A consistent with Ellensburg's elections by March 31 following Ellensburg's elections under this section 3.5.1.

3.5.2 **Specified Resources Added to Tier 1 Allowance Amount**
At any time over the term of the Agreement and by written notice to BPA, Ellensburg may request for BPA to add Specified Resources that meet the qualifying criteria in section 3.5.2.2 to its Tier 1 Allowance Amount in section 2 of Exhibit J. BPA shall review such request and revise Exhibit A as soon as reasonably practical to include such resources, provided that BPA determines in its sole discretion that the Specified Resources meet such qualifying criteria. Any qualifying Specified Resource included in the Tier 1 Allowance Amount shall remain in the Tier 1 Allowance Amount for the term of the Agreement unless the resource is removed consistent with section 3.5.6. Any qualifying Specified Resource included in the Tier 1 Allowance Amount shall be treated as an Existing Resource for purposes of temporary resource removal as provided in section 10. Ellensburg's qualifying Specified Resources included in the Tier 1 Allowance Amount may be subject to charges pursuant to the applicable Power Rate Schedules and GRSPs.

3.5.2.1 **Tier 1 Allowance Amount Limit**
Ellensburg's Tier 1 Allowance Amount shall be limited to the amount stated in section 2 of Exhibit J, and shall not exceed the lesser of 5 MW or 50 percent of Ellensburg's CHWM reflected as a megawatt value. Such value will be considered the Tier 1 Allowance Amount limit. If BPA changes Ellensburg's CHWM consistent with section 1.2 of Exhibit B, then BPA shall recalculate Ellensburg's Tier 1 Allowance Amount limit and update Exhibit J if necessary. If Ellensburg has a reduction to its CHWM, then BPA shall determine whether a reduction in the Tier 1 Allowance Amount limit is appropriate. In the event that BPA reduces Ellensburg's Tier 1 Allowance Amount limit, BPA will determine on a case-by-case basis the treatment of Ellensburg's resource(s).

3.5.2.2 **Qualifying Specified Resources For Tier 1 Allowance Amount**
Any Specified Resource Ellensburg elects to add to its Tier 1 Allowance Amount must meet the following qualifying criteria:

(1) the Specified Resource is a New Resource;

(2) the Specified Resource is connected to Ellensburg's distribution system, regardless of voltage, and does not utilize BPA or Third-Party Transmission Provider transmission facilities; and,

(3) the Specified Resource reduces Ellensburg's Total Retail Load.

3.5.3 **Resource Additions for a BPA Insufficiency Notice**
If BPA provides Ellensburg a notice of insufficiency and reduces its purchase obligation, in accordance with section 20.2, then Ellensburg may temporarily add Dedicated Resources to replace amounts of Firm Requirements Power BPA will not be providing due to insufficiency. The Parties shall revise Exhibit A to reflect such additions.

3.5.4 **Decrements for 9(c) Export**
If BPA determines, in accordance with section 20.6, that an export of a Specified Resource listed in section 2 of Exhibit A requires a reduction in the amount of Firm Requirements Power BPA sells Ellensburg, then BPA shall notify Ellensburg of the amount and duration of the reduction in Ellensburg's Firm Requirements Power purchases from BPA. Within 20 calendar days of such notification Ellensburg may temporarily add a Specified Resource to section 2 of Exhibit A in the amount and for the duration of such decrement. If Ellensburg does not add a Specified Resource to meet such decrement, then within 30 calendar days of such notification BPA shall add Committed Power Purchase Amounts to section 3.2 of Exhibit A in the amount and for the duration of such decrement.

3.5.5 **Temporary Resource Removal**
By March 31 of each Rate Case Year, BPA shall revise Ellensburg's Dedicated Resource amounts listed in the tables of Exhibit A consistent with Ellensburg's resource removal elections made in accordance with section 10.

3.5.6 **Permanent Discontinuance of Resources**
Ellensburg may permanently remove a Specified Resource listed in section 2 of Exhibit A, consistent with the 5(b)/9(c) Policy on statutory discontinuance for permanent removal. If BPA makes a determination that Ellensburg's Specified Resource has met BPA's standards for a permanent removal, then BPA shall revise Exhibit A accordingly. If Ellensburg does not replace such resource with another Dedicated Resource, then Ellensburg's additional Firm Requirements Power purchases under this Agreement, as a result of such a resource removal, shall be subject to the applicable rates or charges as established in the Power Rate Schedules and GRSPs.

3.5.7 **Resource Additions for Annexed Loads**
If Ellensburg acquires an Annexed Load, Ellensburg may add Dedicated Resources to Exhibit A, subject to sections 3.5.7.1 and 3.5.7.2 below, to serve amounts of such Annexed Load that are Eligible Annexed Load. "Eligible Annexed Load" means an Annexed Load: (1) that is added after the Effective Date, and (2) for which Ellensburg did not receive a CHWM addition pursuant to section 1.2.2 of Exhibit B.

3.5.7.1 During the Rate Period in which Ellensburg acquires an Eligible Annexed Load, Ellensburg may serve such load for the remainder of that Rate Period with Dedicated Resources in the shape of the load, as negotiated by the Parties, or with additional power purchased from BPA. If Ellensburg elects to serve such load with Dedicated Resources, then Ellensburg shall apply such resources for the remainder of the Rate Period. If Ellensburg elects to purchase additional power from BPA for the Annexed Load, then during that Rate Period such power purchases shall be subject to the applicable rates or charges as established in the Power Rate Schedules and GRSPs and as applicable to the shape of the Eligible Annexed Load.

3.5.7.2 For all Rate Periods after the Rate Period when Ellensburg acquires an Eligible Annexed Load, Ellensburg shall serve such load pursuant to Ellensburg's elections and either (1) apply Dedicated Resources or (2) purchase Firm Requirements Power at the applicable rates or charges as established in the Power Rate Schedules and GRSPs.

3.5.8 **Resource Additions/Removals for NLSLs**

3.5.8.1 To serve a Planned NLSL or an NLSL listed in Exhibit D that is added after the Effective Date, Ellensburg may add Dedicated Resources to section 4 of Exhibit A. Ellensburg may discontinue serving its NLSL with the Dedicated Resources listed in section 4 of Exhibit A if BPA determines that Ellensburg's NLSL is no longer: (1) an NLSL, or (2) in Ellensburg's service territory.

3.5.8.2 If Ellensburg elects to serve a Planned NLSL or an NLSL with Dedicated Resources, then Ellensburg shall specify in section 4 of Exhibit A the maximum monthly and Diurnal Dedicated Resource amounts that Ellensburg plans to use to serve the NLSL. Ellensburg shall establish such firm energy amounts and BPA shall state such amounts in section 4 of Exhibit A for each month beginning with the date the resource was dedicated to the Planned NLSL or NLSL through the earlier of the date the resource will be removed or September 30, 2044. Ellensburg shall serve the actual load of the Planned NLSL or NLSL up to such maximum amounts with such Dedicated Resource amounts. To the extent that the load at a Planned NLSL or an NLSL is less than the maximum amount in any monthly or Diurnal period, Ellensburg shall have no right or obligation to use such amounts to serve load other than a Planned NLSL or an NLSL. Specific arrangements to match such resources to the Planned NLSL or NLSL on an hourly basis shall be established in Exhibit D.

3.5.9 **PURPA Resources**
If Ellensburg is required by the Public Utility Regulatory Policies Act (PURPA) to acquire output from a Generating Resource and plans to use that output to serve its Total Retail Load, then such output shall be added as a Specified Resource pursuant to Exhibit A. Ellensburg shall purchase RSS from BPA (or equivalent service) to support such resources for the term of this Agreement.

3.6 **Consumer-Owned Resources**
Except for any Consumer-Owned Resources serving a Planned NLSL or an NLSL, which Ellensburg has applied to load consistent with section 20.3, Ellensburg shall apply the output of Consumer-Owned Resources as follows:

3.6.1 **Existing Consumer-Owned Resources**
Ellensburg shall designate, in sections 7.1, 7.2, or 7.3 of Exhibit A, the extent that each existing Consumer-Owned Resource as of the Effective Date will or will not serve On-Site Consumer Load. Ellensburg shall make such designation to BPA in writing no later than 60 calendar days after BPA publishes, to its publicly available website, Ellensburg's final CHWMs from the FY 2026 CHWM Calculation Process. Such designation shall apply for the term of this Agreement.

3.6.2 **New Consumer-Owned Resources**
Ellensburg shall designate the extent that each Consumer-Owned Resource commencing commercial operation after the Effective Date will or will not serve On-Site Consumer Load. Ellensburg shall make such designation to BPA in writing within 120 days of energization of such resource. Such designation shall apply for the term of this Agreement.

Consistent with Ellensburg's designations, BPA shall list Consumer-Owned Resources serving On-Site Consumer Load in section 7.1 of Exhibit A, Consumer-Owned Resources not serving On-Site Consumer Load in section 7.2 of Exhibit A, and Consumer-Owned Resources serving both On-Site Consumer Load and load other than On-Site Consumer Load in section 7.3 of Exhibit A.

3.6.3 **Application of Consumer-Owned Resources Serving On-Site Consumer Load**
Power generated from Consumer-Owned Resources listed in section 7.1 of Exhibit A shall serve On-Site Consumer Load. Ellensburg shall ensure that a Consumer-Owned Resource does not exceed the On-Site Consumer Load such resource serves. If a Consumer-Owned Resource exceeds the On-Site Consumer Load, then BPA may adjust Ellensburg's Total Retail Load used to bill for energy purchases to ensure Ellensburg pays for energy that was otherwise displaced by the amount of generation of the Consumer-Owned

Resource that exceeds the On-Site Consumer Load on any hour. BPA shall determine in its sole discretion whether to make any adjustment based on information Ellensburg provides to BPA as follows:

(1) Commensurate with Ellensburg's designation under section 3.6.2 above, Ellensburg shall provide BPA information demonstrating that the Consumer-Owned Resource's forecasted generation will not exceed the On-Site Consumer Load it is intended to serve on a monthly basis. Examples of such information include but are not limited to consumer load projections and monthly generation projections for the generating equipment to be installed.

(2) If Ellensburg has not provided sufficient information, or if the Consumer-Owned Resource exceeds On-Site Consumer Load, then Ellensburg shall in accordance with section 15 and section 17.3 of this Agreement: (A) install metering on the On-Site Consumer Load, or (B) provide BPA hourly meter data of the On-Site Consumer Load on a monthly basis in a format specified by BPA.

Ellensburg shall provide notice to BPA of any significant changes to an On-Site Consumer Load amount as soon as practicable but no later than 60 calendar days after the change.

Ellensburg must ensure that the Consumer-Owned Resources do not cause negative flow through Ellensburg's Point of Delivery behind which the resource is located. If negative flow occurs, then BPA shall pass through and Ellensburg shall pay any costs assessed to BPA resulting from such flow.

3.6.4 **Application of Consumer-Owned Resources Serving Load Other than On-Site Consumer Load**

Ellensburg shall ensure that power generated from Consumer-Owned Resources listed in section 7.2 of Exhibit A, which serves load other than On-Site Consumer Load, is scheduled for delivery and: (1) sold to another utility in the Region to serve its Total Retail Load, (2) used by Ellensburg to serve its Total Retail Load (consistent with section 3.3), (3) marketed as an export, or (4) any combination of (1), (2), and (3) above.

3.6.5 **Application of Consumer-Owned Resources Serving Both On-Site Consumer Load and Load Other than On-Site Consumer Load**

If Ellensburg designates a Consumer-Owned Resource to serve both On-Site Consumer Load and load other than On-Site Consumer Load, then Ellensburg shall select either Option A or Option B below.

3.6.5.1 **Option A: Maximum Consumer-Owned Resource Amounts Serving On-Site Consumer Load**

If Ellensburg selects this Option A, then Ellensburg shall specify, in section 7.3 of Exhibit A, the maximum hourly amounts of an identified On-Site Consumer Load that are to be served with power generated by an identified Consumer-Owned Resource. Such amounts shall be specified as Diurnal megawatt amounts, by month, and shall apply in all years for the term of this Agreement. Such amounts are not subject to change in accordance with section 3.6.6.

On any hour that the On-Site Consumer Load is less than or equal to the specified maximum hourly amounts, all such On-Site Consumer Load shall be served by Ellensburg with the identified Consumer-Owned Resource or with power other than Firm Requirements Power. Any hourly amounts of the identified On-Site Consumer Load greater than the specified maximum hourly amounts will be served with Firm Requirements Power. Any power generated from the identified Consumer-Owned Resource greater than the specified maximum hourly amounts will be applied to load other than On-Site Consumer Load in accordance with section 3.6.4.

3.6.5.2 **Option B: Maximum Firm Requirements Power Serving On-Site Consumer Load**

If Ellensburg selects this Option B, then Ellensburg shall specify, in section 7.3 of Exhibit A, the maximum hourly amounts of an identified On-Site Consumer Load that are to be served with Firm Requirements Power. Such amounts shall be specified as Diurnal megawatt amounts, by month, and shall apply in all years for the term of this Agreement. Such amounts are not subject to change in accordance with section 3.6.6.

On any hour that On-Site Consumer Load is less or equal to the specified maximum hourly amounts, all such On-Site Consumer Load shall be served with Firm Requirements Power. Ellensburg shall serve any hourly amounts of the identified On-Site Consumer Load greater than the specified maximum hourly amounts with power generated by the identified Consumer-Owned Resource or with power other than Firm Requirements Power. Any power generated from the identified Consumer-Owned Resource greater than the amounts required to be used to serve the On-Site Consumer Load shall be applied to load other than On-Site Consumer Load in accordance with section 3.6.4.

3.6.6 **Changes to Consumer-Owned Resources**
Prior to each Fiscal Year Ellensburg shall notify BPA in writing of any changes in ownership, expected resource output, or other characteristic of Consumer-Owned Resources identified in section 7 of Exhibit A. If a Consumer-Owned Resource has permanently ceased operation and Ellensburg notifies BPA of such cessation, then BPA shall revise section 7 of Exhibit A to reflect such change as long as BPA agrees the determination is reasonable.

3.6.7 **Application of Consumer-Owned Resources Serving a Planned NLSL or NLSL**
If Ellensburg is serving a Planned NLSL or an NLSL with Consumer-Owned Resource amounts pursuant to section 20.3 and section 1 of Exhibit D, then BPA shall list such resources in section 7.4 of Exhibit A. Requirements for Ellensburg's application of Consumer-Owned Resources serving Planned NLSLs and NLSL are included in section 20.3 and section 1 of Exhibit D.

3.6.8 **Data Requirements for Consumer-Owned Resources**
Ellensburg shall meter all Consumer-Owned Resources listed in section 7 of Exhibit A and shall provide such meter data to BPA pursuant to section 17.3.

3.7 **Hourly Dedicated Resource Schedule**
By June 30 of each Rate Case Year, Ellensburg shall provide BPA an hourly schedule(s), in whole megawatt amounts consistent with section 3.7.3 and in the format described in section 3.7.2, for its Dedicated Resources with amounts in each hour, calculated pursuant to section 3.7.1, for each year of the upcoming Rate Period ("Submitted Schedule"). Ellensburg shall schedule such hourly amounts to its Total Retail Load consistent with section 13.

3.7.1 **Schedule Amounts**
The amounts in the Submitted Schedule shall equal the monthly and Diurnal amounts for each Dedicated Resource listed in the tables in sections 2 and 3 of Exhibit A except for those Specified Resources applied to Ellensburg's Tier 1 Allowance Amount, those Existing Resources that are Dispatchable Resources, and those Specified Resources supported with RSS. The hourly amounts in the Submitted Schedule shall be determined in accordance with section 3.4.4.

If the amounts in the Submitted Schedule change in accordance with section 3.5, then Ellensburg shall send BPA a revised Submitted Schedule including the updated amounts within five Business Days of such amounts being updated in Exhibit A.

3.7.2 **Schedule Format**
Ellensburg shall provide the Submitted Schedule to BPA electronically in a comma-separated-value (csv) format with the time/date stamp in

the first column and load amounts, with units of measurement specified, in the following column.

3.7.3 **Whole Megawatt Amounts**
If Ellensburg's Submitted Schedule would otherwise have amounts in fractional megawatts-per-hour, then Ellensburg shall vary its hourly amounts by one megawatt in some hours so that over the course of the applicable month the amounts as scheduled in whole megawatts sum to the appropriate total.

3.8 **Transfer of Renewable Energy Certificates**
BPA shall provide any applicable Renewable Energy Certificates (RECs), emission accounting information, and non-emitting generation accounting information to Ellensburg in accordance with Exhibit H.

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6. PUBLIC RATE DESIGN METHODOLOGY

6.1 The PRDM applies for the term of this Agreement. BPA shall apply the PRDM in accordance with its terms, which govern BPA's establishment, review and revision of Priority Firm Power (PF) rates pursuant to Section 7(i) of the Northwest Power Act for Firm Requirements Power sold under this Agreement.

6.2 The recitation of language from the PRDM in this Agreement does not incorporate such language into this Agreement. BPA may only revise the PRDM's language in accordance with the requirements of PRDM chapter 9. If BPA revises the language of the PRDM, then BPA will unilaterally amend this Agreement to accordingly modify any such language recited in this Agreement.

6.3 Any disputes over the meaning of the PRDM or rates, including whether BPA is adhering to its obligation under the PRDM to revise the PRDM only in accordance with the PRDM chapter 9, or whether the Administrator is correctly implementing the PRDM or rates, including but not limited to matters of whether the Administrator is correctly interpreting, applying, and otherwise adhering or conforming to the PRDM or rate, shall (1) be resolved pursuant to any applicable procedures set forth in the PRDM; (2) if resolved by the Administrator as part of a proceeding under Section 7(i) of the Northwest Power Act, be reviewable as part of the United States Court of Appeals for the Ninth Circuit's review under Section 9(e)(5) of the Northwest Power Act of the rates or rate matters determined in such Section 7(i) proceeding (after FERC final confirmation and approval, and subject to any further review by the United States Supreme Court); and (3) if resolved by the Administrator outside such a Section 7(i) Process and such decision is a final action, be reviewable by the United States Court of Appeals for the

Ninth Circuit under Section 9(e)(5) of the Northwest Power Act (subject to any further review by the United States Supreme Court). The remedies available to Ellensburg through such judicial review shall be Ellensburg's sole and exclusive remedy for such disputes.

6.4 BPA shall not publish a Federal Register Notice regarding BPA rates or the PRDM that prohibits, limits, or restricts Ellensburg's right to submit testimony or brief issues on rate matters regarding the meaning or implementation of the PRDM or establishment of BPA rates pursuant to the PRDM. For purposes of BPA's conformance to this paragraph, a "rate matter" shall not include budgetary and program level issues, or any other matter unrelated to the PRDM or the establishment of rates pursuant to the PRDM.

7. CONTRACT HIGH WATER MARKS

By September 30, 2026, BPA shall establish Ellensburg's CHWM in the FY 2026 CHWM Calculation Process and revise Exhibit B to state Ellensburg's CHWM. Once established, BPA may only adjust Ellensburg's CHWM as permitted pursuant to Exhibit B. After any adjustment, BPA shall revise Exhibit B to state Ellensburg's adjusted CHWM.

8. APPLICABLE RATES

Purchases under this Agreement are subject to the following rate schedules, or their successors: Priority Firm Power (PF), including Tier 1 Rates and Tier 2 Rates, New Resource Firm Power (NR), and Firm Power and Surplus Products and Services (FPS), as applicable. Billing determinants for any purchases will be included in each rate schedule. Power purchases and services sold under this Agreement are subject to the applicable rates and charges in BPA's Power Rate Schedules, established in accordance with the PRDM, as applicable, and its GRSPs (or their successors) established during a 7(i) Process. Ellensburg may incur additional charges as established in the applicable 7(i) Process, and as provided in the Power Rate Schedules and GRSPs, including the Unauthorized Increase Charge or its successors.

8.1 Applicability of Tier 1 and Tier 2 Rates

BPA shall establish PF rates that include rate schedules for purchase amounts at Tier 1 Rates and purchase amounts at Tier 2 Rates. Tier 1 Rates and Tier 2 Rates shall apply to Ellensburg's purchases as follows:

(1) Tier 1 Rates shall apply to Firm Requirements Power that Ellensburg purchases under this Agreement, less: (A) amounts of Firm Requirements Power priced at Tier 2 Rates elected by Ellensburg in section 2 of Exhibit C, (B) amounts of Firm Requirements Power priced at the NR or other applicable 7(f) rate purchased for Planned NLSLs and NLSLs pursuant to Exhibit D, and (C) amounts of Firm Requirements Power priced at any other applicable 7(f) rate not limited to either (A) or (B).

(2) Tier 2 Rates shall apply to such planned annual amounts of Firm Requirements Power that Ellensburg elects to purchase to serve its Above-CHWM Load, pursuant to Exhibit C, that remain after applying Ellensburg's New Resources.

9. ELECTIONS TO PURCHASE POWER PRICED AT TIER 2 RATES

9.1 Tier 2 Rate Alternatives

Subject to the requirements of this section 9 and Exhibit C, and pursuant to the PRDM, Ellensburg shall have the right to purchase Firm Requirements Power at a Tier 2 Long-Term Rate, Tier 2 Short-Term Rate, and Tier 2 Vintage Rate.

9.2 Above-CHWM Load Service Options and Tier 2 Rate Elections

BPA shall calculate Ellensburg's Above-CHWM Load in the Above-CHWM Load Process ahead of each Rate Period.

Ellensburg has the option to serve its Above-CHWM Load with: (1) Firm Requirements Power purchased from BPA at a Tier 2 Rate or rates, (2) Dedicated Resources, or (3) a specific combination of both (1) and (2).

Within 60 calendar days after BPA publishes, to its publicly available website, Ellensburg's final CHWMs from the FY 2026 CHWM Calculation Process, Ellensburg shall determine and provide written notice to BPA of its Above-CHWM Load service election, including its election to purchase Firm Requirements Power at Tier 2 Rates, consistent with section 2.1 of Exhibit C.

BPA shall update Exhibit C to state Ellensburg's Tier 2 Rate purchase elections and the amount of its purchase obligation of Firm Requirements Power at Tier 2 Rates.

9.3 Amounts of Tier 2 Flat Across All Hours

Amounts of Firm Requirements Power sold by BPA at Tier 2 Rates and purchased by Ellensburg shall be equal in all hours of the year.

10. TIER 2 REMARKETING AND RESOURCE REMOVAL

Under this section 10, Ellensburg does not have temporary resource removal or remarketing rights for its Dedicated Resources in Exhibit A added pursuant to section 3.5.4 or section 3.5.8 of the Agreement. In addition, under this section 10, Ellensburg does not have temporary resource removal or remarketing rights for any Dedicated Resource amounts or amounts of Firm Requirements Power purchased at Tier 2 Rates that would otherwise be eligible for removal or remarketing due to the addition of resources under section 3.5.4. Any BPA remarketing of Tier 2 Vintage Rate purchase obligation amounts under this section 10 is subject to section 2.5.6 of Exhibit C.

10.1 **New Resource Removal and Remarketing of Tier 2 Rate Purchase Obligation Amounts for Each Rate Period**

If Ellensburg's Above-CHWM Load as forecasted for each Fiscal Year of an upcoming Rate Period is less than the sum of: (1) Ellensburg's New Resource amounts serving its Above-CHWM Load, as stated in Exhibit A, and (2) Tier 2 Rate purchase obligation amounts, as stated in Exhibit C, then, except as permitted in sections 10.1.3 and 10.1.4 below and in the following order:

(1) Ellensburg shall temporarily remove its eligible New Resource amounts, and

(2) BPA shall remarket Ellensburg's Tier 2 Rate purchase obligation amounts.

Any removal of eligible New Resource amounts or remarketing of Tier 2 Rate purchase obligation amounts shall apply until either: (1) the removed New Resource amounts plus the remarketed Tier 2 Rate purchase obligation amounts equal the amount by which Ellensburg's New Resource amounts plus its Tier 2 Rate purchase obligation amounts exceed its Above-CHWM Load, or (2) all of Ellensburg's New Resources are removed and all of its Tier 2 Rate purchase obligation amounts are remarketed.

10.1.1 If Ellensburg has more than one New Resource, then by October 31 of each Rate Case Year, Ellensburg shall notify BPA of the order and associated amounts of Ellensburg's New Resources that Ellensburg shall remove for each Fiscal Year in the upcoming Rate Period to the extent necessary to comply with this section 10.1.

10.1.2 If Ellensburg fails to notify BPA in accordance with section 10.1.1, then BPA shall determine the order and associated amounts of Ellensburg's New Resource removal for each Fiscal Year in the upcoming Rate Period to comply with section 10.1.

10.1.3 If compliance with the requirements of section 10.1 would cause Ellensburg to remove part or all of any New Resource amounts that Ellensburg uses to fulfill a state or federal renewable resource standard or other comparable legal obligation, then by October 31 of each Rate Case Year Ellensburg may request for BPA to remarket the same amount of Tier 2 Rate purchase obligation amounts until all of Ellensburg's Tier 2 Rate purchase obligation amounts are remarketed. Following such remarketing, Ellensburg may either temporarily remove New Resources applied to the Tier 1 Allowance Amount or Existing Resources to the extent necessary to comply with section 10.1, provided that the hourly, monthly, and Diurnal amounts removed shall be equal to the hourly, monthly, and Diurnal amounts provided by the New Resources that Ellensburg would have otherwise been obligated to remove.

10.1.4 If: (1) Ellensburg made an election under section 2.1(3) or section 2.1(4) of Exhibit C to serve all or a portion of its Above-CHWM Load using the flexible option, (2) Ellensburg has both New Resource amounts and Tier 2 Vintage Rate purchase obligation amounts for serving such Above-CHWM Load, and (3) compliance with the requirements of section 10.1 would cause Ellensburg to remove part or all of its New Resource amounts, then Ellensburg may request for BPA to first remarket the Tier 2 Vintage Rate purchase obligation amounts until all of Ellensburg's Tier 2 Vintage Rate purchase obligation amounts are remarketed before removing any New Resource amounts.

10.2 **Partial Resource Removal**
When only a portion of an eligible Dedicated Resource is removed pursuant to section 10.1 above, such resources shall be removed proportionally to maintain the same annual shape for the resource as established in Exhibit A.

10.3 **Responsibilities for Remarketing Tier 2 Rate Purchase Obligation Amounts and Disposition of Dedicated Resource**
Ellensburg shall be subject to applicable charges or credits, as established in a 7(i) Process, associated with BPA's remarketing of Tier 2 Rate purchase obligation amounts of Firm Requirements Power.

Except as specified in section 10.4 below, Ellensburg shall be responsible for the disposition of any amounts of its Dedicated Resources, whether Specified Resources or Committed Power Purchase Amounts that are removed or reduced pursuant to this Agreement.

10.4 **Removal of Resources Taking RSS**
If Ellensburg purchases RSS for any New Resources that are partially or entirely removed pursuant to sections 10.1 or 10.2 above, then the following shall apply:

10.4.1 Ellensburg shall continue to supply the entire amount of any such resources consistent with applicable provisions stated in Exhibit J.

10.4.2 BPA shall remarket the amounts of any such resources that are removed pursuant to section 10.1 in the same manner BPA remarkets Tier 2 Rate purchase obligation amounts in section 10.3. BPA shall revise Exhibit A to identify the amounts of any such resources that are removed. BPA shall continue to provide RSS in accordance with applicable provisions in Exhibit J to any amounts of such resources that remain in Exhibit A after resource removal.

11. RIGHT TO CHANGE PURCHASE OBLIGATION

11.1 **One-Time Right to Change Purchase Obligation**
Under this Agreement Ellensburg shall have a one-time right to request a change in its purchase obligation, identified in section 3, to another purchase

obligation available from BPA, including Annual Flat Block, Diurnally Shaped Monthly Block, Flat Monthly Block, Flat Monthly Block with 10 Percent Shaping Capacity, Flat Monthly Block with Peak Net Requirement (PNR) Shaping Capacity, Flat Monthly Block with Peak Net Requirement (PNR) Shaping Capacity with Peak Load Variance Service (PLVS), or Slice/Block, if available.

Unless otherwise agreed by the Parties, any Ellensburg Above-CHWM Load service elections, Dedicated Resource additions, and other elections made under this Agreement prior to the notice made under section 11.2 shall continue to be applicable under the new purchase obligation, provided that BPA may update such terms and conditions consistent with the then-current terms of the new purchase obligation, and additional costs may apply for service under Ellensburg's new purchase obligation as described in section 11.6.

11.2 **Notice and Conditions to Change Purchase Obligation and to Join a JOE**

Written notices sent under this section 11.2 must comply with section 1 of Exhibit I. The following sections 11.2.2, 11.2.3 and 11.2.4 shall be in accordance with Section 5(b)(7) of the Northwest Power Act.

11.2.1 **Notice of Change to Purchase Obligation**

No sooner than October 1, 2028, Ellensburg may provide written notice to BPA to request a change to its purchase obligation pursuant to section 11.1 above. Such notice to BPA must be at least three years prior to the start of the Rate Period the purchase obligation change would be effective. Ellensburg's notice shall state: (1) the purchase obligation request, and (2) the Rate Period Ellensburg requests the change to be effective. The latest date that Ellensburg may provide notice to request a change to its purchase obligation is September 30, 2037 for a purchase obligation change effective on October 1, 2040.

11.2.2. **Joining a JOE For Service Effective October 1, 2028**

If Ellensburg requests to join a JOE for service under the JOE's CHWM Contract effective October 1, 2028, then Ellensburg's written notice to BPA to request to assign its contract to the JOE must be received no later than June 30, 2027, regardless of Ellensburg's and the JOE's purchase obligations. Receiving service under the JOE CHWM Contract will not constitute a change to Ellensburg's purchase obligation under this section 11.

11.2.3. **If Customer and JOE Have Same Purchase Obligation**

After June 30, 2027, if the BPA-JOE CHWM Contract and Ellensburg have the same purchase obligation when Ellensburg requests to join the JOE, then Ellensburg's written notice to BPA to request to assign its contract to the JOE must be received no later than June 30 of a Forecast Year for power sales under the BPA-JOE CHWM Contract to begin at the start of the following Rate Period.

11.2.4 **If Customer and JOE Have Different Purchase Obligations**
After June 30, 2027, if the BPA-JOE CHWM Contract and Ellensburg have different purchase obligations, including different Block purchase obligations, when Ellensburg requests to join the JOE, then Ellensburg's written notice to BPA to request to assign its contract to the JOE must be received no later than three years prior to when power sales under the BPA-JOE CHWM Contract will begin at the start of the subsequent Rate Period.

11.3 **Limitations Due to Total Monthly Peak Load Increase**
After receiving Ellensburg's notice under section 11.2, BPA shall evaluate the impact of Ellensburg's request on BPA's forecast of its total monthly peak load obligation relative to BPA's most recent forecast of its total monthly Qualified Capacity Contribution (QCC) values, or successor capacity requirements as determined by BPA, for the first Fiscal Year the purchase obligation change would become effective. As part of such evaluation BPA will assess the change to monthly QCC made by (1) a change to Ellensburg's purchase obligation, and (2) the peak amounts of Ellensburg's Dedicated Resource(s) as stated in Exhibit A.

If after its evaluation BPA determines that Ellensburg's request to change its purchase obligation would increase BPA's total monthly peak load obligation relative to BPA's change in QCC forecast in any one month, then BPA may:

(1) approve Ellensburg's request and directly assign any costs as stated in section 11.6 below; or

(2) approve Ellensburg's request without directly assigning such costs; or

(3) deny Ellensburg's request to change its purchase obligation.

If BPA receives multiple requests from customers to change their purchase obligations and such changes would be effective at the beginning of the same Rate Period, then BPA shall evaluate the impact of Ellensburg's purchase obligation request together with all requesting customers' to assess the aggregate impact of all such purchase obligation change requests. If BPA determines that such requests would increase BPA's total monthly peak load obligation, in relationship to the change in BPA's QCC forecast in any one month, then in addition to options (1), (2), or (3) above, BPA may:

(4) approve Ellensburg's request but defer the date on which Ellensburg's new purchase obligation change would become effective to the start of a subsequent Rate Period.

If BPA determines after its evaluation that the purchase obligation change(s) would not increase BPA's total monthly peak load obligation, in relationship to the change in BPA's QCC forecast, then BPA may approve Ellensburg's request to change its purchase obligation.

BPA will not withhold its approval of Ellensburg's request except under reasonable circumstances, including but not limited to securing the transmission and metering sufficient to deliver the applicable product.

BPA shall provide customers with an opportunity to comment on any customer's request to change its purchase obligation.

11.4 **Restrictions**

If, during the term of this Agreement, all customer purchases of the Slice/Block Product become reduced to zero percent, then BPA will retire the Slice/Block Product as a purchase obligation option under this Agreement. After such retirement, Ellensburg's right to change its purchase obligation will be limited to the Load Following or Block options as outlined in sections 3.1 and 11.1.

11.5 **Changes to Block Purchase Obligation**

If Ellensburg requests and BPA completes a change from one Block purchase obligation to a different Block purchase obligation as outlined in section 1 of Exhibit C, then Ellensburg will have exercised their one-time right to change its purchase obligation as stated above in section 11.1.

11.6 **Charges to Change Purchase Obligation**

In addition to the limitations established in sections 11.1, 11.2 and 11.3 above, (1) Ellensburg shall be responsible for fulfilling all rights, obligations, and liabilities associated with its prior purchase obligation, and (2) Ellensburg may be subject to charges, in addition to the rates for the new service, as a result of changing its purchase obligation. Such additional charges shall recover all additional costs that: (1) will be incurred by BPA to serve Ellensburg under its new purchase obligation compared to its existing purchase obligation, and (2) would otherwise result in a rate impact on all other customers receiving service under a CHWM Contract. If Ellensburg makes a request to change its purchase obligation, then BPA shall notify Ellensburg of any such additional charges. BPA shall not be required to make a payment to Ellensburg as a result of Ellensburg changing its purchase obligation.

11.7 **Change Confirmation**

Within 30 calendar days of BPA's presentation to Ellensburg of the additional charges determined in section 11.6, and Ellensburg's maximum Slice Percentage calculated pursuant to section 11.9, if applicable, Ellensburg shall provide BPA with written notice whether it will proceed with its request to change its purchase obligation.

11.8 **Amendment to Reflect New Purchase Obligation**

Following Ellensburg's confirmation of its decision to change its purchase obligation, the Parties shall amend this Agreement to replace the terms of Ellensburg's current purchase obligation with the terms of the new purchase obligation.

11.9 **Available Slice Product and Slice Percentage**

The total Firm Slice Amount BPA offers to all customers purchasing the Slice/Block Product shall not exceed 25 percent of the sum of CHWMs established in the FY 2026 CHWM Process. If Ellensburg requests to change to the Slice/Block Product, then BPA shall calculate Ellensburg's amount of available Slice Product for changes to the Slice/Block Product as follows:

(1) BPA shall calculate the total amount of available Slice Product in Average Megawatts for purchase by all customers requesting a change to the Slice/Block Product by subtracting (A) the sum of Slice Customers' CHWMs multiplied by 50 percent, from (B) 25 percent of the sum of initial CHWMs established in the FY 2026 CHWM Process.

Expressed as a formula:

Available Slice Product = (25% (sum of initial FY 2026 CHWMs)) – (50% (Slice Customers' CHMW))

BPA shall compare the amount of available Slice Product to 50 percent of the sum of initial CHWMs for all customers requesting a change to the Slice/Block Product to determine the maximum Slice Percentage BPA shall offer to Ellensburg.

(2) If the available Slice Product calculated pursuant to section 11.9(1) above is equal to or exceeds 50 percent of the sum of CHWMs for all customers requesting a change to Slice/Block Product, then BPA shall not limit the request.

BPA shall notify Ellensburg of the available amounts of Slice Product available in accordance with section 11.7. Ellensburg shall provide a change confirmation to BPA pursuant to section 11.7. Ellensburg's Slice Percentage in each Fiscal Year shall be calculated pursuant to section 5.3.

(3) If the available Slice Product calculated pursuant to section 11.9(1) is less than 50 percent of the sum of CHWMs for all customers requesting a change to the Slice/Block Product, then BPA shall limit the maximum Slice Percentage of those customers requesting a change to Slice/Block Product on a pro rata basis.

BPA shall notify Ellensburg of the amounts of Slice Product and Ellensburg shall provide BPA with a change confirmation pursuant to section 11.7. Ellensburg's Slice Percentage in each Fiscal Year shall be calculated pursuant to section 5.3.

If the amount of available Slice Product increases in the future, then BPA, in its sole discretion, may offer Slice Customers with a maximum Slice Percentage that was reduced under section 11.9(3) to

less than 50 percent of its CHWM, a pro rata adjustment to increase the maximum Slice Percentage, not to exceed 50 percent of its CHWM.

If BPA determines it will offer an increase under this section 11.9(3), then BPA shall notify such Slice Customers of a potential increase to available Slice Product within 30 calendar days of BPA's receipt of a customer notice pursuant to section 11.2. BPA shall notify such Slice Customers of an actual increase to available Slice Product within 30 calendar days of BPA's receipt of change confirmation, confirming a customer request to leave the Slice/Block Product, that increases available Slice Product pursuant to section 11.7. BPA will identify the Rate Period in which the maximum Slice Percentage will be effective following BPAs receipt of a change confirmation.

BPA may offer the pro rata increase to such Slice Customers without consideration of the effective date of the respective Slice Customer purchase obligation changes to the Slice/Block Product.

12. BILLING CREDITS AND RESIDENTIAL EXCHANGE

12.1 Billing Credits

If Ellensburg develops a Generating Resource or engages in conservation activities independently undertaken to serve its loads, then Ellensburg agrees that it shall forego any request for, and BPA is not obligated to include, billing credits, as defined in Section 6(h) of the Northwest Power Act, on Ellensburg's bills under this Agreement. This section does not apply to any billing credit contracts in effect as of the Effective Date.

12.2 Residential Exchange

During the term of this Agreement, Ellensburg agrees it will not seek and shall not receive residential exchange benefits pursuant to Section 5(c) of the Northwest Power Act. Ellensburg's agreement in this section 12.2 is a material precondition to BPA offering and executing this Agreement.

13. SCHEDULING

Over the term of this Agreement, Ellensburg may be required to purchase or may have the option to purchase Transmission Scheduling Service from Power Services in accordance with Exhibit F. If Ellensburg is required or elects to purchase Transmission Scheduling Service from Power Services, then Ellensburg shall comply with the scheduling requirements described in Exhibit F, Transmission Scheduling Service. If Ellensburg is not purchasing Transmission Scheduling Service from Power Services, then Ellensburg shall comply with the scheduling requirements described in Exhibit F, Scheduling.

14. DELIVERY

14.1 Definitions

14.1.1 "Primary Points of Receipt" means the points on the Region's transmission system where Firm Requirements Power is forecasted to be made available by Power Services to Ellensburg for purposes of obtaining a long-term firm transmission contract.

14.1.2 "Scheduling Points of Receipt" means the points on the Region's transmission system where Firm Requirements Power is made available by Power Services to Ellensburg for purposes of acquiring transmission service and transmission scheduling.

14.2 Transmission Service

14.2.1 Ellensburg is responsible for acquiring transmission service to deliver power from the Scheduling Points of Receipt.

14.2.2 Ellensburg shall provide at least 180 days' notice to Power Services prior to changing Balancing Authority Areas.

14.2.3 At Ellensburg's request, Power Services shall provide Ellensburg with Primary Points of Receipt and other information needed to enable Ellensburg to acquire long-term firm transmission for delivery of power sold under this Agreement. If required by a transmission provider for purposes of transmission scheduling, then Power Services shall provide Ellensburg with Scheduling Points of Receipt. Power Services has the right to provide power to Ellensburg at Scheduling Points of Receipt that are different than the Primary Points of Receipt. If BPA does provide power to Ellensburg at Scheduling Points of Receipt that are different than the Primary Points of Receipt, then BPA shall reimburse Ellensburg for any incremental, direct, non-administrative costs incurred by Ellensburg to comply with delivering Firm Requirements Power from such Scheduling Points of Receipt to Ellensburg's load if the following conditions, as outlined in (1) or (2) below, have been met:

(1) If Ellensburg has long-term Point to Point (PTP) Transmission Service (as defined in BPA's Open Access Transmission Tariff or its successor) for delivery of Firm Requirements Power to its load:

(A) Ellensburg has requested long-term firm transmission service to deliver its Firm Requirements Power using the Primary Points of Receipt and other information provided by Power Services; and

(B) Ellensburg has submitted a request to redirect its long-term firm PTP Transmission Service to deliver Firm Requirements Power and Surplus Firm Power from the Scheduling Point of Receipt on a firm basis, but that request was not granted; and

(C) Ellensburg's transmission schedule was curtailed due to non-firm status under PTP Transmission Service or Ellensburg can provide proof of the reimbursable costs incurred to replace the curtailed schedule.

(2) If Ellensburg has long-term Network Integration Transmission Service (as defined in BPA's Open Access Transmission Tariff or its successor) for delivery of Firm Requirements Power to its load:

(A) Ellensburg has requested long-term firm transmission service to deliver its Firm Requirements Power using the Primary Points of Receipt and other information provided by Power Services; and

(B) Ellensburg's transmission schedule was curtailed due to non-firm status under its secondary service status and Ellensburg can provide proof of the reimbursable costs incurred to replace the curtailed schedule.

14.3 **Liability for Delivery**

Ellensburg waives any claims against BPA arising under this Agreement for non-delivery of power to any points beyond the applicable Scheduling Points of Receipt, except for reimbursement of costs as described in section 14.2.3. BPA shall not be liable under this Agreement for any third-party claims related to the delivery of power after it leaves the Scheduling Points of Receipt. Neither Party shall be liable under this Agreement to the other Party for damage that results from any sudden, unexpected, changed, or abnormal electrical condition occurring in or on any electric system, regardless of ownership. These limitations on liability apply regardless of whether or not this Agreement provides for Transfer Service.

14.4 **Real Power Losses**

BPA is responsible for the real power losses necessary to deliver Firm Requirements Power and Surplus Firm Power to Ellensburg's PODs listed in Exhibit E.

14.5 **Metering Losses**

BPA shall adjust measured amounts of power to account for metering losses, if any, that occur between Ellensburg's PODs and the respective POMs, as specified in Exhibit E.

15. METERING

15.1 Measurement

By September 30, 2027, the Parties shall ensure that meters are installed on all PODs listed in Exhibit E, consistent with the requirements of this section 15. Unless otherwise stated in Exhibit E, the amount of power measured by such meters shall be used by BPA for billing purposes. If the Parties agree that metering is economically or technologically impractical, then:

(1) the Parties shall use scheduled amounts to measure the amount of power purchased if such power is scheduled into or out of Ellensburg's service territory; or

(2) the Parties shall use mutually acceptable load profiles to measure the amount of power purchased if such power is not scheduled; or

(3) the Parties shall use meter data provided by Ellensburg to BPA in a mutually agreed manner to measure the amount of power purchased.

If the metering equipment associated with the meters listed in Exhibit E fails to properly measure or record the interval readings, then BPA shall follow the Metering Usage Data Estimation Provision of BPA's applicable Power Rate Schedules and GRSPs to determine the appropriate billing adjustment.

The rights to locate meters and access facilities granted to BPA pursuant to this section 15 are subject to the terms of any applicable agreement between Ellensburg and Transmission Services addressing the location, cost responsibility, access, maintenance, testing, and liability of the Parties with respect to meters.

15.2 BPA Owned Meters

At BPA's expense, BPA shall operate, maintain, and replace, as necessary, all metering equipment owned by BPA that is needed to plan, schedule, and bill for Ellensburg's power needs under this Agreement consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA. Ellensburg authorizes BPA to maintain and replace any BPA owned metering equipment on Ellensburg's facilities that is reasonably necessary to forecast, plan, schedule, and bill for power. With reasonable notice from BPA, and for the purpose of implementing this provision, Ellensburg shall grant BPA reasonable physical access to BPA owned meters at BPA's request, consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

If, at any time, either Party determines that a BPA owned meter is defective or inaccurate, then BPA shall adjust, repair, or replace the meter to provide accurate metering as soon as practical consistent with Ellensburg's Network

Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA. Ellensburg shall have the right to witness any meter tests conducted by BPA on BPA owned meters listed in Exhibit E. The exercise of such right shall be conducted consistent with the applicable requirements, if any, of Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

15.3 Non-BPA Owned Meters

15.3.1 Non-BPA Owned Meters Owned by Ellensburg

At Ellensburg's expense, Ellensburg shall operate, maintain, and replace, as necessary, all non-BPA metering equipment owned by Ellensburg that is needed by BPA to forecast, plan, schedule, and bill for power for:

(1) points of interconnection between Ellensburg's system and parties other than BPA;

(2) all loads that require separate measurement for purposes of forecasting, planning, scheduling, or billing for power; and

(3) Generating Resources and Energy Storage Devices listed in Exhibit A and Exhibit J, respectively that are interconnected to Ellensburg's system.

For the purpose of inspection, Ellensburg shall grant BPA reasonable physical access to Ellensburg meters at BPA's request, consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

If, at any time, BPA or Ellensburg determines that a Ellensburg owned meter listed in Exhibit E is defective or inaccurate, then Ellensburg shall adjust, repair, or replace the meter, or shall make commercially reasonable efforts to arrange for the completion of such actions, to provide accurate metering as soon as practical. BPA shall have the right to witness any meter tests conducted by Ellensburg on Ellensburg owned meters listed in Exhibit E. The exercise of such right shall be conducted consistent with the applicable requirements, if any, of Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA.

15.3.2 Non-BPA Owned Meters Not Owned by Ellensburg

For non-BPA owned meters not owned by Ellensburg, and excluding such in section 15.3.3.below, needed by BPA to forecast, plan, schedule and bill for power under this Agreement, Ellensburg shall make commercially reasonable efforts to arrange with the owner(s) of such

meters for the meters to be operated, maintained and replaced, as necessary, for the measurements described above in sections 15.3.1(1) and 15.3.1(2) and for any Generating Resources listed in Exhibit A and Energy Storage Devices listed in Exhibit J that require metering.

If, at any time, it is determined that a non-BPA owned meter not owned by Ellensburg listed in Exhibit E is defective or inaccurate, then Ellensburg shall make commercially reasonable efforts to arrange with the owner of the meter to adjust, repair, or replace the meter, to provide accurate metering as soon as practical. To the extent possible, BPA may witness any meter tests on non-BPA owned meters not owned by Ellensburg listed in Exhibit E, consistent with Ellensburg's Network Operating Agreement, BPA's Metering Application Requirements, or their successors, or other agreements Ellensburg has with BPA as well as any applicable agreements Ellensburg may have with the owner of the meter.

15.3.3 **Non-BPA Owned Meters Owned by a Third-Party Transmission Provider**
For non-BPA owned meters owned by a Third-Party Transmission Provider for which BPA holds a transmission contract for service to Ellensburg load, the metering arrangements shall be between BPA and the Third-Party Transmission Provider.

15.4 **New Meters**
A separate agreement addressing the location, cost responsibility, access, maintenance, testing, and liability of the Parties with respect to new meters shall be between Ellensburg and Transmission Services.

All new and replaced meters installed by either Party shall meet the American National Standard Institute standards and the Requirements for Instrument Transformers, or their replacement as specified in BPA's applicable metering procedures and requirements posted to BPA's publicly accessible metering services website as of the date of installation.

15.5 **Metering an NLSL**
In addition to the provisions contained in this section 15, any loads that are monitored by BPA for an NLSL determination and any NLSLs shall be metered pursuant to section 20.3.3.

15.6 **Metering Exhibit**
The Parties shall provide meter data to one another as specified in section 17.3. BPA shall list Ellensburg's PODs, POMs, Interchange Points, as applicable, and related information in Exhibit E.

16. BILLING AND PAYMENT

16.1 Billing

BPA shall electronically bill Ellensburg monthly for all products and services, including any charges and credits incurred, provided during the preceding month(s). However, if electronic transmittal of the bill is not possible, then BPA shall mail a physical copy of the bill to Ellensburg. BPA may send Ellensburg an estimated bill prior to a final bill and may send subsequent revisions if needed. The Issue Date is the date BPA sends the bill to Ellensburg.

16.2 Payment

Ellensburg shall pay all bills electronically in accordance with instructions on the bill. Payment of all bills, whether estimated or final, must be received by the 20th day after the Issue Date of the bill (Due Date). If the 20th day is a Saturday, Sunday, or federal holiday, then the Due Date is the next Business Day.

If Ellensburg has made payment on an estimated bill then:

(1) if the amount of the final bill exceeds the amount of the estimated bill, then Ellensburg shall pay BPA the difference between the estimated bill and final bill by the final bill's Due Date; or

(2) if the amount of the final bill is less than the amount of the estimated bill, then BPA shall pay Ellensburg the difference between the estimated bill and final bill by the 20th day after the final bill's Issue Date. If the 20th day is a Saturday, Sunday, or federal holiday, BPA shall pay the difference by the next Business Day.

16.3 Late Payments

If Ellensburg has not paid its bill in full by the Due Date, BPA shall apply a daily interest charge to any unpaid balance equal to the higher of:

(1) the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) plus four percent, divided by 365; or

(2) the Prime Rate times 1.5, divided by 365.

16.4 Failure to Pay

If Ellensburg has not paid its bill in full by the Due Date, then BPA shall notify Ellensburg of nonpayment. Ellensburg shall have 45 calendar days after receipt of the written notice to cure its nonpayment by making payment in full. If Ellensburg does not provide full payment within the 45-day cure period, then BPA shall send an additional written notice of nonpayment to Ellensburg. Ellensburg shall then have three Business Days after receipt of the additional written notice to provide payment. If Ellensburg has not provided payment within three Business Days after receipt of the additional

written notice and BPA determines in its sole discretion that Ellensburg is unable to make the payments owed, then BPA may terminate this Agreement pursuant to section 23. Written notices sent under this section 16.4 must comply with section 1 of Exhibit I.

16.5 **Disputed Bills**

16.5.1 If Ellensburg disputes any portion of a charge or credit on Ellensburg's estimated or final bills, Ellensburg shall provide written notice to BPA with a copy of the bill noting the disputed amounts. Notwithstanding whether any portion of the bill is in dispute, Ellensburg shall pay the entire bill by the Due Date. This section 16.5.1 does not allow Ellensburg to challenge the validity of any BPA rate.

16.5.2 Unpaid amounts on a bill (including both disputed and undisputed amounts) are subject to the late payment charges provided above. Notice of a disputed charge on a bill does not constitute BPA's agreement that a valid claim under contract law has been stated.

16.5.3 If the Parties agree, or if after a final determination of a dispute pursuant to section 19, Ellensburg is entitled to a refund of any portion of the disputed amount, then BPA shall make such refund with simple interest computed from the date of receipt of the disputed payment to the date the refund is made. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which payment was due) divided by 365.

17. INFORMATION EXCHANGE AND CONFIDENTIALITY

17.1 **General Requirements**

Upon request, each Party shall provide the other Party any information that is necessary to administer this Agreement and to forecast Ellensburg's Total Retail Load, forecast BPA system load, comply with North American Electric Reliability Corporation (NERC) reliability standards, prepare bills, resolve billing disputes, administer Transfer Service, forecast and monitor large loads and NLSLs, and otherwise implement this Agreement. For example, this obligation includes, but is not limited to: (1) load and resource data relating to large loads and NLSLs; (2) transmission and power scheduling information; (3) load and resource metering information (such as customer system one-line and metering diagrams, loss factors, historical hourly load and resource data, etc.); and, (4) Energy Storage Device data.

In addition, Ellensburg shall provide information BPA requests about Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load for purposes of meeting: (1) BPA's statutory obligations under Section 7(b) of the Northwest Power Act and (2) regional resource adequacy programs and market participation.

The Parties shall make best efforts to provide information requested under this section 17.1 within the reasonable time frames specified in the requests. If Ellensburg fails to provide BPA with information Ellensburg is required to provide pursuant to this Agreement and the absence of such information makes it impossible for BPA to perform a calculation, make a determination, or take an action required under this Agreement, then BPA may suspend its obligation to perform such calculation, make such determination, or take such action until Ellensburg has provided such information to BPA.

17.2 Reports

17.2.1 Within 30 calendar days after final approval of Ellensburg's annual financial report and statements by Ellensburg's authorized officer, Ellensburg shall either e-mail them to BPA at kslf@bpa.gov or, if any of the information is publicly available, then Ellensburg shall notify BPA of its availability.

17.2.2 Within 30 calendar days after its submittal to the Energy Information Administration (EIA), or its successor, Ellensburg shall e-mail a copy of its Annual Form EIA-861 Reports to BPA at kslf@bpa.gov. If Ellensburg is not required to submit such reports to the EIA, then this requirement does not apply.

17.2.3 By November 30, 2028, and by November 30 each year thereafter, Ellensburg shall provide to the Pacific Northwest Utilities Conference Committee (PNUCC), or its successor, forecasted loads, Energy Storage Devices, and resources data to facilitate a region-wide assessment of loads and resources in a format, length of time, and level of detail specified in PNUCC's Northwest Regional Forecast Data Request.

After consultation with the Northwest Power and Conservation Council's (Council) Resource Adequacy Advisory Committee, or a successor, BPA may require Ellensburg to submit additional data to Council that BPA determines is necessary for the Council to perform a regional resource adequacy assessment.

The requirements of this section 17.2.3 are waived if Ellensburg: (1) purchases all the power to serve its Total Retail Load from BPA and (2) uses no Energy Storage Device(s) to serve its Total Retail Load.

Notwithstanding the above, in no event shall Ellensburg be obligated under this section 17.2.3 to provide PNUCC or the Council an unaggregated load forecast or other unaggregated data that is specific to an individual end-use consumer or potential end-use consumer of Ellensburg, including no obligation to provide the identities of such end-use consumers.

Ellensburg may require PNUCC or Council to execute a commercially reasonable non-disclosure agreement consistent with the terms of section 17.6 before providing such entities the data and information required pursuant to this section 17.2.3, as applicable.

17.2.4 If Ellensburg is required by applicable law, their transmission provider, or directive (i.e. utility board resolution) to prepare and publish long-term integrated resource plans or resource forecasts, then Power Services may request and Ellensburg shall provide Power Services with updated copies of such.

17.3 Meter Data

17.3.1 In accordance with section 15 and Exhibit E, the Parties shall notify each other of any changes to PODs, POMs, Interchange Points and related information for which each Party is responsible. Ellensburg shall ensure BPA has access to all data from load, Energy Storage Device, and resource meters that BPA determines are necessary to administer this Agreement including to forecast, plan, schedule, and bill under this Agreement. Access to these data shall be on a schedule agreed to by the Parties. Meter data include, but are not limited to: Ellensburg's actual amounts of energy used, expended, or stored for loads, resources, and Energy Storage Devices, and the physical attributes of Ellensburg's meters.

BPA shall provide Ellensburg access to and Ellensburg may view meter data from the meters listed in Exhibit E with an active Customer Portal agreement, or its successor.

17.3.2 Ellensburg consents to allow Power Services to receive the following information from Transmission Services and BPA's metering function: (1) Ellensburg's meter data, as specified in section 17.3.1, section 15, and Exhibit E, and (2) notification of outages or load shifts.

17.3.3 When the following events are planned to occur on Ellensburg's system that will affect the load measured by the meters listed in Exhibit E:

(1) installation of a new meter,

(2) changes or updates to an existing meter not owned by BPA,

(3) any planned line or planned meter outages, and

(4) any planned load shifts from one POD to another,

then Ellensburg shall provide BPA with advance notice by e-mailing BPA at mdm@bpa.gov and the contacts shown in section 1 of Exhibit I.

Ellensburg shall follow all applicable metering procedures and requirements posted to BPA's publicly accessible metering services website. Such requirements include, but are not limited to, specifying the number of required advanced days' notice for the events listed above.

This section 17.3.3 is not intended to apply to retail meters not listed in Exhibit E.

17.3.4 If an unplanned load shift or outage occurs, materially affecting the load measured by the meters listed in Exhibit E, then Ellensburg shall e-mail BPA at: (1) mdm@bpa.gov, and (2) the contacts shown in section 1 of Exhibit I within 72 hours after the event.

17.4 **Data for Determining CHWM**
Upon request, Ellensburg shall provide to BPA any load and resource information that BPA determines is reasonably necessary to calculate Ellensburg's CHWM. This may include historical load data not otherwise available to BPA and other data necessary to allow BPA to adjust for weather normalization.

17.5 **Total Retail Load Forecast**
By December 31, 2026, and by each December 31 of each Forecast Year, the Parties shall work together to determine and establish a forecast of Ellensburg's monthly energy and Ellensburg's system coincidental peak of Ellensburg's Total Retail Load for the upcoming ten Fiscal Years.

17.6 **Transparency of Net Requirements Process**
By July 31, 2028, and by July 31 of each Rate Case Year thereafter, BPA shall make the following information publicly available to Ellensburg and all other BPA regional utility customers with a CHWM:

(1) Ellensburg's measured Total Retail Load data for the previous two Fiscal Years in monthly energy amounts and monthly customer-system peak amounts, and

(2) Ellensburg's Dedicated Resources for the previous two Fiscal Years in monthly energy and peak amounts as listed in section 5 of Exhibit A.

Ellensburg waives all claims of confidentiality regarding the data described above.

17.7 **Confidentiality**
Before Ellensburg provides information to BPA that is confidential, or is otherwise subject to a privilege or nondisclosure, Ellensburg shall clearly designate such information as confidential. BPA shall notify Ellensburg as soon as practicable of any request received under the Freedom of Information Act (FOIA), or under any other federal law or court or administrative order,

for any confidential information. BPA shall release such confidential information consistent with FOIA or if required by any other federal law or court or administrative order. BPA shall limit the use and dissemination of confidential information within BPA to employees who need it for purposes of administering this Agreement.

17.8 **Resources Not Used to Serve Total Retail Load**
Ellensburg shall list in section 6 of Exhibit A all Generating Resources Ellensburg owns that are: (1) not Specified Resources listed in section 2 of Exhibit A, and (2) greater than 1.000 megawatt of nameplate capability. At BPA's request, Ellensburg shall provide BPA with additional data if needed to verify the information listed in section 6 of Exhibit A.

18. UNCONTROLLABLE FORCES

18.1 A Party shall not be in breach of an obligation under this Agreement to the extent its failure to fulfill the obligation is due to an Uncontrollable Force. "Uncontrollable Force" means an event beyond the reasonable control, and without the fault or negligence, of the Party claiming the Uncontrollable Force, that prevents that Party from performing its obligations under this Agreement and which that Party could not have avoided by the exercise of reasonable care, diligence and foresight. Uncontrollable Forces include each event listed below, to the extent it satisfies the foregoing criteria, but are not limited to these listed events:

(1) any curtailment or interruption of firm transmission service on BPA's or a Third-Party Transmission Provider's System that prevents delivery of Firm Requirements Power sold under this Agreement to Ellensburg;

(2) any failure of Ellensburg's distribution or transmission facilities that prevents Ellensburg from delivering power to end-users;

(3) strikes, work stoppage, or terrorist acts;

(4) floods, earthquakes, other natural disasters, epidemics, or pandemics; and

(5) final orders or injunctions issued by a court or regulatory body having subject matter jurisdiction which the Party claiming the Uncontrollable Force, after diligent efforts, was unable to have stayed, suspended, or set aside pending review by a court having subject matter jurisdiction.

18.2 Neither the unavailability of funds or financing, nor conditions of national or local economies or markets shall be considered an Uncontrollable Force. The economic hardship of either Party shall not constitute an Uncontrollable Force. Nothing contained in this provision shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.

18.3 If an Uncontrollable Force prevents a Party from performing any of its obligations under this Agreement, such Party shall:

(1) promptly notify the other Party of such Uncontrollable Force by any means practicable and confirm such notice in writing as soon as reasonably practicable;

(2) use commercially reasonable efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligation hereunder as soon as reasonably practicable;

(3) keep the other Party apprised of such efforts on an ongoing basis; and

(4) provide written notice of the resumption of performance.

Written notices sent under this section must comply with section 1 of Exhibit I.

18.4 The Parties shall keep each other apprised of the status of any Uncontrollable Force once invoked.

19. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement shall be interpreted consistent with and governed by federal law. Ellensburg and BPA shall identify issue(s) in dispute arising out of this Agreement and make a good faith effort to negotiate a resolution of such disputes before either may initiate litigation or arbitration. Such good faith effort shall include discussions or negotiations between the Parties' executives or managers. Pending resolution of a contract dispute or contract issue between the Parties or through formal dispute resolution of a contract dispute arising out of this Agreement, the Parties shall continue performance under this Agreement unless to do so would be impossible or impracticable. Unless the Parties engage in binding arbitration as provided for in this section 19, the Parties reserve their rights to individually seek judicial resolution of any dispute arising under this Agreement.

19.1 **Judicial Resolution**

Final actions subject to Section 9(e) of the Northwest Power Act are not subject to arbitration under this Agreement and shall remain within the exclusive jurisdiction of the United States Court of Appeals for the Ninth Circuit. Such final actions include, but are not limited to, the establishment and the implementation of rates and rate methodologies. Any dispute regarding any rights or obligations of Ellensburg or BPA under any rate or rate methodology, or BPA policy, including the implementation of such policy, shall not be subject to arbitration under this Agreement. For purposes of this section 19, BPA policy means any written document adopted by BPA as a final action in a decision record or record of decision that establishes a policy of general application or makes a determination under an applicable statute or regulation. If BPA determines that a dispute is excluded from nonbinding

arbitration under this section 19, then Ellensburg may apply to the federal court having jurisdiction for an order determining whether such dispute is subject to nonbinding arbitration under this section 19.

19.2 **Arbitration**

Any contract dispute or contract issue between the Parties arising out of this Agreement, which is not excluded by section 19.1 above, shall be subject to arbitration, as set forth below.

Ellensburg may request that BPA engage in binding arbitration to resolve any dispute. If Ellensburg requests such binding arbitration and BPA determines in its sole discretion that binding arbitration of the dispute is appropriate under BPA's Binding Arbitration Policy or its successor, then BPA shall engage in such binding arbitration, provided that the remaining requirements of this section 19.2 and sections 19.3 and 19.4 are met. BPA may request that Ellensburg engage in binding arbitration to resolve any dispute. In response to BPA's request, Ellensburg may agree to binding arbitration of such dispute, provided that the remaining requirements of this section 19.2 and sections 19.3 and 19.4 are met. Before initiating binding arbitration, the Parties shall draft and sign an agreement to engage in binding arbitration, which shall set forth the precise issue in dispute, the amount in controversy and the maximum monetary award allowed, pursuant to BPA's Binding Arbitration Policy or its successor.

Nonbinding arbitration shall be used to resolve any dispute arising out of this contract that is not excluded by section 19.1 above and is not resolved via binding arbitration, unless Ellensburg notifies BPA that it does not wish to proceed with nonbinding arbitration.

19.3 **Arbitration Procedure**

Any arbitration shall take place in Portland, Oregon, unless the Parties agree otherwise. The Parties agree that a fundamental purpose for arbitration is the expedient resolution of disputes; therefore, the Parties shall make best efforts to resolve an arbitrable dispute within one year of initiating arbitration. The rules for arbitration shall be agreed to by the Parties.

19.4 **Arbitration Remedies**

The payment of monies shall be the exclusive remedy available in any arbitration proceeding pursuant to this section 19. This shall not be interpreted to preclude the Parties from agreeing to limit the object of arbitration to the determination of facts. Under no circumstances shall specific performance be an available remedy against BPA.

19.5 **Finality**

19.5.1 In binding arbitration, the arbitration award shall be final and binding on the Parties, except that either Party may seek judicial review based upon any of the grounds referred to in the Federal Arbitration Act, 9 U.S.C. §1-16 (1988). Judgment upon the award

rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof.

19.5.2 In nonbinding arbitration, the arbitration award is not binding on the Parties. Each Party shall notify the other Party within 30 calendar days, or such other time as the Parties otherwise agreed to, whether it accepts or rejects the arbitration award. Subsequent to nonbinding arbitration, if either Party rejects the arbitration award, either Party may seek judicial resolution of the dispute, provided that such suit is brought no later than 395 calendar days after the date the arbitration award was issued.

19.6 **Arbitration Costs**

Each Party shall be responsible for its own costs of arbitration, including legal fees. Unless otherwise agreed to by the Parties, the arbitrator(s) may apportion all other costs of arbitration between the Parties in such manner as the arbitrator(s) deem reasonable taking into account the circumstances of the case, the conduct of the Parties during the proceeding, and the result of the arbitration.

20. STATUTORY PROVISIONS

20.1 **Retail Rate Schedules**

Ellensburg shall make its retail rate schedules available to BPA, as required by section 5(a) of the Bonneville Project Act, P.L. 75-329, within 30 calendar days of each of Ellensburg's retail rate schedule effective dates. This requirement may be satisfied by Ellensburg informing BPA of its public website where such information is posted and kept current.

20.2 **Insufficiency and Allocations**

If BPA determines, consistent with Section 5(b) of the Northwest Power Act and other applicable statutes, that it will not have sufficient resources on a planning basis to serve its loads after taking all actions required by applicable laws then BPA shall give Ellensburg a written notice that BPA may restrict service to Ellensburg. Such notice shall be consistent with BPA's insufficiency and allocations methodology, published in the Federal Register on March 20, 1996, and shall state the effective date of the restriction, the amount of Ellensburg's load to be restricted and the expected duration of the restriction. BPA shall not change that methodology without the written agreement of all public body, cooperative, federal agency and investor-owned utility customers in the Region purchasing electric power from BPA under Section 5(b) of the Northwest Power Act. Such restriction shall take effect no sooner than five years after BPA provides notice to Ellensburg. If BPA imposes a restriction under this provision then the amount of Firm Requirements Power that BPA is obligated to provide and that Ellensburg is obligated to purchase pursuant to section 3 and Exhibit C shall be reduced to the amounts available under such allocation methodology for restricted service.

20.3 New Large Single Loads and CF/CTs

20.3.1 Customer Notice of Large Loads and Determination of an NLSL

Ellensburg shall provide reasonable notice to BPA of any expected increase in a single load that may qualify as a Potential NLSL, Planned NLSL, or NLSL.

Pursuant to this section 20.3, BPA shall determine if any load associated with a single facility that is capable of growing ten Average Megawatts or more in a consecutive 12-month period is a Potential NLSL or an NLSL. Pursuant to this section 20.3, the Parties shall determine if any load associated with a single facility is a Planned NLSL.

Ellensburg's Potential NLSLs, Planned NLSLs, and NLSLs shall be subject to monitoring as determined necessary by BPA. For the purposes of section 2.66, this section 20.3, and section 1 of Exhibit D, ten Average Megawatts in a consecutive 12-month monitoring period equates to 87,600,000 kilowatt-hours in any consecutive 12-month period with 365 days and 87,840,000 kilowatt-hours for any consecutive 12-month period with 366 days.

In accordance with BPA's NLSL Policy and the terms of this section 20.3, BPA may determine that a load is an NLSL as follows:

20.3.1.1 Pursuant to Section 3(13) of the Northwest Power Act, BPA shall determine an increase in production load to be an NLSL if any load associated with a new facility, an existing facility, or an expansion of an existing facility, which is not Contracted For, or Committed To (CF/CT), as determined by the Administrator, by a public body, cooperative, investor-owned utility, or federal agency customer prior to September 1, 1979, will result in an increase in power requirements of such customer of ten Average Megawatts or more in any consecutive 12-month period.

20.3.1.2 For the sole purpose of computing the increase in energy consumption between any two consecutive 12-month periods of comparison under this section 20.3.1, BPA shall determine if the reductions in the end-use consumer's load associated with a facility during the first 12-month period of comparison are due to unusual events reasonably beyond the control of the end-use consumer, and, if so, BPA shall compute the energy consumption as if such reductions had not occurred.

20.3.1.3 The Parties may agree that the applicable increase in load of installed production equipment at a facility will equal or exceed ten Average Megawatts consumption over any

12 consecutive months and that such production load constitutes an NLSL. Any such agreement will be a binding NLSL determination, and BPA shall add the NLSL to section 1 of Exhibit D. Alternatively, the Parties may agree that the load at a facility is expected to become an NLSL during the facility's next consecutive 12-month monitoring period and that such load is a Planned NLSL. BPA shall add the Planned NLSL to section 1 of Exhibit D.

20.3.1.4 Unless the Parties agree pursuant to section 20.3.1.3 above, BPA shall determine whether a new load or an increase in existing load at a facility is an NLSL. If BPA determines that the load at a facility is an NLSL, then BPA shall notify Ellensburg and BPA shall add the NLSL to section 1 of Exhibit D if such is not already in Exhibit D after the facility determination pursuant to section 20.3.2.

20.3.1.5 BPA shall list Ellensburg's CF/CT loads, Potential NLSLs, Planned NLSLs, and NLSLs in section 1 of Exhibit D.

20.3.2 **Determination of a Facility**
BPA shall make a written determination as to what constitutes a single facility for the purpose of identifying an NLSL. BPA's determination will be made by applying some or all of the following criteria:

(1) whether the load is operated by a single end-use consumer;

(2) whether the load is in a single location;

(3) whether the load serves a manufacturing process which produces a single product or type of product;

(4) whether separable portions of the load are interdependent;

(5) whether the load is separately metered from other loads;

(6) whether the load is contracted for, served or billed as a single load under Ellensburg's customary billing and service policy or practices;

(7) consideration of the facts from previous similar situations; and

(8) any other factors the Parties determine to be relevant.

20.3.3 **Access and Metering**
Upon BPA request, Ellensburg shall provide physical access to its substations and other service locations where BPA needs to perform inspections or gather information for purposes of implementing

Section 3(13) of the Northwest Power Act. Such BPA inspections may include but are not limited to those needed to make a facility, final NLSL, or CF/CT determination. Ellensburg shall coordinate with the end-use consumer to provide BPA, at reasonable times, physical access to inspect a facility for these purposes.

For any load that is monitored by BPA for an NLSL determination, and for any load at any facility that was determined by BPA to be an NLSL, BPA may, in its sole discretion, install BPA owned meters. If the Parties agree, Ellensburg may install meters meeting specifications BPA provides to Ellensburg. Ellensburg and BPA shall enter into a separate agreement for the location, ownership, cost responsibility, access, maintenance, testing, replacement and liability of the Parties with respect to such meters. Ellensburg shall coordinate with BPA and the end-use consumer to arrange for metering locations that allow accurate measurement of the load at a facility. Ellensburg shall arrange for BPA to have physical access to such meters and Ellensburg shall ensure BPA has access to all meter data for loads that are monitored under this section 20.3 and section 1 of Exhibit D that BPA determines are necessary to forecast, plan, schedule, and bill for power.

20.3.4 **Billing for Large Loads Capable of Growing By More Than 10 aMW in 12-Month Monitoring Period**

At the time a load starts to increase, if BPA does not determine that such increase in load is a Planned NLSL or an NLSL, then BPA shall bill Ellensburg for the increase in load at a facility at the applicable PF rates during any consecutive 12-month monitoring period.

If BPA later determines that the increase in load is an NLSL, then BPA shall revise Ellensburg's monthly bills from the monitoring period to reflect the difference between the assessed PF rates and the applicable NR Rates in effect for the monitoring period in which the increase takes place. Ellensburg shall pay the balance on each revised bill, which will include simple interest on the assessed amount. BPA shall compute simple interest on the assessed amount from the original Due Date of any bill that included days from the applicable monitoring period to the Due Date of the revised bill that will be issued. The daily interest rate shall equal the Prime Rate (as reported in the Wall Street Journal or successor publication in the first issue published during the month in which the monitoring period began) divided by 365. After BPA's NLSL determination, Ellensburg shall make a service request or election for the NLSL pursuant to section 20.3.6.

If BPA concludes in its sole judgment that Ellensburg has not fulfilled its obligations, or has not been able to obtain access or information from the end-use consumer under this section 20.3, then BPA may determine any large load capable of growing ten Average Megawatts

or more in a consecutive 12-month period or any Potential NLSL subject to monitoring to be an NLSL, in which case Ellensburg shall be billed and pay in accordance with the preceding paragraph. Such NLSL determination shall be final unless Ellensburg proves to BPA's satisfaction that the applicable increase in load did not equal or exceed ten Average Megawatts in any 12-month monitoring period.

20.3.5 **Load Status at the End of the Consecutive 12-Month Monitoring Period**

At the end of each consecutive 12-month monitoring period of a load at a facility, BPA will determine if the metered load at the facility has grown by ten Average Megawatts or more during the preceding consecutive 12-month monitoring period. To determine load growth for a facility determined to be a CF/CT, BPA will subtract the amount of firm energy contracted for, or committed for the facility, as stated in section 1 of Exhibit D, from the metered load at the facility for the preceding consecutive 12-month monitoring period.

20.3.5.1 **Load Growth By 10 Average Megawatts or More**

If the load at a facility has grown by ten Average Megawatts or more in the preceding consecutive 12-month monitoring period, then the facility is an NLSL. BPA shall notify Ellensburg of the NLSL designation and shall update section 1 of Exhibit D. Any future increases in the load shall be part of the NLSL.

20.3.5.2 **Load Growth Less Than 10 Average Megawatts**

If the load at a facility has grown by less than ten Average Megawatts in the preceding consecutive 12-month monitoring period, then BPA shall notify Ellensburg that the load remains a Potential NLSL or Planned NLSL, and BPA may continue to monitor the load growth in the subsequent consecutive 12-month monitoring period. BPA shall also determine if liquidated damages are applicable pursuant to section 1 of Exhibit D.

If the load at a facility has grown by less than ten Average Megawatts in the preceding consecutive 12-month monitoring period(s), then BPA will track the cumulative total load at the facility from one monitoring period to the next. For purposes of this section 20.3 and section 1 of Exhibit D, the cumulative total load, including load increases and load reductions, from the prior 12-month monitoring period(s) will be referred to as the "Cumulative Prior Load". At the end of each 12-month monitoring period, BPA shall update section 1 of Exhibit D with the amount of Ellensburg's Cumulative Prior Load and include the amount of Cumulative Prior Load in the calculation of Ellensburg's Firm Requirements Power

eligible for service at BPA's PF rates for the subsequent consecutive 12-month monitoring period.

20.3.5.3 **Load at a Facility Included in Customer's Firm Requirement Power**
For purposes of this section 20.3 and section 1 of Exhibit D, the amount of Cumulative Prior Load of a Potential NLSL or Planned NLSL when BPA determines the facility to be an NLSL will be the fixed amount of Ellensburg's load at a facility that BPA will include in its calculation of Ellensburg's Firm Requirements Power eligible for service at BPA's PF rates. BPA may adjust the fixed amount of Ellensburg's load at a facility that BPA will include in its calculation of Ellensburg's Firm Requirements Power eligible for service at BPA's PF rates if Ellensburg's load at the facility reduces by 10 aMW below the fixed amount.

Upon BPA's determination that a monitored load is an NLSL, all measured amounts of such NLSL that exceed the load at the facility that is included in Ellensburg's Firm Requirements Power calculation shall be part of Ellensburg's NLSL, which will be served in accordance with this section 20.3 and section 1 of Exhibit D.

As applicable, BPA shall update the table in section 1.5.2 of Exhibit D with the fixed amount of load at the facility to be included in the calculation of Ellensburg's Firm Requirements Power eligible for service at BPA's PF rates.

20.3.6 **Service Options for Planned NLSLs and NLSLs**
Ellensburg may:

(1) serve any Planned NLSL or NLSL with Dedicated Resource or Consumer-Owned Resource amounts added to Exhibit A that are not already being used to serve Ellensburg's Total Retail Load in the Region. If Ellensburg elects to serve its NLSL with Dedicated Resource or Consumer-Owned Resource Amounts, then such election shall be binding on Ellensburg for the remaining term of this Agreement; or

(2) request to have BPA serve any Planned NLSL or NLSL at the applicable NR Rate consistent with section 20.3.7 below.

If Ellensburg serves any Planned NLSL or NLSL with Committed Power Purchase Amounts, then Ellensburg shall provide BPA with information necessary for BPA's compliance with regional resource adequacy planning requirements pursuant to section 22.1 and section 5 of Exhibit J.

If Ellensburg has existing Planned NLSLs or NLSLs as of the Effective Date of this Agreement, and if Ellensburg has not notified BPA which service option above it chooses for each applicable Planned NLSL or NLSL above by the start of the CHWM Load Process for FY 2029, then Ellensburg's default election for all such existing Planned NLSLs and NLSLs shall be consistent with section 20.3.6(1) above.

If Ellensburg changes its purchase obligation pursuant to section 11 of this Agreement, and (1) Ellensburg has requested and BPA has started an NLSL service study or (2) Ellensburg has Planned NLSLs or NLSLs served by BPA at the NR Rate, then BPA will assess future service for such Planned NLSLs or NLSLs on a case-by-case basis.

20.3.7 **Request for NLSL Service Study, Summary Report, and NLSL Service Election**

If Ellensburg would like BPA to serve a Planned NLSL or an NLSL at the NR Rate, then Ellensburg shall submit a written request to BPA for an NLSL service study no sooner than the Effective Date of this Agreement.

Ellensburg shall provide BPA all information requested by BPA necessary to study Ellensburg's Planned NLSL or NLSL. After BPA determines it has all necessary information, BPA shall conduct an NLSL service study that may last up to three years from the date of Ellensburg's request.

During the study period, BPA shall: (1) assess the ability of BPA to serve the Planned NLSL or NLSL with firm power and (2) periodically keep Ellensburg apprised of its study progress. BPA shall bill Ellensburg and Ellensburg shall pay all costs associated with the NLSL service study, including but not limited to staff time and third-party costs associated with completing a study.

Once BPA completes the NLSL service study, BPA will provide Ellensburg with the NLSL service study summary report for BPA to make power available to serve the NLSL with firm power at the NR Rate. The NLSL service study summary report will state the conditions of BPA making power available to serve the NLSL such as: the anticipated date BPA could provide power, costs arrangements, any BPA resource acquisition needs, any additional information required, and any identified constraints that may be known.

Power Services will coordinate with Transmission Services to complete and implement any NLSL service study to identify anticipated timing of available transmission to incorporate any new resource acquisition into the FCRPS for any new resources Power Services forecasts. Coordination between Power Services, Transmission Services and Ellensburg is necessary to facilitate arrangements between Ellensburg

and Transmission Services for delivery of Firm Requirements Power to Ellensburg to serve a Planned NLSL or an NLSL under Ellensburg's transmission service agreement with Transmission Services.

Within 90 calendar days of receipt of the NLSL service study summary report, Ellensburg shall elect in writing to: (1) have BPA serve the Planned NLSL or NLSL at the NR Rate starting on the date stated in the summary report and consistent with section 20.3.6(2) above; or (2) continue to serve the Planned NLSL or NLSL with non-federal resource(s) consistent with section 20.3.6(1) above. Such election shall be binding on Ellensburg for the remaining term of this Agreement.

If Ellensburg elects to have BPA serve the Planned NLSL or NLSL at the NR Rate, then the Parties will revise Exhibit D to include the terms and conditions of the NLSL service study summary report, including a provision for liquidated damages, or develop a stand-alone agreement with such terms.

20.3.8 **Planned NLSL and NLSL Service During the Study Period and Until the NR Service Start Date**

While BPA conducts an NLSL service study and until Ellensburg's elected service start date at the NR Rate, Ellensburg may serve its Planned NLSL or NLSL with Dedicated Resource or Consumer-Owned Resource amounts consistent with section 20.3.6(1). BPA shall revise section 4 or 7.4 of Exhibit A to include such resources.

At any time while BPA is conducting an NLSL service study, Ellensburg may request BPA discontinue the NLSL service study and elect to serve the Planned NLSL or NLSL with Dedicated Resource or Consumer-Owned Resource amounts for the term of this Agreement. If a Planned NLSL becomes an NLSL during the NLSL study period, BPA shall update Exhibit D to reflect the change.

20.3.9 **Submittal of Initial Forecast**

If Ellensburg is serving any Planned NLSLs or NLSLs with Dedicated Resource or Consumer-Owned Resource amounts, then by June 30 of each year, unless another date is agreed to by the Parties, Ellensburg shall provide BPA with forecasted energy amounts for such resources for each Diurnal period and peak amounts for each month to serve any Planned NLSLs and NLSLs for the upcoming Fiscal Year. BPA shall use Ellensburg's initial forecast to determine the Dedicated Resource or Consumer-Owned Resource amounts required to serve the Planned NLSLs and NLSLs. However, if BPA determines Ellensburg's initial forecast to be unreasonable, then BPA may replace Ellensburg's initial forecast with a final forecast that BPA develops. If Ellensburg is serving any Planned NLSLs or NLSLs with Dedicated Resource or

Consumer-Owned Resource amounts, then BPA shall revise section 4 or 7.4 of Exhibit A to state such amounts by September 1 of each year.

20.3.10 **Consumer-Owned Resources Serving a Planned NLSL or an NLSL**

20.3.10.1 **Consumer-Owned Resources**

Ellensburg's consumer may serve a Planned NLSL or an NLSL with a Consumer-Owned Resource if the following criteria are met:

(1) the Consumer-Owned Resource and its expected generation amounts are indicated in section 7.4 of Exhibit A as serving a specific Planned NLSL or NLSL;

(2) the Consumer-Owned Resource is physically located within Ellensburg's service territory;

(3) the Consumer-Owned Resource is within the same Balancing Area Authority as the Planned NLSL or NLSL; and

(4) the Consumer-Owned Resource is metered, regardless of nameplate size, and the meter data is communicated in accordance with section 15 and section 17 of the body of this Agreement.

If Ellensburg serves a Planned NLSL or an NLSL with a Consumer-Owned Resource, then Ellensburg may be required to purchase NR Support Services pursuant to requirements in the applicable Power Rate Schedules and GRSPs.

For purposes of determining Ellensburg's monthly power billing determinants, the load at a facility will be calculated by subtracting the actual generation from Ellensburg's Consumer-Owned Resource(s) identified in section 7.4 of Exhibit A from the metered hourly load of any Planned NLSL or NLSL listed in Exhibit D.

The generation from such Consumer-Owned Resources may not exceed the Planned NLSL or NLSL being served on any hour. BPA may adjust Ellensburg's power billing determinants to account for hourly excess Consumer-Owned Resource generation and may assess other charges or penalties in accordance with any applicable BPA Power Rate Schedules and GRSPs.

20.3.10.2 **On-Site Renewable Resource/Cogeneration Exception**
For purposes of this section 20.3.10.2, on-site means within the physical footprint of the NLSL facility as determined by BPA in the facility determination process.

Ellensburg may request to have BPA serve an NLSL at a PF equivalent rate, as established in the applicable 7(i) Process, if the following criteria are met:

(1) Ellensburg's end use consumer applies an on-site renewable resource or on-site cogeneration resource to reduce the load at a facility, that is otherwise not eligible to be served at PF rates, to less than ten Average Megawatts in a consecutive 12-month period,

(2) the on-site renewable resource or on-site cogeneration resource applied to the NLSL is behind Ellensburg's meter to the load at the facility, and

(3) the on-site renewable resource or on-site cogeneration resource is continuously applied to serve the NLSL, consistent with BPA's NLSL Policy and BPA's Provider of Choice Contract Record of Decision (ROD), August 2025, as amended or replaced.

If Ellensburg meets the criteria above and BPA grants Ellensburg's request for the on-site renewable/cogeneration exception, then BPA shall: (1) list the Consumer-Owned Resource serving the NLSL in section 7.4 of Exhibit A and (2) revise section 1 of Exhibit D to add the on-site renewable resource or cogeneration facility and the requirements for such service.

20.4 **Priority of Pacific Northwest Customers**
The provisions of Sections 9(c) and 9(d) of the Northwest Power Act and the provisions of the Pacific Northwest Consumer Power Preference Act as amended by the Northwest Power Act, as implemented pursuant to BPA's 5(b)/9(c) Policy, are incorporated into this Agreement by reference. Ellensburg, together with other customers in the Region, shall have priority to electric power consistent with such provisions.

20.5 **Prohibition on Resale**
Ellensburg shall not resell Firm Requirements Power except to serve Ellensburg's Total Retail Load or as otherwise permitted by federal law.

20.6 Use of Regional Resources

20.6.1 Within 60 calendar days prior to the start of each Fiscal Year, Ellensburg shall provide notice to BPA of any firm power from Ellensburg's Generating Resources during its term, listed in Exhibit A that has been used to serve firm consumer load in the Region and that Ellensburg plans to export for sale outside the Region in the next Fiscal Year. Firm power includes firm energy and firm peaking capability.

BPA may request and Ellensburg shall provide within 30 calendar days of such request, additional information on Ellensburg's sales and dispositions of non-federal resources if BPA has information that Ellensburg may have made such an export and not notified BPA. BPA may request and Ellensburg shall provide within 30 calendar days of such request, information on the planned use of any or all of Ellensburg's Generating Resources.

During any Rate Period that Ellensburg has no purchase obligation for Firm Requirements Power under section 3, Ellensburg shall have no obligation to notify BPA of its exports under this section; provided, however, Ellensburg shall provide notification of all applicable exports in Rate Periods when it has a purchase obligation.

20.6.2 Ellensburg shall be responsible for monitoring any firm power from Generating Resources it sells in the Region to ensure such firm power is planned to be used to serve firm consumer load in the Region.

20.6.3 Subject to the 5(b)/9(c) Policy, if Ellensburg fails to report to BPA in accordance with section 20.6.1 above, any of its planned exports for sale outside the Region of firm power from a Generating Resource that has been used to serve firm consumer load in the Region, and BPA makes a finding that an export which was not reported was made, then BPA shall decrement the amount of its Firm Requirements Power sold under this Agreement by the amount and for the duration of the export that was not reported and by any continuing export amount. Decrements under the preceding sentence shall be first to power that would otherwise be provided at the applicable firm power rate, as determined by BPA. When applicable, such decrements shall be identified in section 3.2 of Exhibit A.

20.6.4 For purposes of this section 20.6, an export for sale outside the Region means a contract for the sale or disposition of firm power from a Generating Resource during its term that has been used to serve firm consumer load in the Region, which contract will be performed in a manner that such output is no longer used or not planned to be used solely to serve firm consumer load in the Region. Delivery of firm power outside the Region under a seasonal exchange agreement that is made consistent with BPA's 5(b)/9(c) Policy will not be considered

an export. Firm power from a Generating Resource used to serve firm consumer load in the Region means the firm generating or load carrying capability of a Generating Resource as established under the resource planning criteria generally used within the Region.

20.6.5 For purposes of this section 20.6, if Ellensburg has notified BPA that it will join and participate in an organized market using non-federal firm power produced by a Generating Resource dedicated to supply its Total Retail Load as identified in Exhibit A, then to the extent the organized market operates geographically both within and outside the Region, Ellensburg's participation in such market will not be considered an export outside the Region, provided Ellensburg's dedicated non-federal power obligation remains unchanged from the amount identified in Exhibit A. Ellensburg's participation in an organized market shall not increase the firm energy requirements of Ellensburg or other customers of the Administrator, as determined by the Administrator.

20.7 **BPA Appropriations Refinancing**
The Parties agree that the provisions of section 3201(i) of the Bonneville Power Administration Refinancing section of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (BPA Refinancing Act), P.L. 104-134, 110 Stat. 1321, 350, as stated in the United States Code on the Effective Date, are incorporated by reference and are a material term of this Agreement.

21. STANDARD PROVISIONS

21.1 **Amendments**
Except where this Agreement explicitly allows for one Party to unilaterally amend a provision or exhibit, no amendment of this Agreement shall be of any force or effect unless set forth in writing and signed by authorized representatives of each Party. Upon Ellensburg's request, and to the extent BPA determines it is practicable, BPA shall provide Ellensburg a reasonable opportunity to review any unilateral provision or exhibit revisions, or the data that will be input into an exhibit revision, prior to BPA making such unilateral revisions.

21.2 **Entire Agreement and Order of Precedence**
This Agreement, including documents expressly incorporated by reference, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement. It supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement. The body of this Agreement shall prevail over the exhibits to this Agreement in the event of a conflict.

21.3 **Assignment**

This Agreement is binding on any successors and assigns of the Parties. Neither Party may otherwise transfer or assign this Agreement, in whole or in part, without the other Party's written consent. Such consent shall not be unreasonably withheld. Without limiting the foregoing, BPA's refusal to consent to assignment shall not be considered unreasonable if, in BPA's sole discretion: (1) the sale of power by BPA to the assignee would violate any applicable statute, or (2) such sale might adversely affect the tax-exempt status of bonds issued as part of an issue that finances or refinances the Columbia Generating Station or that such sale might limit the ability to issue future tax-exempt bonds to finance or refinance the Columbia Generating Station. Ellensburg may not transfer or assign this Agreement to any of its retail consumers.

21.4 **No Third-Party Beneficiaries**

This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.

21.5 **Waivers**

No waiver of any provision or breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving Party, and any such waiver shall not be deemed a waiver of any other provision of this Agreement or of any other breach of this Agreement.

21.6 **BPA Policies**

Any reference in this Agreement to BPA policies, including any revisions, does not constitute agreement of Ellensburg to such policy by execution of this Agreement, nor shall it be construed to be a waiver of the right of Ellensburg to seek judicial review of any such policy.

21.7 **Rate Covenant and Payment Assurance**

Ellensburg agrees that it shall establish, maintain and collect rates or charges sufficient to assure recovery of its costs for power and energy and other services, facilities and commodities sold, furnished or supplied by it through any of its electric utility properties. BPA may require additional forms of payment assurance if: (1) BPA determines that such rates and charges may not be adequate to provide revenues sufficient to enable Ellensburg to make the payments required under this Agreement, or (2) BPA identifies in a letter to Ellensburg that BPA has other reasonable grounds to conclude that Ellensburg may not be able to make the payments required under this Agreement. If Ellensburg does not provide payment assurance satisfactory to BPA, then BPA may terminate this Agreement. Written notices sent under this section must comply with section 1 of Exhibit I.

21.8 **Procedure in the Event of Federal Base System Resource Loss**

BPA shall provide notice to Ellensburg if BPA expects the loss of Federal Base System Resource, as defined in Section 3(10) of the Northwest Power Act, that: (1) is in excess of 450 aMW in a single year and is

expected to last for a period of five or more years, and (2) the replacement cost of which would be included in the Tier 1 Cost Pool.

BPA shall conduct a public process to discuss targeted policy and CHWM Contract amendments if, within 30 calendar days of such notice provided in this section 21.8, a majority of CHWM Contract customers, or their representatives, indicate in writing to BPA the customer's support to open a public process to discuss targeted policy and contract amendments. For purposes of calculating utility count under this section, JOE Members will be counted individually.

22. PARTICIPATION IN WRAP

BPA is participating in the Western Resource Adequacy Program (WRAP) with its first binding season occurring prior to October 1, 2028. If BPA ceases to participate in WRAP, then BPA shall provide advance notice to Ellensburg of the date that BPA's participation will end.

The remainder of this section 22 will not apply if BPA is not participating in WRAP.

22.1 Responsibilities and Provision of Information Necessary for WRAP Participation

BPA shall be solely responsible for fulfilling its contractual obligations to WRAP and shall provide WRAP with any necessary data regarding Ellensburg's load and resources in compliance with WRAP requirements. Consistent with this section 22, section 17, and section 5 of Exhibit J, Ellensburg shall provide BPA with any necessary and requested information, forecasts, and attestations associated with Ellensburg's Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load.

22.1.1 By October 1, 2027, BPA shall notify Ellensburg of its preferred mode of communication for WRAP-related information.

22.1.2 BPA may request a signed Joint Contract Accreditation Form (JCAF) from Ellensburg for any Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load relevant to the WRAP. Ellensburg shall provide BPA with a signed JCAF(s) no later than 30 calendar days following such request and by the dates established in section 5 of Exhibit J. JCAFs provided under this section shall comply with the requirements of WRAP and shall be updated as appropriate to meet WRAP requirements.

22.2 WRAP-Related Charges Under a Sharing Event

If BPA incurs any charges from WRAP attributed to Ellensburg's Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load, then BPA shall pass through such charges, or the portion of such charges related to Ellensburg's resources, to Ellensburg, subject to the terms of section 5 of Exhibit J.

If BPA does not incur a charge from the WRAP entity but does incur a WRAP-related cost attributed to Ellensburg's Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load, then BPA may assess a charge pursuant to BPA's applicable Power Rate Schedules and GRSPs and as established in a 7(i) Process.

22.3 **WRAP and Resource-Related Exhibit Revisions**

By June 30, 2027, Ellensburg and BPA shall review and make any necessary revisions to Exhibit J to adjust the terms and conditions to implement this section 22. Such revision may include terms and conditions such as, but not limited to: BPA's preferred mode of communication, Ellensburg notices relevant to WRAP, pass through charges for resources (subject to the limitations in section 22.2 above), terms related to JCAFs, load exclusions, and any other terms necessary to facilitate BPA's participation in WRAP.

In addition, if after June 30, 2027 Ellensburg elects to apply a Dedicated Resources or Consumer-Owned Resources serving On-Site Consumer Load to load for the first time, then Ellensburg and BPA shall review and make any necessary revisions to Exhibit J to adjust the terms and conditions to implement this section 22.

22.4 **Load Exclusions**

For purposes of this section 22, "load exclusion" means a distinct and separately metered load of Ellensburg for which BPA is not the exclusive wholesale provider and that is excluded from BPA's WRAP participation.

Ellensburg's request for a load exclusion, and BPA's decision of whether to allow such load exclusion, shall be pursuant to section 5 of Exhibit J.

23. FUTURE AMENDMENT FOR DAY-AHEAD MARKET IMPLEMENTATION

If BPA decides, or has decided, to join a day-ahead market to serve Ellensburg's load, then BPA shall conduct a public process to discuss implementation details of BPA's decision and work with customers to determine: (1) any necessary amendments to the Provider of Choice power sales agreements, including any necessary to align with an updated Transmission Services tariff and settlements under an organized market, and (2) the anticipated timeline for executing such amendments. Such public process shall not be construed as reconsideration of BPA's market decision. Any amendments negotiated during such public process shall be limited to those necessary to implement a day-ahead market and shall not be conditioned by either Party on modification to any other provision under this Agreement not related to implementing a day-ahead market. Following the conclusion of such public process, BPA shall issue the final amendment template and, based on the agreed-upon timeline, prepare and offer Ellensburg a contract amendment using the amendment template. Ellensburg's agreement to such amendment consistent with this section 23 shall not be unreasonably withheld.

Following BPA joining a day-ahead market to serve Ellensburg's load and the Parties amend this Agreement pursuant to this section 23, BPA shall also conduct a

public process on the topic of settlements for the Slice Product in the day-ahead market that BPA joins.

24. TERMINATION

BPA may terminate this Agreement if:

(1) Ellensburg fails to make payment as required by section 16.4, or

(2) Ellensburg fails to provide payment assurance satisfactory to BPA as required by section 21.7.

Such termination is without prejudice to any other remedies available to BPA under law.

25. SIGNATURES

This Agreement may be executed in several counterparts, all of which taken together will constitute one single agreement, and may be executed by electronic signature and delivered electronically. The Parties have executed this Agreement as of the last date indicated below.

CITY OF ELLENSBURG		UNITED STATES OF AMERICA Department of Energy Bonneville Power Administration	
By		By	HOPE ROSS Digitally signed by HOPE ROSS Date: 2025.11.13 13:56:52 -08'00'
Name	The Honorable Rich Elliott *(Print/Type)*	Name	Hope Ross *(Print/Type)*
Title	Mayor	Title	Account Executive
Date	11/10/25	Date	11/13/25

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Exhibit A
NET REQUIREMENTS AND RESOURCES

1. NET REQUIREMENTS

BPA shall establish Ellensburg's Net Requirement based on its Total Retail Load minus: (1) Ellensburg's Dedicated Resources determined pursuant to section 3.3 of the body of this Agreement and listed in sections 2, 3, and 4 of this exhibit, and (2) Consumer-Owned Resources determined pursuant to section 3.6 of the body of this Agreement and listed in sections 7.1, 7.3, and 7.4 of this exhibit. The Parties shall not add or remove resource amounts to change Ellensburg's purchase obligations from BPA under section 3.1 of the body of this Agreement except in accordance with sections 3.4.2, 3.5, 3.6 and 10 of the body of this Agreement.

2. LIST OF SPECIFIED RESOURCES

Ellensburg does not have any Specified Resources at this time.

3. COMMITTED POWER PURCHASE AMOUNTS

3.1 Committed Power Purchase Amounts Used to Serve Total Retail Load

3.1.1 Shape of Committed Power Purchase Amounts

BPA shall calculate Ellensburg's Committed Power Purchase Amounts using the Flat Annual Shape monthly shape and the selected Diurnal shape listed below. BPA shall update the table below consistent with section 3.4.2 of the body of this Agreement.

Shape of Committed Power Purchase Amounts		
Monthly Shape	**Diurnal Shape Choice**	
Flat Annual Shape	**HLH Diurnal Shape**	**Flat Within-Month Shape**
X		X
X		X
X		X
X		X

3.1.2 Committed Power Purchase Amounts

Ellensburg does not have any Committed Power Purchase Amounts at this time.

3.2 Committed Power Purchase Amounts for 9(c) Export Decrements

Ellensburg does not have any Committed Power Purchase Amounts for 9(c) export decrements at this time.

4. DEDICATED RESOURCE AMOUNTS USED TO SERVE PLANNED NLSLs AND NLSLs

Ellensburg does not have any Dedicated Resource amounts serving a Planned NLSL or an NLSL at this time, in accordance with sections 3.5.8 and 20.3 of the body of this Agreement.

5. TOTAL DEDICATED RESOURCE AMOUNTS

Ellensburg does not have any Dedicated Resource amounts at this time.

6. LIST OF RESOURCES NOT USED TO SERVE TOTAL RETAIL LOAD

Pursuant to section 17 of the body of this Agreement, Ellensburg does not own any Generating Resources that are: (1) not Specified Resources listed in section 2 of Exhibit A, and (2) greater than 1.000 megawatt of nameplate capability.

7. LIST OF CONSUMER-OWNED RESOURCES

7.1 Consumer-Owned Resources Serving On-Site Consumer Load

Pursuant to section 3.6 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving On-Site Consumer Load at this time.

7.2 Consumer-Owned Resources Serving Load Other than On-Site Consumer Load

Pursuant to section 3.6 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving load other than On-Site Consumer Load at this time.

7.3 Consumer-Owned Resources Serving Both On-Site Consumer Load and Load Other than On-Site Consumer Load

Pursuant to section 3.6 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving both On-Site Consumer Load and load other than On-Site Consumer Load at this time.

7.4 Consumer-Owned Resources Serving Planned NLSL or NLSL

Pursuant to section 20.3.10 of the body of this Agreement, Ellensburg does not have any Consumer-Owned Resources serving a Planned NLSL or an NLSL at this time.

8. TABLES FOR HLH DIURNAL SHAPE

8.1 Specified Resources

If Ellensburg elects the HLH Diurnal Shape for its Specified Resources, then Ellensburg shall fill in a table with monthly LLH and HLH amounts for each year of the upcoming Rate Period for each Specified Resource. The monthly LLH and HLH distributions shall be the same across all years of a Rate Period. Ellensburg shall submit the tables to BPA when Ellensburg makes its reshaping elections. BPA shall update the appropriate Dedicated Resource amounts pursuant to Ellensburg's submitted elections and consistent with section 3.4.2 of the body of this Agreement.

8.2 **Committed Power Purchase Amounts**

If Ellensburg elects the HLH Diurnal Shape for its Committed Power Purchase Amounts, then Ellensburg shall submit to BPA in writing its elected ratios of megawatt-hours per hour in HLH to megawatt-hours per hour in LLH by October 31 of a Rate Case Year. Ellensburg shall submit to BPA twelve monthly ratios and such monthly ratios shall apply for all years of the corresponding Rate Period. BPA shall update the table below pursuant to Ellensburg's submitted elections and consistent with section 3.4.2 of the body of this Agreement. BPA shall calculate Ellensburg's Committed Power Purchase Amounts using the ratios in the table below.

HLH Diurnal Shape for Committed Power Purchase Amounts												
Rate Period	HLH to LLH Ratios (HLH:LLH)											
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2029 – FY 2030												
FY 2031 – FY 2032												
FY 2033 – FY 2034												
FY 2035 – FY 2036												
FY 2037– FY 2038												
FY 2039 – FY 2040												
FY 2041– FY 2042												
FY 2043 – FY 2044												

9. **REVISIONS**

BPA shall unilaterally revise this exhibit to reflect: (1) Ellensburg's elections regarding the application and use of all resources owned by Ellensburg and Ellensburg's retail consumers and (2) BPA's determinations relevant to this exhibit and made in accordance with this Agreement. All other changes to this Exhibit A will be made by mutual agreement of the Parties.

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Exhibit B
CONTRACT HIGH WATER MARKS

1. CONTRACT HIGH WATER MARK (CHWM)

1.1 CHWM Amount

By September 30, 2026, BPA shall fill in the table below with Ellensburg's CHWM. Once established, BPA may only adjust Ellensburg's CHWM as permitted pursuant to section 1.2 of this exhibit.

CHWM (annual aMW) 1/:	
Note: BPA shall round the number in the table above to three decimal places. 1/ CHWM amount effective October 1, 2028.	

1.2 CHWM Adjustments

BPA shall determine any adjustments to Ellensburg's CHWM pursuant to this section 1.2. BPA shall notify Ellensburg of any adjustments and the date such adjustment will be effective.

1.2.1 Corrections for NLSLs

If after BPA establishes Ellensburg's CHWM pursuant to section 7 of the body of this Agreement, BPA determines that a load included in Ellensburg's Total Retail Load in the CHWM calculation was an NLSL or became an NLSL in FY 2023, then BPA shall adjust Ellensburg's CHWM by removing the FY 2023 load associated with the NLSL from Ellensburg's weather normalized Total Retail Load. BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM and its effective date. BPA shall provide Ellensburg written notice of the CHWM adjustment and its effective date, and will provide Ellensburg with a revised Exhibit B. In the event of an adjustment, and subject to any applicable statute of limitations, Ellensburg shall pay any charges calculated by BPA to account for the ineligible PF rate purchases dating back to October 1, 2028.

1.2.2 Annexed Load

If Ellensburg annexes load from a utility that has a CHWM Contract, then BPA shall increase Ellensburg's CHWM in an amount determined as follows:

(1) If Ellensburg and the other utility involved in the annexation agree on the amount of the CHWM transfer to Ellensburg, then BPA shall adopt that amount if BPA determines such amount is reasonable.

(2) If Ellensburg and the other utility cannot agree on the amount of the CHWM transfer to Ellensburg, or if BPA determines the amount agreed to in section 1.2.2(1) of this exhibit is unreasonable, then BPA shall calculate the amount of

Ellensburg's CHWM transfer using the following formula; provided however that BPA may adjust the calculated amount to reflect (A) the division of Dedicated Resources between the utilities and (B) other pertinent information provided by Ellensburg and the other utility:

$$\left[\frac{\text{Annexed Load minus annexed NLSLs, if any}}{\text{Other utility's pre-annexation Total Retail Load minus total NLSLs, if any}}\right] \times \left[\text{Other utility's pre-annexation CHWM}\right]$$

In no event shall the total CHWM amount of Ellensburg and the other utility after the transfer exceed the total CHWM amount of Ellensburg and the other utility prior to the transfer.

BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM which will be effective on the date that Ellensburg begins service to the Annexed Load.

1.2.3 **Ceded Load**

If another utility with a CHWM Contract annexes load of Ellensburg, then BPA shall reduce Ellensburg's CHWM in an amount determined as follows:

(1) If Ellensburg and the other utility involved in the annexation agree on the amount of the CHWM transfer to the other utility, then BPA shall adopt that amount if BPA determines such amount is reasonable.

(2) If Ellensburg and the other utility cannot agree on the amount of the CHWM transfer to the other utility, or if BPA determines the amount agreed to in section 1.2.3(1) of this exhibit is unreasonable, then BPA will calculate the amount of Ellensburg CHWM transfer using the following formula; provided however, BPA may adjust the calculated amount to reflect (A) the division of Dedicated Resources between the utilities and (B) other pertinent information advanced by Ellensburg and the other utility:

$$\left[\frac{\text{Annexed Load minus annexed NLSLs, if any}}{\text{Ellensburg's pre-annexation Total Retail Load minus total NLSLs, if any}}\right] \times \left[\text{Ellensburg's pre-annexation CHWM}\right]$$

In no event shall the total CHWM amount of Ellensburg and the other utility after the transfer exceed the total CHWM amount of Ellensburg and the other utility prior to the transfer.

BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM which will be effective on the date that the annexing utility begins service to the Annexed Load.

1.2.4 **Court Order on Annexation**
BPA shall adjust Ellensburg's CHWM due to annexation if BPA's Administrator determines that a court order requires BPA to do so. BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM and its effective date. BPA shall provide Ellensburg written notice of the CHWM adjustment and revised Exhibit B as soon as reasonably practical.

1.2.5 **Small Utility Adjustment**
BPA shall determine in its sole discretion whether Ellensburg qualifies for the Small Utility Adjustment. If Ellensburg is eligible for the Small Utility Adjustment, then BPA shall also determine Ellensburg's Maximum Potential CHWM for purposes of this section 1.2.5. For purposes of this section 1.2.5, "Maximum Potential CHWM" means the lesser of: (1) double Ellensburg's CHWM as calculated in the FY 2026 CHWM Calculation Process, or (2) 5 aMW. By September 30, 2026, BPA shall fill in the table below indicating such eligibility and Ellensburg's Maximum Potential CHWM.

Eligible for Small Utility Adjustment	Maximum Potential CHWM

If Ellensburg is eligible for the Small Utility Adjustment as indicated above, then during each Above-CHWM Load Process BPA shall determine whether an adjustment is needed and calculate such adjustment as provided below. Any such adjustment would be added to Ellensburg's CHWM.

(1) BPA will determine whether Ellensburg's Preliminary Net Requirement exceeds its CHWM.

(2) If Ellensburg's Preliminary Net Requirement is less than its CHWM, then BPA shall make no adjustment to Ellensburg's CHWM.

(3) If Ellensburg's Preliminary Net Requirement exceeds its CHWM, then BPA shall calculate a CHWM adjustment in an amount equal to the difference between Ellensburg's Preliminary Net Requirement and its CHWM not to exceed Ellensburg's Maximum Potential CHWM stated above.

(4) If a proposed CHWM adjustment under section 1.2.5(3) above would exceed Ellensburg's Maximum Potential CHWM, then

BPA shall reduce such adjustment to an amount resulting in a CHWM that equals Ellensburg's Maximum Potential CHWM.

(5) If Ellensburg's CHWM has been adjusted pursuant to section 1.2.5(4) above, then BPA shall make no additional change to Ellensburg's CHWM except as otherwise provided for in this Exhibit B.

For any Rate Period that BPA adjusts Ellensburg's CHWM pursuant to this section 1.2.5, BPA shall revise the table in section 1.1 of this Exhibit B with the adjusted CHWM to be effective at the start of the next Rate Period. BPA shall provide Ellensburg written notice of the CHWM adjustment and revised Exhibit B. For purposes of the Tier 1 Marginal Energy True-Up rate, Ellensburg's CHWM shall be the Maximum Potential CHWM as stated above.

2. REVISIONS

BPA shall unilaterally revise this exhibit pursuant to section 1 of this exhibit. All other changes to this Exhibit B will be made by mutual agreement of the Parties.

(W:\power\CONTRACT\CUSTOMER\ELLENSBURG\POC_25027\Exhibit B\Exh B R0.docx) 08/19/2025

Exhibit C
PURCHASE OBLIGATIONS

1. FIRM REQUIREMENTS POWER AT TIER 1 RATES

The portion of Ellensburg's purchase obligation that is priced at Tier 1 Rates is established in section 8.1(1) of the body of this Agreement.

2. FIRM REQUIREMENTS POWER AT TIER 2 RATES

2.1 One-Time Above-CHWM Load Service Elections

Pursuant to section 9.2 of the body of the Agreement, Ellensburg shall elect one of the following four options below to serve its Above-CHWM Load which shall apply for the term of the Agreement except when Ellensburg elects to change its Tier 2 Long-Term Rate purchase election amount pursuant to the terms and conditions of sections 2.3.2 and 2.3.3 of this exhibit.

BPA shall revise this exhibit by March 31, 2027, to indicate Ellensburg's initial election and purchase obligation by adding an "X" to the box next to the applicable option below.

Initial Election ☐ (1) **Option A. All Tier 2 Long-Term Rate option**

Ellensburg shall purchase and BPA shall serve all of Ellensburg's Above-CHWM Load with Firm Requirements Power priced at the Tier 2 Long-Term Rate.

Initial Election ☐ (2) **Option B. Fixed Tier 2 Long-Term Rate option then flexible option**

Ellensburg shall purchase and BPA shall provide up to a fixed Average Megawatt amount of Ellensburg's Above-CHWM Load with Firm Requirements Power sold at the Tier 2 Long-Term Rate. Any remaining Above-CHWM Load will be served with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirements Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

At the time of election as stated in section 9.3 of the body of this Agreement, Ellensburg shall notify BPA of the fixed Average Megawatt amount of its Above-CHWM Load BPA will serve up to with Firm Requirements Power sold at a Tier 2 Long-Term Rate. BPA shall update the following table to state such amount.

Fixed aMW Amounts - Tier 2 Long-Term Election								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Annual aMW								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Annual aMW								
Note: The amount in the table should be rounded to three decimal places.								

Initial Election ☐ (3) **Option C. Fixed flexible option then Tier 2 Long-Term Rate option**

Ellensburg shall elect up to a fixed Average Megawatt amount of Above-CHWM Load that will be served with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirements Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

At the time of election, Ellensburg shall notify BPA of the fixed Average Megawatt amount of its Above-CHWM Load that will be served up to under the flexible option for the duration of the contract. BPA shall update the following table to state such amounts.

Ellensburg shall purchase and BPA shall serve any remaining Above-CHWM Load with Firm Requirements Power sold at the Tier 2 Long-Term Rate.

Fixed aMW Amounts - Flexible Election								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Annual aMW								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Annual aMW								
Note: the amount in the table should be rounded to three decimal places.								

Initial Election ☐ (4) **Option D. All flexible option**

Ellensburg's Above-CHWM Load shall be served with (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirement Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

If Ellensburg fails to notify BPA of its Above-CHWM Load service election pursuant to section 9.2 of the body of this Agreement, then Ellensburg shall be deemed to have elected option D under section 2.1 of this exhibit and Ellensburg shall serve all of its Above-CHWM Load amounts with the options stated in section 2.1(4) above.

Ellensburg's total Tier 2 Rate purchase obligation amount(s) that BPA shall provide and Ellensburg shall purchase consistent with sections 3.1 and 3.2 of the body of this Agreement shall be stated in the table below in section 2.9.

2.2 **Rounding Option**

If Ellensburg elects option B, C, or D under section 2.1 above, then by July 31, 2027, Ellensburg may elect to have BPA serve up to 0.999 aMW of its Above-CHWM Load through the Tier 1 Rate design, pursuant to the PRDM,

for the term of the Agreement. No later than March 31, 2028, BPA shall indicate Ellensburg's election for all Rate Periods through the term of the Agreement in the table below.

By July 31 of each Forecast Year, Ellensburg may notify BPA if it wants to change its rounding option election, and BPA shall update the table below to reflect such change by March 31 following Ellensburg's notification.

Rate Period	Rounding Option Elected
BP-29	
BP-31	
BP-33	
BP-35	
BP-37	
BP-39	
BP-41	
BP-43	
Note: Add X if customer elects rounding option.	

2.3 Tier 2 Long-Term Rate

2.3.1 Election Opportunity and Tier 2 Long-Term Rate Purchase Obligation Amount

Ellensburg may elect to purchase Firm Requirements Power at the Tier 2 Long-Term Rate to serve its Above-CHWM Load by selecting options A, B or C under section 2.1 of this exhibit. If Ellensburg elects option A, B or C, then BPA shall update the table below by March 31 of each Rate Case Year to state the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate for the upcoming Rate Period as follows.

If Ellensburg elects option A under section 2.1, then the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate shall equal Ellensburg's Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period, as stated in the table in this section 2.3.1.

If Ellensburg elects option B under section 2.1, then the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate shall be the lesser of Ellensburg's Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period, or the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

If Ellensburg elects option C under section 2.1, then the amount of Firm Requirements Power Ellensburg is obligated to purchase at the Tier 2 Long-Term Rate shall equal the amount of Ellensburg's Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, that exceeds the fixed Average Megawatt amount to be served under the flexible option as stated in the table in section 2.1(3) above.

Tier 2 Long-Term Rate Purchase Obligation Amount								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Annual aMW								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Annual aMW								
Note: Fill in the table above with the annual Average Megawatts, rounded to three decimal places.								

2.3.2 **Right to Reduce Tier 2 Long-Term Rate Election Amount Without a Fee**

Ellensburg shall have a one-time right to request to reduce its Tier 2 Long-Term Rate election amount under options A, B, or C, without any charges or fees, if: (1) Ellensburg submits a written request to BPA prior to August 1, 2027, and (2) BPA has not acquired power for the purposes of serving Ellensburg's Tier 2 Long-Term Rate purchase obligation.

BPA, in its sole discretion, shall determine whether Ellensburg's request to reduce its Tier 2 Long-Term Rate election amount meets the notice requirements. BPA shall notify Ellensburg if the request does not meet the notice requirements.

If BPA determines that Ellensburg's request meets the notice requirements, then BPA shall reduce Ellensburg's Tier 2 Long-Term Rate election amount. By March 31, 2028, BPA shall: (1) update the applicable table(s) in section 2 of this exhibit with Ellensburg's updated Tier 2 Long-Term Rate election amount, and (2) update Ellensburg's election in section 2.1 if applicable.

2.3.3 **Right to Reduce Tier 2 Long-Term Election Amount with a Fee**

2.3.3.1 **Changes to Tier 2 Long-Term Elections**

Regardless of any reduction made pursuant to section 2.3.2 above, over the remaining term of the Agreement Ellensburg shall have a one-time right to reduce its Tier 2 Long-Term Rate election amount under section 2.1 above, including reducing such amount to zero.

2.3.3.2 **Notification and Service Options**

Ellensburg shall notify BPA in writing of its one-time election to reduce the amount of power Ellensburg is obligated to purchase under section 2.3.3.1 above no less than three years

prior to the start of the Rate Period that its election would be effective.

Ellensburg's election under section 2.3.3.1 above shall be binding for the remaining term of the Agreement.

If Ellensburg elects to reduce its Tier 2 Long-Term Rate election amount pursuant to section 2.3.3.1 above, then Ellensburg shall serve the amount of the reduction with: (1) Firm Requirements Power at the Tier 2 Short-Term Rate, (2) Firm Requirement Power at a Tier 2 Vintage Rate, if applicable, (3) Dedicated Resources, or (4) a combination of amounts of (1), (2) and (3).

Ellensburg shall notify BPA of its intent to serve its Above-CHWM Load with one of the four options listed in section 2.3.3.2 consistent with the terms and conditions stated in section 2 of Exhibit C.

2.3.3.3 **Exhibit Updates**

By March 31 following Ellensburg's election notice under section 2.3.3.2 above, BPA shall: (1) update the applicable table(s) in section 2 of this exhibit, with Ellensburg's updated Tier 2 Long-Term Rate election amount, and (2) update Ellensburg's election in section 2.1 of this exhibit. BPA will update Exhibit A with any changes to Ellensburg's Dedicated Resource amounts.

2.3.3.4 **Charges to Change Tier 2 Long-Term Election Amount**

Ellensburg shall pay any charges that apply as a result of Ellensburg exercising the one time right to change its Tier 2 Long-Term Rate election amount under this section 2.3.3. BPA shall calculate such charges pursuant to the PRDM and the applicable Power Rate Schedules and GRSPs. BPA shall not make payment to Ellensburg as a result of BPA reducing the fixed up to Average Megawatt amounts of Firm Requirements Power that Ellensburg is obligated to purchase at Tier 2 Long-Term Rates.

2.4 Tier 2 Short-Term Rate

Subject to the limitations in section 2.4.1 below, Ellensburg may elect to purchase Firm Requirements Power at Tier 2 Short-Term Rates by electing option B, C or D under section 2.1 above.

If Ellensburg elects options B, C or D, then by July 31, 2027, and by July 31 of each Forecast Year, Ellensburg shall notify BPA of the amount of its Above-CHWM Load it requests for BPA to serve, if any, at the Tier 2 Short-Term Rate for the following Rate Period. Subject to the limitations in section 2.4.2 below, BPA shall update the table below by March 31 of each

Rate Case Year to state the amount of power Ellensburg is obligated to purchase at the Tier 2 Short-Term Rate as follows.

If Ellensburg elects option B under section 2.1, then the amount of Firm Requirements Power Ellensburg may request to purchase at the Tier 2 Short-Term Rate shall not exceed the difference between Ellensburg's Above-CHWM Load, calculated for each Fiscal Year of the applicable Rate Period, and the fixed Average Megawatt amount elected under the Tier 2 Long-Term option stated in the table in section 2.1(2) above.

If Ellensburg elects option C under section 2.1, then the amount of Firm Requirements Power Ellensburg may request to purchase at the Tier 2 Short-Term Rate, shall not exceed the lesser of Ellensburg's Above-CHWM Load amount calculated for each Fiscal Year of the applicable Rate Period or the fixed up to Average Megawatt amount to be served under the flexible option as stated in the table in section 2.1(3) above.

If Ellensburg elects option D under section 2.1, then the amount of Firm Requirements Power Ellensburg may request to purchase at the Tier 2 Short-Term Rate, shall not exceed Ellensburg's Above-CHWM Load amount, calculated for each Fiscal Year of the applicable Rate Period.

Tier 2 Short-Term Rate Purchase Obligation Amounts								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Annual aMW								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Annual aMW								
Note: Fill in the table above with annual Average Megawatts, rounded to three decimal places.								

2.4.1 **Limitations on Tier 2 Short-Term Rate Amounts**

BPA shall attempt to acquire power to serve Ellensburg's total amount of load requested to be served with Firm Requirements Power at the Tier 2 Short-Term Rate. If BPA is unable to acquire power, at any price, and cannot meet all customers' requests to purchase power at the Tier 2 Short-Term Rate, then each applicable Rate Period BPA: (1) shall notify Ellensburg of the unavailability of power at the Tier 2 Short-Term Rate and (2) may limit the amount of Firm Requirements Power at the Tier 2 Short-Term Rate that Ellensburg can purchase. If BPA receives multiple requests to provide Firm Requirements Power at the Tier 2 Short-Term Rate for the same Rate Period, and if BPA is only able to acquire power to serve a portion of the total requests for power priced at the Tier 2 Short-Term Rate, then BPA shall proportionally reduce all requests for the Rate Period on a pro rata basis.

By March 31, 2028 and by March 31 of each Rate Case Year thereafter, BPA shall notify customers of the unavailability or pro-rata reduction of power available at the Tier 2 Short-Term Rate.

2.4.2 **Determining Pro-Rata Shares of Amounts at Tier 2 Short-Term Rate**

If necessary pursuant to section 2.4.1 above, BPA shall determine Ellensburg's pro-rata amount of power available for purchase at a Tier 2 Short-Term Rate for the applicable Rate Period based on (1) the actual amounts BPA is able to acquire to meet all customers' aggregate requests for service at a Tier 2 Short-Term Rate and (2) the total amount of Firm Requirements Power requested at the Tier 2 Short-Term Rate in section 2.4 each Rate Period. BPA will adjust individual amounts of Firm Requirements Power at the Tier 2 Short-Term Rate downward by the ratio between sections 2.4.2.(1) and 2.4.2.(2) above to calculate the amounts of the proportional share adjustment.

In the event BPA adjusts amounts at the Tier 2 Short-Term Rate downward, Ellensburg shall apply Dedicated Resources to serve the portion of its election at the Short-Term Tier 2 Rate that BPA is unable to supply. BPA will update amounts in Exhibit A in accordance with section 2.6 below.

2.4.3 **Failure to Make an Election**

If Ellensburg fails to make an election and does not notify BPA of its Tier 2 Short-Term Rate election amounts pursuant to section 2.4 above, then BPA shall enter "zero" for the applicable Fiscal Years of the Rate Period. Ellensburg shall serve its remaining Above-CHWM Load amounts with Dedicated Resources to meet its Above-CHWM Load and any amounts will be updated in Exhibit A in accordance with section 2.6 below.

2.4.4 **Liability**

In no event shall BPA make payment to Ellensburg as a result of Ellensburg electing to reduce the amounts of Firm Requirements Power that Ellensburg is obligated to purchase at Tier 2 Short-Term Rates. In no event shall BPA make payment to Ellensburg if it is unable to secure power to meet requests for purchases at the Tier 2 Short-Term Rate.

2.5 **Tier 2 Vintage Rate Alternative**

If Ellensburg elects option B, C, or D under section 2.1 above, then Ellensburg is eligible to purchase Firm Requirement Power at a Tier 2 Vintage Rate, if offered by BPA, as described in this section 2.5. For purposes of this section 2.5, "Vintage Resource" means the output of a physical resource that BPA determines, in its sole discretion, to acquire for a period of greater than three years and that forms the cost basis for pricing Firm Requirements Power subject to an established Tier 2 Vintage Rate. BPA may offer to sell Firm Requirements Power at a Tier 2 Vintage Rate whenever it acquires a Vintage Resource.

BPA shall notify customers with a CHWM Contract at least 60 calendar days prior to making a Request For Offer (RFO) for a Vintage Resource. Within 30 calendar days of such notice, Ellensburg shall notify BPA of the amount of Firm Requirements Power it will purchase from BPA at a Tier 2 Vintage Rate associated with the Vintage Resource.

Following the close of the RFO, BPA shall determine, in its sole discretion, whether to proceed with acquiring the Vintage Resource. If BPA decides to proceed with acquiring the Vintage Resource, then BPA will notify Ellensburg of the available quantity, if any, of Firm Requirement Power that customer is eligible to purchase at the Tier 2 Vintage Rate, and the estimated Tier 2 Vintage Rate. Ellensburg shall execute a Statement of Intent, as stated in section 2.5.1 below, to purchase identified amounts of Firm Requirements Power at the applicable Tier 2 Vintage Rate. The Statement of Intent will include the process and timing to elect the Vintage Alternative and execute a Statement of Intent.

2.5.1 **Statement of Intent**
If Ellensburg elects to purchase Firm Requirements Power from BPA at Tier 2 Vintage Rates, then Ellensburg shall sign a Statement of Intent provided by BPA which will state the amount of power Ellensburg commits to purchase at a Tier 2 Vintage Rate. The Statement of Intent will be binding unless BPA does not complete the acquisition of the Vintage Resource consistent with section 2.5.3 below.

2.5.2 **Tier 2 Vintage Rate**
BPA shall determine the applicable Tier 2 Vintage Rate in accordance with the PRDM and applicable Power Rate Schedules and GRSPs. BPA will restate in the Statement of Intent the applicable Tier 2 Vintage Rate for the Vintage Resource.

2.5.3 **BPA Acquisition of Vintage Resource**
If BPA acquires the Vintage Resource, then BPA shall notify Ellensburg that the acquisition is complete and update the table in section 2.5.8 below with the amount of Firm Requirements Power sold at a Tier 2 Vintage Rate and the contract number for the Statement of Intent. If BPA does not complete the acquisition of the Vintage Resource, then BPA shall notify Ellensburg, and the Statement of Intent will become null and void. If BPA does not complete the acquisition, then Ellensburg's current elections for service to its Above-CHWM Load above shall continue to apply.

2.5.4 **Additional Provisions Applicable to the Statement of Intent**

2.5.4.1 **Additional Terms and Conditions in Statement of Intent**
In addition to paying the Tier 2 Vintage Rate, Ellensburg will also be subject to such additional terms and conditions associated with its selection of the Tier 2 Vintage Rate as

described in the Statement of Intent. Such additional terms may include, but are not limited to, liquidated damages, if applicable, associated with the purchase of the Vintage Resource.

2.5.4.2 **Duration of Statement of Intent**
The Tier 2 Vintage Resource amounts applied to serve Ellensburg's Above-CHWM Load under this Agreement will not apply beyond the expiration of this Agreement, except as stated in the Statement of Intent.

2.5.4.3 **Maximum Amount of Firm Requirements Power at Tier 2 Vintage Rate**
The maximum amount of Firm Requirements Power Ellensburg is eligible to purchase at a Tier 2 Vintage Rate will be equal to the annual maximum forecast of Ellensburg's flexible Above-CHWM Load amounts of Ellensburg's election under section 2.1, minus any Dedicated Resources serving Ellensburg's Above-CHWM Load. BPA will develop the annual maximum forecast of Ellensburg's flexible Above-CHWM Load amounts at the time BPA issues the RFO for the Vintage Resource. Such forecast shall apply for the term of BPA's acquisition of the Vintage Resource or the term of this Agreement, whichever terminates first.

2.5.4.4 **Commencement of the Vintage Resource**
Ellensburg's Statement of Intent shall include procedures for how BPA will address the availability and timing of a Vintage Resource, if the timing of such Vintage Resource is not concurrent with the timing of any elections made by Ellensburg in sections 2.1 and 2.4 of this exhibit.

2.5.5. **Multiple Requests for Vintage Resource**
Ellensburg's Statement of Intent shall include procedures for how BPA will address multiple requests for Firm Requirements Power sold by BPA at a Tier 2 Vintage Rate if the aggregate amount of customer requests exceeds the amount of the Vintage Resource.

2.5.6 **Tier 2 Vintage Amounts in Excess of Above-CHWM Load**
If Ellensburg purchases an amount of power from BPA at a Tier 2 Vintage Rate that exceeds its current Above-CHWM Load, then BPA, in its sole discretion, may either:

(1) determine any amount of power that exceeds Ellensburg's Above-CHWM Load as surplus power and provide such to Ellensburg at a surplus rate equivalent to the applicable Tier 2 Vintage Rate to be managed by Ellensburg; or

(2) in accordance with section 10 of this exhibit, and pursuant to the PRDM, provide a remarketing service for the power that exceeds Ellensburg's Above-CHWM Load until Ellensburg's Above-CHWM Load can accommodate the contracted amount of power purchased at the Tier 2 Vintage Rate.

2.5.7 **Treatment of Tier 2 Vintage Rate and Tier 2 Short-Term Rate Purchase Obligations**

In addition to the right to purchase power at a Tier 2 Vintage Rate established in this section 2.5, Ellensburg may have the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates regardless of whether Ellensburg is purchasing power at Tier 2 Short-Term Rates, if BPA determines, in its sole discretion, to offer Ellensburg a Statement of Intent that would provide Ellensburg the opportunity to purchase Firm Requirements Power at Tier 2 Vintage Rates.

Any election by Ellensburg to purchase Firm Requirements Power at Tier 2 Vintage Rates shall not relieve Ellensburg of any obligation to purchase Firm Requirements Power at another Tier 2 Rate.

Any amounts of power that Ellensburg is obligated to purchase at a Tier 2 Vintage Rate or Tier 2 Short-Term Rate that exceeds its Above-CHWM Load will be treated pursuant to section 2.5.6 above.

2.5.8 **Tier 2 Vintage Rate Elections, Amounts and Exhibit Updates**

If applicable, BPA shall update the table below within 90 calendar days of signing the Statement of Intent, with Ellensburg's Tier 2 Vintage Rate purchase obligation amounts.

Ellensburg's Annual Amounts at Tier 2 Vintage Rate. Statement of Intent Contract No. «##PS-#####»								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Annual aMW								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Annual aMW								
Note: Fill in the table above with annual Average Megawatts, rounded to three decimal places. Leave FY blank when not purchasing at a Tier 2 Vintage Rate. Include SOI number(s) in table title.								

By September 15 of each Fiscal Year or immediately following the establishment of a Tier 2 Vintage Rate for which Ellensburg signed a Statement of Intent, BPA shall update the table in section 2.8.2 with Ellensburg's Tier 2 Vintage Rate purchase obligation amounts.

2.6 **Obligation to Apply Dedicated Resources**

Ellensburg shall apply Dedicated Resources to serve the portion of its Above-CHWM Load that exceeds the sum of all Ellensburg's purchase obligations at

Tier 2 Rates under sections 2.3, 2.4, and 2.5 above. BPA shall add Ellensburg's Dedicated Resources to section 2 and section 3 of Exhibit A.

2.7 **Above-CHWM Load Liability**

If Ellensburg annexes load from another customer with a CHWM Contract that had Above-CHWM Load served with Firm Requirements Power purchased at a Tier 2 Long-Term Rates, Tier 2 Short-Term Rate or a Tier 2 Vintage Rate, then Ellensburg shall pay any costs that BPA determines apply as a result of such annexation. BPA shall determine such costs, if any, during the 7(i) Process that follows Ellensburg's notice of annexation. BPA shall include such cost identified through the 7(i) Process on Ellensburg's bill. In no event shall BPA make payment to Ellensburg as a result of Ellensburg reducing its amounts of Firm Requirements Power.

2.8 **This section intentionally left blank.**

2.9 **Amounts of Power to be Billed at Tier 2 Rates**

By March 31, 2028 and by March 31 of each Rate Case Year thereafter, BPA shall update the table in section 2.9 of this exhibit, consistent with Ellensburg's elections for the upcoming Rate Period, with: (1) the planned annual average amounts of Firm Requirements Power that Ellensburg shall purchase at the Tier 2 Long-Term Rate, Tier 2 Short-Term Rate, and Tier 2 Vintage Rate, if applicable, and (2) any remarketed Tier 2 Rate purchase amounts in accordance with section 10 of the body of this Agreement.

By March 31, 2028, and by March 31 of each Rate Case Year thereafter, BPA shall update the table below with such amounts for each year of the upcoming Rate Period consistent with sections 2.3, 2.4 and 2.5 of this exhibit. The difference between Above-CHWM Load and Tier 2 Rate amounts will be served pursuant to section 2.6 of this exhibit.

Annual Amounts Priced at Tier 2 Rates (aMW)								
Fiscal Year	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
No Tier 2 at this time								
Remarketed or Surplus Power Vintage Rate Amounts								
Firm Requirements Power at Tier 2 Rates								

Annual Amounts Priced at Tier 2 Rates (aMW)								
Fiscal Year	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
No Tier 2 at this time								
Remarketed or Surplus Power Vintage Rate Amounts								
Firm Requirements Power at Tier 2 Rates								

Notes:
1. List each applicable Tier 2 rate in the table above. For the first applicable Tier 2 rate replace **No Tier 2 at this time** with the name of the applicable Tier 2 rate. For each additional Tier 2 rate, add a new row above the **Remarketed Amounts** row. If Ellensburg elects not to purchase at Tier 2 rates, then leave **No Tier 2 at this time** in the table and leave the remainder of the table blank.
2. Fill in the table above with annual Average Megawatts rounded to three decimal places.
3. Fill in Firm Requirements Power at Tier 2 Rates as the sum of all Tier 2 Rate amounts less any Remarketed or Surplus Tier 2 Vintage Rate amounts.

3. REVISIONS

BPA shall unilaterally revise this exhibit to reflect: (1) Ellensburg's elections regarding service to its Above-CHWM Load, and (2) BPA's determinations relevant to this exhibit and made in accordance with this Agreement. All other changes to this Exhibit C will be made by mutual agreement of the Parties.

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Exhibit D
ADDITIONAL PRODUCTS AND SPECIAL PROVISIONS

1. CF/CT AND NEW LARGE SINGLE LOADS

1.1 CF/CT Loads
Ellensburg has no loads identified that were CF/CTs as of September 1, 1979, as defined in Section 3(13)(A) of the Northwest Power Act.

1.2 Potential NLSLs
Ellensburg has no identified Potential NLSLs.

1.3 Planned NLSLs

1.3.1 Planned NLSLs Served by BPA
Ellensburg has no Planned NLSLs served by BPA.

1.3.2 Planned NLSLs Served with Dedicated Resource or Consumer-Owned Resource Amounts
Ellensburg has no Planned NLSLs served with Dedicated Resource or Consumer-Owned Resource amounts.

1.4 NLSLs

1.4.1 NLSLs Served by BPA
Ellensburg has no NLSLs served by BPA.

1.4.2 NLSLs Served by Dedicated Resource or Consumer-Owned Resource Amounts
Ellensburg has no NLSLs served with Dedicated Resource or Consumer-Owned Resource amounts.

1.4.3 Renewable Resource/Cogeneration Exception
Ellensburg's end-use consumer is not currently applying an on-site renewable resource or cogeneration facility to an NLSL.

2. REVISIONS
BPA shall unilaterally revise section 1, CF/CT and New Large Single Loads to reflect BPA's determinations made in accordance with section 20.3 of the body of the Agreement and section 1 of this Exhibit D. All other changes to this Exhibit D will be made by mutual agreement of the Parties.

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Exhibit E
METERING

1. **METERING**

BPA POD Name	BPA POD Number	BPA POM Name	BPA POM Number	POD Location Description	POD Voltage kV	POM Location Description	Direction for PF Billing Purposes	WECC Balancing Authority	Manner Of Service	Manner Of Service Description	Metering Loss Adjust-ment	Exception

2. **REVISIONS**

Each Party shall notify the other with any requests to update this exhibit. The Parties shall coordinate and seek mutual agreement on any such requested exhibit revisions. Upon such agreement, or if the agreement is unreasonably withheld or delayed, BPA shall revise this exhibit to accurately reflect what BPA determines are the actual characteristics of PODs and meter information described in this exhibit. Unless the Parties otherwise agree, BPA shall not revise the exhibit any sooner than 60 calendar days after the request to update this exhibit. BPA shall provide Ellensburg with a revised Exhibit E. The effective date will be the date stated at the top of the revised exhibit.

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Exhibit F
SCHEDULING

1. DEFINITIONS

1.1 "Balancing Authority" means the responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

1.2 "Balancing Authority Area" means the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

1.3 "Electronic Tag" or "E-Tag" means an electronic record that contains the details of a transaction to transfer energy from a source point to a sink point where the energy is scheduled for transmission across one or more Balancing Authority Area(s), consistent with all relevant WECC, NAESB, NERC and FERC requirements.

1.4 "Heavy Load Hours" or "HLH" means hours ending 0700 through 2200 hours Pacific Prevailing Time (PPT), Monday through Saturday, excluding holidays as designated by the North American Electric Reliability Corporation (NERC).

1.5 "Interchange Points" means the points where Balancing Authority Areas interconnect and at which the interchange of energy between Balancing Authority Areas is monitored and measured.

1.6 "Light Load Hours" or "LLH" means: (1) hours ending 0100 through 0600 and 2300 through 2400 hours PPT, Monday through Saturday, and (2) all hours on Sundays and holidays as designated by NERC.

1.7 "Open Access Transmission Tariff" or "OATT" means the terms and conditions of point-to-point and network integration transmission services, ancillary services, and generator interconnections offered by BPA or a Third-Party Transmission Provider.

1.8 "Transmission Curtailment" means an event that is initiated by a transmission provider through a curtailment to the E-Tag as a result of transmission congestion or an outage on the path used to deliver Ellensburg's Dedicated Resource.

1.9 "Transmission Curtailment Management Service" or "TCMS" means the service BPA will provide to customers with a qualifying resource when a Transmission Curtailment occurs between such resource and the customer load.

1.10 "Transmission Event" means a Planned Transmission Outage or a Transmission Curtailment.

1.11 "Transmission Scheduling Service" or "TSS" means the power scheduling service that BPA provides to Ellensburg that allows BPA to manage certain aspects of Ellensburg's BPA NT Agreement with Transmission Services, to allow BPA to use the inherent flexibilities of Ellensburg's network rights in combination with other network customers' rights to manage BPA's power resources efficiently, and to provide seamless scheduling for Transfer Service customers.

2. TRANSMISSION SCHEDULING SERVICE

If Ellensburg:

(1) acquires BPA's Resource Support Services; and/or

(2) purchases power from BPA at a Tier 2 Rate,

then Power Services shall provide and Ellensburg shall purchase Transmission Scheduling Service. In such case, the Parties shall revise this exhibit to include the terms and conditions of such service.

If Ellensburg is not required to purchase Transmission Scheduling Service, pursuant to the paragraph above, then Ellensburg, with six months' notice, may purchase Transmission Scheduling Service from Power Services and the Parties shall modify this exhibit to add the terms and conditions of such service.

3. AFTER THE FACT

BPA and Ellensburg shall reconcile all transactions, schedules and accounts at the end of each month (as early as possible within the first ten calendar days of the next month). BPA and Ellensburg shall verify all transactions pursuant to this Agreement as to product or type of service, hourly amounts, daily and monthly totals, and related charges.

4. REVISIONS

BPA may unilaterally revise this exhibit:

(1) to implement changes that BPA determines are reasonably necessary to allow it to meet its power and scheduling obligations under this Agreement, or

(2) to comply with requirements of Western Electricity Coordinating Council (WECC), North American Energy Standards Board (NAESB), or NERC, WRAP or their successors or assigns.

BPA shall provide a draft of any unilateral revisions of this exhibit to Ellensburg, with reasonable time for comment, prior to BPA providing written notice of the revision. Such revisions will be effective no sooner than 45 calendar days after BPA provides written notice of the revisions to Ellensburg unless, in BPA's sole

judgment, less notice is necessary to comply with an emergency change to the requirements of WECC, NAESB, NERC, WRAP or their successors or assigns. In such circumstances, BPA shall specify the effective date of such revisions.

All other changes to this Exhibit F will be made by mutual agreement of the Parties.

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Exhibit G
THIS EXHIBIT INTENTIONALLY LEFT BLANK

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Exhibit H
RENEWABLE ENERGY CERTIFICATES AND ENVIRONMENTAL ATTRIBUTES

1. PURPOSE AND INTENT; DISCLAIMER

The Parties acknowledge that: different jurisdictions, regulatory programs, and entities (federal, state, county, cities, and others) have different definitions for environmental attributes, renewable energy credits/certificates, emissions credits, and similar instruments; the various jurisdictions, programs, and entities are inconsistent in how they define and address these concepts; and these concepts are continually evolving. Accordingly, through this Agreement BPA does not attempt to define these concepts other than by reference to how they may be defined by others, and BPA does not represent or warrant that the items conveyed in this Exhibit H are suitable for a particular purpose or regulatory program. Whatever the regulatorily-defined environmental and non-power characteristics are of the power that customers buy from BPA, the purpose and intent of this Exhibit H is to convey to Ellensburg, in accordance with this Exhibit H, all Environmental Attributes, if any, and to the extent they exist, associated and commensurate with the physical amount of power Ellensburg buys from BPA and the Attribute Pools associated with Ellensburg's purchase obligation under this Agreement. This Exhibit H accomplishes this by BPA: (1) agreeing to register applicable generation, (2) providing for the creation of an Environmental Attribute Accounting Process, (3) producing Inventories of RECs based on power generated, (4) committing to transfer Ellensburg's share of RECs based on its BPA power purchases and as determined in accordance with this Exhibit H to Ellensburg, (5) committing to provide an emissions accounting and non-emitting generation accounting for customers' use, and (6) undertaking the other actions identified in this exhibit below.

2. DEFINITIONS

2.1 "Attribute Pools" means the results calculated in the Environmental Attribute Accounting Process whereby the physical resources and forecasted power deliveries associated with each of BPA's rates and firm power obligations are determined for the upcoming Rate Period.

2.2 "Emissions Allowance" means an authorization in a given jurisdiction to emit a specified amount of carbon dioxide equivalent or other measurement of greenhouse gases, and documented as an emissions credit, certificate, or similar instrument.

2.3 "Environmental Attribute Accounting Process" means the public process BPA will conduct each Rate Case Year, after the conclusion of each routine power rate 7(i) Process, during which the allocation methodology and Attribute Pools for BPA's Environmental Attributes for the upcoming Rate Period will be determined.

2.4 "Environmental Attributes" means the environmental and non-power characteristics of power, however defined or titled and arising under any federal, state, or local law or regulation, including but not limited to current

or future certificates, credits, benefits, and avoided emissions attributable to the generation of energy from a resource. Environmental Attributes do not include the tax credits associated with such resource. One megawatt-hour of energy generation from a resource is associated with one megawatt-hour of Environmental Attributes.

2.5 "Inventory" or "Inventories" means the Environmental Attributes, including RECs, that are attributable to the output of generation resources, by Attribute Pool(s).

2.6 "Renewable Energy Certificates" or "Renewable Energy Credits" or "RECs" means the tradeable certificates, credits, documentation, or other evidence that demonstrates: (1) that the electricity was generated from a renewable or non-emitting energy generating unit and (2) proof of ownership of the Environmental Attributes of such generated electricity in a REC tracking system. Some jurisdictions and regulatory programs may interpret a REC to include the emissions avoided by the generation of electricity by a renewable or non-emitting generating unit. For purposes of such situations, the Parties' intent is that the RECs conveyed herein include the associated Environmental Attributes; however, this conveyance is not intended to impact BPA's reporting in any generation-based emission programs where REC retirement is not required. One megawatt-hour of energy generation from a resource registered with the tracking system under section 5 is associated with one REC.

2.7 "Retire" or "Retirement" means an action taken to remove a REC from circulation within a REC tracking system.

3. ENVIRONMENTAL ATTRIBUTE INVENTORY AND ACCOUNTING

The Parties acknowledge that the Environmental Attribute accounting outlined below will be provided consistent with physical deliveries of power.

3.1 Registration of Renewable Energy Generating Units

BPA shall take all reasonable steps to register the applicable renewable energy generating units in BPA's system mix, including any hydro resources, with the tracking system selected under section 5 of this Exhibit H.

3.2 Environmental Attribute Accounting Process

Starting after issuance of the Final ROD of the BP-29 power rate 7(i) Process, and after the issuance of the Final ROD in each subsequent routine power rate 7(i) Process thereafter through the term of the Agreement, BPA shall conduct an Environmental Attribute Accounting Process for each upcoming Rate Period.

3.3 REC Inventory Accounting

No later than April 15, 2030, and by each April 15 over the remaining term of this Agreement, BPA shall calculate its Inventory for RECs for each Attribute Pool created during the prior calendar year in the applicable Environmental Attribute Accounting Process for the applicable Rate Period.

3.4 **Emission Accounting**
No later than June 1, 2029 and by each June 1 thereafter, and as an outcome of the Environmental Attribute Accounting Process, BPA will provide emission accounting information and, if applicable, will provide such information consistent with state rules.

3.5 **Non-Emitting Electric Generation Accounting**
No later than June 1, 2029 and by each June 1 thereafter, and as an outcome of the Environmental Attribute Accounting Process, BPA will provide non-emitting electric generation accounting information and, if applicable, will provide such information consistent with state rules.

4. CUSTOMER'S SHARE OF RECS

All capitalized terms used in this paragraph and the related underlying processes described in this paragraph shall be as defined, determined and calculated under Ellensburg's Regional Dialogue CHWM Contract. By April 15, 2029, BPA shall transfer to Ellensburg or manage a pro rata share of Available Tier 1 RECs from calendar year 2028 based on Ellensburg's FY 2028 RHWM divided by the total FY 2028 RHWMs of all customers with Regional Dialogue CHWM Contracts. BPA shall also transfer to Ellensburg its share of Tier 2 RECs, if applicable, generated during calendar year 2028. Ellensburg agrees that its REC transfer or management election (WREGIS account, WREGIS subaccount, or remarketing) for Fiscal Year 2028 shall apply for all calendar year 2028.

By April 15, 2030, and by each April 15 over the remaining term of this Agreement, BPA shall determine Ellensburg's share of RECs as a pro rata share of the actual megawatt-hours of power Ellensburg purchased from BPA the prior calendar year under this Agreement. Ellensburg's pro rata share of each Inventory of RECs shall be calculated as the actual megawatt hours of power Ellensburg purchased from BPA under this Agreement during the prior calendar year from the applicable Attribute Pool divided by the sum of all power purchased from BPA for the applicable Attribute Pool.

5. TRANSFER AND TRACKING OF RECS

By December 1, 2029, Ellensburg shall provide written notice to BPA stating which one of the three options below it elects for the transfer of Ellensburg's share of RECs, for the remaining term of the Agreement. However, Ellensburg may change its transfer election for the remaining term of the Agreement by providing written notice to BPA of such change by December 1, 2030 or by any December 1 over the remaining term of the Agreement.

(1) BPA shall transfer Ellensburg's share of RECs into Ellensburg's own Western Renewable Energy Generation Information System (WREGIS) account, which shall be established by Ellensburg; or

(2) BPA shall transfer Ellensburg's share of RECs into a BPA-managed WREGIS subaccount. Such subaccount shall be established by BPA on Ellensburg's

behalf and the terms and conditions of which shall be determined by the Parties in a separate agreement; or

(3) BPA shall transfer Ellensburg's share of RECs into a third party-managed WREGIS account. Ellensburg shall notify BPA of the third-party WREGIS account number in its notice provided pursuant to this section 5.

By April 15, 2030, and by each April 15 over the remaining term of this Agreement, BPA shall transfer Ellensburg's share of RECs from the prior calendar year to Ellensburg via WREGIS in accordance with its transfer election.

If Ellensburg's WREGIS account number has changed, then Ellensburg shall notify BPA of such change by December 1, 2028 and by each December 1 over the remaining term of this Agreement.

All references to WREGIS in this Exhibit H should be understood to mean WREGIS or a comparable commercial tracking system. BPA may change commercial tracking systems with reasonable advance notice to Ellensburg. In such case, the Parties shall establish a comparable process for BPA to provide Ellensburg its share of RECs.

6. FEES

BPA shall pay any reasonable fees associated with: (1) the transfer of Ellensburg's RECs into any WREGIS account or WREGIS subaccount and (2) the establishment of any WREGIS subaccounts in Ellensburg's name pursuant to section 5 of this exhibit. Ellensburg shall pay all other fees associated with any WREGIS or successor commercial tracking system, including WREGIS Retirement, reserve, and export fees.

7. EMISSION ALLOWANCES

7.1 BPA Compliance with Emission Allowance Program(s)

If over the term of this Agreement BPA incurs an emissions compliance obligation placed on electricity importers that provide power to Ellensburg's service territory, and if based on that compliance program:

(1) BPA is obligated to obtain Emission Allowances sufficient to cover power purchased under this Agreement to Ellensburg, and

(2) Ellensburg is eligible to receive Emission Allowances at no cost from Ellensburg's applicable jurisdiction and which can be used directly for compliance,

then Ellensburg shall transfer, or otherwise provide, Emission Allowances to BPA on the schedule and in the amount agreed to by BPA and Ellensburg that is sufficient to satisfy BPA's compliance obligations that arise in order to serve Ellensburg's load in its state.

The Parties shall revise section 7.2 below to include the specific terms and conditions, such as the calculation of the Emission Allowances to be transferred, and cost responsibilities, if any, associated with the transfer of Emission Allowances to BPA.

If Ellensburg elects to not revise this Exhibit H to include applicable special provisions in section 7.2 below, then BPA shall apply and Ellensburg shall pay the applicable Emissions Allowance costs through charges established in the BPA Power Rate Schedules and GRSPs.

7.2 **Transfer of Emission Allowances to BPA**
Placeholder for special provisions.

8. **REVISIONS**
BPA may unilaterally revise this exhibit:

(1) to add or remove the terms and conditions of Ellensburg's WREGIS subaccount following either Ellensburg's election of a WREGIS subaccount pursuant to section 5 of this exhibit or either Party's notice for termination of a WREGIS subaccount; and

(2) to incorporate any significant edits related to a change to the commercial tracking system, pursuant to the last paragraph of section 5 of this exhibit.

All other changes to this Exhibit H will be made by mutual agreement of the Parties. As discussed in section 1 of this exhibit, BPA and Ellensburg acknowledge that the regulatory concepts covered in this exhibit are not well settled and are continually evolving. Accordingly, if future regulatory concepts change such that the spirit and intent of this exhibit are not being met, then BPA agrees to discuss such situations with customers and, as needed, to attempt in good faith to agree on mutually acceptable amendments to this exhibit.

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Exhibit I
NOTICES AND CONTACT INFORMATION

1. NOTICES AND CONTACT INFORMATION

1.1 Notices

Any notice required under this Agreement that requires such notice to be provided under the terms of this section shall be provided in writing to the other Party in one of the following ways:

(1) delivered in person;

(2) by a nationally recognized delivery service with proof of receipt;

(3) by United States Certified Mail with return receipt requested;

(4) electronically, with verification of the electronic notice's origin, date, time of transmittal and receipt; or

(5) by another method agreed to by the Parties.

Notices are effective when received.

1.2 Contact Information

The Parties shall deliver notices to the following people and address(es):

If to Ellensburg:

City of Ellensburg
501 N Anderson Street
Ellensburg, WA 98926-3147
Attn: Buddy Stanavich
Energy Services Director
Phone: (509) 962-7225
E-Mail:
stanavichm@ellensburgwa.gov

If to BPA:

Bonneville Power Administration
1620 E Hawthorne Road
PO Box 789
Mead, WA 99021
Attn: Hope Ross–PSE-MEAD-GOB
Account Executive
Phone: (509) 822-4590
E-Mail: heross@bpa.gov

Additional BPA Contact:

Bonneville Power Administration
1620 E Hawthorne Rod
PO Box 789
Mead, WA 99021
Attn: Mary Beth Evans –
PSE-MEAD-GOB
Eastern Power
Customer Services Manager
Phone: (509) 822-4584
E-Mail: mbevans@bpa.gov

2. OPERATIONAL CONTACT INFORMATION

As applicable, the Parties shall notify the following people using the following methods for operations related to this Agreement, including scheduling:

If to Ellensburg:

Not Applicable

Or another mutually agreed upon form of notification.

If to BPA:

Preschedule
E-Mail: PBLPresched@bpa.gov

Real Time: See E-Tag for contact

Or another mutually agreed upon form of notification.

3. REVISIONS

Each Party shall notify the other Party of changes to their contact information above. After such notice, BPA may unilaterally revise section 1.2 and section 2 of this exhibit to reflect such changes to the Parties' contact information. All other changes to this Exhibit I will be made by mutual agreement of the Parties.

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Exhibit J
SUPPORT SERVICES; ADDITIONAL RESOURCE AND ENERGY STORAGE DEVICE REQUIREMENTS

1. CUSTOMER RESOURCE ELECTIONS AND REQUIREMENTS SUMMARY

Elected Services by Resource					Resource Services and Requirements	
Resource Name	TSS Election		Applied to Tier 1 Allowance Amount	RSS Elections	Requires E-Tag	Flexible Resource Requirements
	TSS-Full	TSS-Partial				

2. TIER 1 ALLOWANCE AMOUNT

Ellensburg's total amount of Specified Resources that are applied to the Tier 1 Allowance Amount, as identified in section 2.1 of Exhibit A, are stated below. BPA shall calculate the Tier 1 Allowance Amount limit in accordance with section 3.5.2 of the body of this Agreement. If Ellensburg's CHWM changes, then BPA shall revise the Tier 1 Allowance Amount and Tier 1 Allowance Amount limit in the table below in accordance with section 3.5.2 of the body of this Agreement.

Tier 1 Allowance Amount (MW)	Tier 1 Allowance Amount Limit (MW)

3. RESOURCE SUPPORT SERVICES

3.1 BPA shall develop Support Services consisting of RSS and other Support Services to support eligible Dedicated Resources listed in section 2 and 3 of Exhibit A and eligible Consumer Owned Resources Serving On-site Consumer Load listed in section 7 of Exhibit A.

RSS may include, but are not limited to, providing forced outage services, services for generation that produces secondary energy, or services to support variable generation. Other Support Services may include, but are not limited to, scheduling services and curtailment management services. BPA shall offer an amendment to this Agreement with RSS and other Support Services contract provisions by July 31, 2026. Prior to that date, BPA shall provide Ellensburg a reasonable opportunity to provide input into the development or refinement of Support Services and the related contract provisions. BPA shall make RSS and other Support Services available starting in FY 2029.

3.2 If Ellensburg adds a New Resource to meet its obligations to serve Above-CHWM Load, consistent with the notice requirements in section 3.5.1 of the body of this Agreement, then Ellensburg may purchase RSS or a combination of RSS and other Support Services from BPA to support such resource.

4. EXISTING DISPATCHABLE RESOURCE CAPACITY SHAPING REQUIREMENTS

Ellensburg does not have any Existing Resources that are Dispatchable Resources.

5. RESOURCE ADEQUACY REQUIREMENTS AND SUBMITTALS

BPA acknowledges that the resource adequacy compliance requirements in this section 5 of Exhibit J are evolving. Accordingly, if future requirements change such that the intent of this section 5 is not being met, then BPA agrees to discuss such situations with customers and develop revisions to this section 5. In accordance with sections 17 and 22 of the body of the Agreement, the following shall apply.

5.1 Resource Adequacy Submittals for Dedicated Resources and Consumer-Owned Resources Serving On-Site Consumer Load

5.1.1 For all Ellensburg's Dedicated Resources and Consumer-Owned Resources serving On-Site Consumer Load, Ellensburg shall submit to BPA the QCC values and JCAF(s) for the Generating Resource(s) Ellensburg will provide to meet its Dedicated Resource and Consumer-Owned Resource serving On-Site Consumer Load amounts for any Fiscal Year as follows.

For the winter WRAP season shown in the table below, such submittal shall be by November 1 prior to the Fiscal Year in which Ellensburg has a Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load amount.

For the summer WRAP season shown in the table below, such submittal shall be by June 1 prior to the Fiscal Year in which Ellensburg has a Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load amount.

WRAP Seasons	
Summer	June - September
Winter	November – March

5.1.2 Beginning October 1 immediately preceding the start of the winter season in which Ellensburg has a Dedicated Resource or Consumer-Owned Resource serving On-Site Consumer Load amount, and beginning May 1 immediately preceding the start of the summer season in which Ellensburg has a Dedicated Resources or Consumer-Owned Resource serving On-Site Consumer Load amount, Ellensburg shall submit a generation schedule for such Generating Resource(s), in hourly amounts, no later than one month in advance of each operating day. Such generation schedule can be for each hour of the entire WRAP summer or winter season or for each hour of each individual future day of the season.

5.1.3 On each preschedule day of the applicable WRAP season, Ellensburg shall submit a generation schedule for the Generating Resource(s) Ellensburg will provide to meet its Dedicated Resource and Consumer-Owned Resource serving On-Site Consumer Load amounts, as applicable, in hourly amounts for the day of delivery.

5.1.4 If BPA determines that Ellensburg does not need to provide certain information required in sections 5.1.1, 5.1.2, and 5.1.3 above, then BPA shall revise the table below to list any resources and information that Ellensburg does not need to provide.

Resource Name	Resource and Information Exemptions

5.2 Resource Adequacy Services

Unless a self-supply option is available and elected by Ellensburg, Ellensburg shall purchase Support Services for the following resources for resource adequacy planning purposes: (1) New Resource amounts serving Above-CHWM Load and (2) Consumer-Owned Resources serving On-Site Consumer Load except for those listed in section 7.4 of Exhibit A, in accordance with the applicable Power Rate Schedules and GRSPs.

Ellensburg shall be responsible for any resource adequacy-related planning obligations for any Planned NLSL or NLSL served by Dedicated Resource amounts or Consumer-Owned Resources listed in section 7.4 of Exhibit A.

5.3 WRAP Load Exclusions

5.3.1 By July 31, 2027, and by July 31 of each Forecast Year thereafter, Ellensburg may request that BPA allow a load exclusion. Upon receipt of such request, BPA will analyze Ellensburg's request, including impacts to BPA's ability to maintain resource adequacy and reliability, and any potential cost shifts to BPA and other BPA customers. In its sole discretion, BPA may: (1) allow a requested load exclusion, (2) allow a requested load exclusion subject to conditions designed to offset any negative impacts the requested load exclusion may have on the reliability of the power system or to share costs; or (3) decline a requested load exclusion.

By October 15 of the Rate Case Year following the request, BPA shall provide Ellensburg notice of its decision regarding the requested load exclusion, including a summary of its analysis and any conditions. By January 31 of that Rate Case Year, the Parties shall revise section 5.3.2 of this exhibit to state the terms and conditions of any allowed load exclusion. Such load exclusions will be effective on October 1 following the Exhibit J revision and shall remain in effect for the duration of that Rate Period. If the Parties do not revise Exhibit J pursuant to this section by January 31 of the applicable

Rate Case Year, then BPA shall not allow the requested load exclusion for the upcoming Rate Period.

5.3.2 Ellensburg does not have a WRAP load exclusion at this time.

5.4 **Submittal Method**
No later than October 1, 2027, and in accordance with section 22.1.1 of the body of this Agreement, BPA shall update this section 5.4, and section 2 of Exhibit I as applicable, with BPA's preferred mode of communication for WRAP-related information.

5.5 **Pass-through Charges**
Pursuant to section 22.2 of the body of this Agreement, BPA shall pass through WRAP charges to Ellensburg in instances where the charge is related to one or more of the following: (1) non-performance of Ellensburg's resource as planned; (2) failure to meet the requirements of sections 5.1.1, 5.1.2, 5.1.3 and 5.2 above.

If BPA finds that only a portion of such WRAP charge is related to one of the conditions above, then BPA shall pass through only the portion related to such conditions. BPA shall not pass through charges that are related to the failure of BPA-provided Support Services.

For any single instance of a pass-through charge for WRAP, BPA shall waive a related charge that BPA determines to be duplicative to other charges assessed.

6. ENERGY STORAGE DEVICES

The data included in this section 6 is intended for informational purposes.

6.1 **Definitions**
For purposes of this section 6, the following terms shall have the meaning as defined.

6.1.1 "Cycle" means an Energy Storage Device has discharged an amount of energy equal to its maximum rated storage capacity and been recharged to 100 percent of that rated capacity.

6.1.2 "Cycles per Day" means the number of times, or fraction thereof, that an Energy Storage Device can complete a Charge Cycle within a normal 24-hour period.

6.1.3 "Hours of Maximum Discharge" means the number of hours, or fraction thereof, an Energy Storage Device can discharge at its Maximum Single Hour Discharge.

6.1.4 "Maximum Charge Rate" means the maximum rate at which an Energy Storage Device can be charged from either a full or partial

discharge to either a higher level of charge or a full charge, in percentage of full charge per hour.

6.1.5 "Maximum Single Hour Discharge" means the maximum megawatt-hours that an Energy Storage Device is rated for discharge on a single hour.

6.1.6 "Round Trip Efficiency" means the percent of energy used in charging an Energy Storage Device that later can be discharged to the alternating current electrical system.

6.1.7 "Storage Capacity" means the megawatt-hours of energy an Energy Storage Device is designed and rated to be able to store and discharge to the alternating current electrical system on an ongoing basis.

6.2 **Notice of Energy Storage Device Connection**
Ellensburg shall provide notice to BPA of its or its consumer's intent to connect an Energy Storage Device to Ellensburg's distribution system. Such notice shall be provided no fewer than 30 calendar days prior to the Energy Storage Device connection and shall include the information specified in section 6.3.1.3 below. BPA will populate the table in section 6.3.1.3 within 60 calendar days of receiving the notice.

6.3 **List of Ellensburg and Consumer-Owned Energy Storage Devices**
Ellensburg does not have any Energy Storage Devices at this time.

7. REVISIONS

BPA shall unilaterally revise this exhibit to reflect: (1) Ellensburg's resource elections and requirements in section 1 of this exhibit; (2) Ellensburg's Tier 1 Allowance Amount in section 2 of this exhibit; (3) resource adequacy requirements in section 5 of this exhibit; and (4) updates or additions to Energy Storage Devices in section 6 of this exhibit. Additionally, BPA shall unilaterally revise section 3, Resource Support Services, of this exhibit to implement an established BPA rate for such products or services.

All other changes to this Exhibit J will be made by mutual agreement of the Parties.

(W:\power\CONTRACT\CUSTOMER\ELLENSBURG\POC_25027\Exhibit J\Exh J R0.docx) 08/19/2025

Meeting Date: June 15, 2026
City of Ellensburg
City Council Agenda Report

Agenda Subject:	Notice of Intent to Commence Annexation Proceedings for Parcels 066733, 056733, 916733, 636733, 626733, 936733, 266733, 116733, and 326733, Located Adjacent to South Locust Street and Seattle Avenue. (Public Comment Opportunity)
Submitted by:	Chace Pedersen, Associate Planner
Department:	Community Development

Suggested Motion/Action:
Move to approve the intent to commence annexation proceedings; set the annexation boundary as shown on the map of Exhibit 3; direct for simultaneous adoption of Residential Medium (R-M) zoning for parcels 066733, 056733, 916733, 636733, 626733, 936733, 266733, & 116733, and Residential Suburban (R-S) zoning for parcel 326733; and require the assumption of all existing city indebtedness by the area to be annexed.

Background/Summary:

The Notice of Intention to Annex application was submitted for parcels 066733, 056733, 916733, 636733, 626733, 936733, 266733, 116733, and 326733 on May 4, 2026, (Exhibit 1) by Sang Rosenberg, property owner of six of the nine subject parcels. The parcels are located adjacent to South Locust Street and Seattle Avenue and total approximately 13.19 acres. An area map of the general vicinity (Exhibit 2) and a map outlining the proposed parcels to be annexed (Exhibit 3) are attached to this Report.

Per Chapter 35A.14 RCW, City Council is to determine the following at this initial meeting:

1. Whether the City will accept, reject, or geographically modify the proposed annexation. Acceptance does not constitute approval but rather affirms the process of consideration will continue.
2. Whether the City shall require the simultaneous adoption of the proposed zoning for the parcel proposed to be annexed.
3. Whether the City shall require the assumption of all, or part of, existing City indebtedness by the area, if annexed.

If Council agrees to move forward with the intent to annex, the requestor then files a petition for annexation with City Council. The petition is reviewed by City staff and must be sent to the County Assessor within three days of receipt of the petition. The Assessor must then certify the petition within a reasonable amount of time. After receipt of the Assessor's certification of the petition to annex, Council may then schedule a public hearing to formally consider and act upon the proposed annexation. A decision to approve the annexation is

implemented by ordinance, which may be given first reading at the conclusion of the public hearing. When the annexation ordinance also establishes the zoning for the annexed areas, two public hearings for the first and second reading of the ordinance must be conducted, and scheduled no sooner than 30 days apart, per RCW 35A.14.330 and .340.

Previous Council Action:
None

Analysis:
The parcels proposed for annexation lie within the region of the southeastern edge of the Ellensburg Urban Growth Area (UGA). Residential development, currently zoned Residential Medium (R-M), abuts the subject parcels to the north (Exhibit 6). Just beyond this residential development resides Ellensburg High School. Residential development, currently zoned Residential Suburban (R-S), abuts the subject parcels to the west, south, and south-east (Exhibit 6). Upon annexation, future development of the parcels not currently serviced by City utilities may necessitate connections to City utilities.

The Growth Management Act calls for logical growth patterns. Annexation of areas in the City's UGA is a valuable tool that will extend the City's land use regulations, assuring consistent and orderly growth through subdivision regulations, design standards, and other relevant regulations in the City's Land Development Code. The annexation of these parcels would be a logical extension of the City and ensure new development remains consistent with City standards.

Staff recommends Residential Medium (R-M) zoning for parcels 066733, 056733, 916733, 636733, 626733, 936733, 266733, & 116733, and Residential Suburban (R-S) zoning for parcel 326733. The subject parcels are designated as Residential Neighborhood in the Comprehensive Plan Future Land Use Map (Exhibit 4). The Comprehensive Plan's Future Land Use-Zoning conversion table prescribes Residential Suburban (R-S), Residential Low (R-L), Residential Medium (R-M), Residential High (R-H), Residential Office (R-O), and Commercial Neighborhood (C-N) as compatible zoning designations (Exhibit 5).

Financial Impact:
Fiscal impact will be determined upon receipt of the petition to annex.

Budget Adjustment: No

Attachments:
1. Exhibit 1 - Notice of Intent to Annex
2. Exhibit 2 - Vicinity Map
3. Exhibit 3 - Property Boundaries
4. Exhibit 4 - Future Land Use Map
5. Exhibit 5 - Future Land Use-Zoning Conversation Table
6. Exhibit 6 - Zoning Map

Notice of Intention to Annex

PF-04
FORM

Community Development Department
501 N. Anderson, Ellensburg, WA 98926 (509) 962-7239 (Building) (509) 962-7231 (Planning) permits@ci.ellensburg.wa.us

NOTICE OF INTENTION TO COMMENCE ANNEXATION TO THE CITY OF ELLENSBURG, WASHINGTON

RECEIVED
MAY 04 2026
Community Development

TO: THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON

The undersigned, representing the ownership of more than ten percent of the acreage of the real property for which annexation is sought, as more particularly described below, hereby gives notice to the City Council of the City of Ellensburg, Washington, of their intent to commence annexation proceedings.

The City Council of the City of Ellensburg is hereby requested to set a date not later than 60 days after the date this NOTICE OF INTENTION is filed with the Community Development Department for a meeting with the initiating party to determine whether the city will accept, reject, or geographically modify the proposed annexation, whether it will require the simultaneous adoption of a proposed zoning regulation, and whether it will require the assumption of all or any portion of existing city indebtedness by the area sought to be annexed.

Information regarding real property for which annexation is sought:

(Street address of property) *(City, State, Zip Code)*

066733, 056733, 916733, 636733, 626733, 936733, 266733, 116733, 326733
(Parcel Number) *(Acreage)*

See ATTACHED
(Legal)

Respectfully submitted:

(Signature of Initiator of Annexation) Sang Rosenberg *(Printed Name of Initiator of Annexation)*

1308 E Capitol Ave Ellensburg. WA 98926
(Petitioner's Address) *(City, State, Zip Code)*

509 964 4989
(Phone number) *(Date Signed)*

** *List this same information for all signers representing the ownership of at least 10% of the most recent assessed valuation of the real property for which annexation is sought. Attach additional sheets, as necessary.*

** *Provide a location map identifying the area you are requesting to be annexed.*

Sang J Rosenberg
(Signature of Petitioner) *(Printed Name of Petitioner)*

1308 E Capitol Ave Ellensburg . 98926
(Petitioner's Address) *(City, State, Zip Code)*

509. 964 4989 4/10/2026
(Phone number) *(Date Signed)*

(Signature of Petitioner) *(Printed Name of Petitioner)*

(Petitioner's Address) *(City, State, Zip Code)*

(Phone number) *(Date Signed)*

(Signature of Petitioner) *(Printed Name of Petitioner)*

(Petitioner's Address) *(City, State, Zip Code)*

(Phone number) *(Date Signed)*

(Signature of Petitioner) *(Printed Name of Petitioner)*

(Petitioner's Address) *(City, State, Zip Code)*

(Phone number) *(Date Signed)*

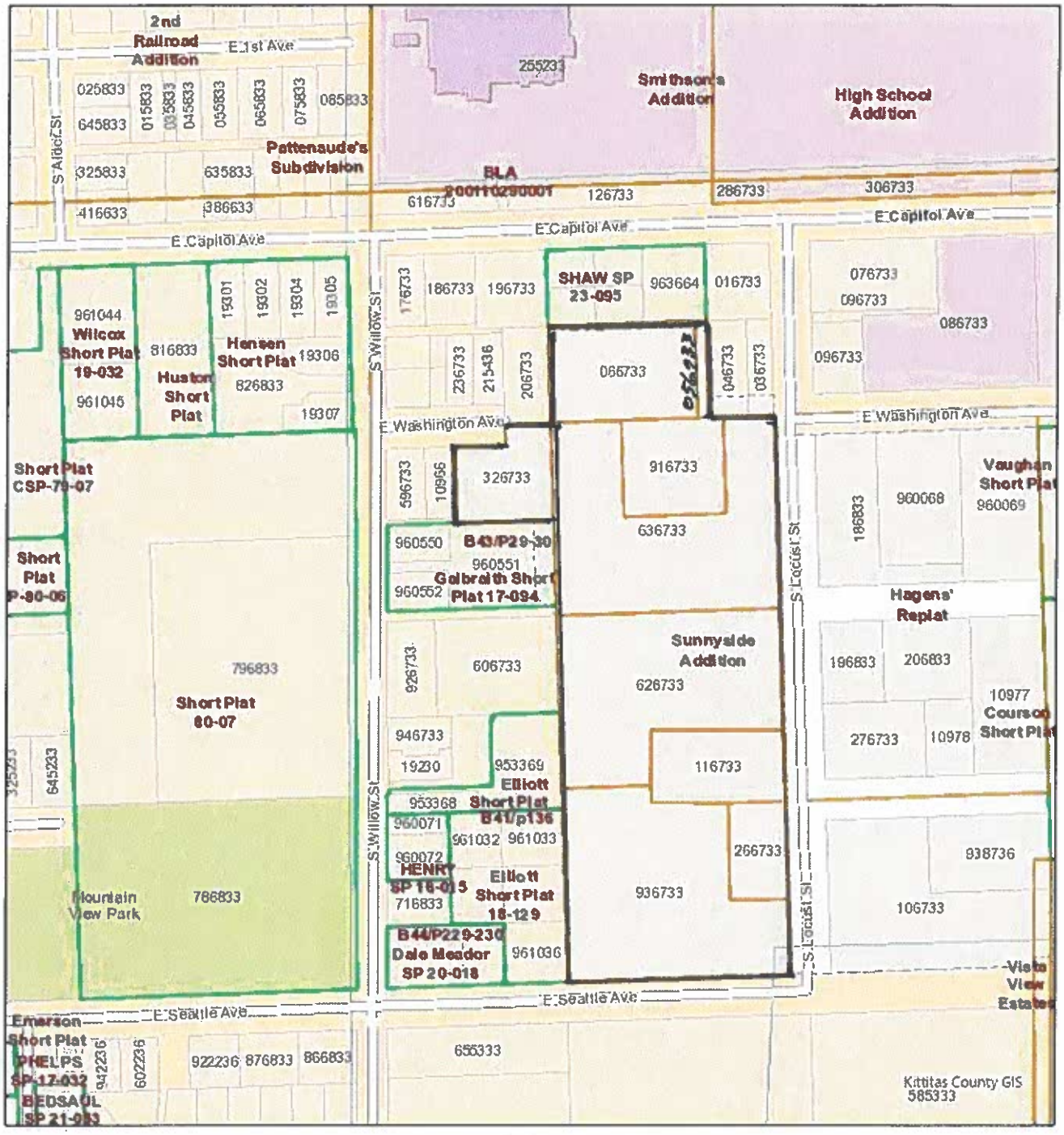
(Signature of Petitioner) *(Printed Name of Petitioner)*

(Petitioner's Address) *(City, State, Zip Code)*

(Phone number) *(Date Signed)*

MAY 04 2026
COMMUNITY DEVELOPMENT

Kittitas County COMPAS Map



Date 4/3/2026

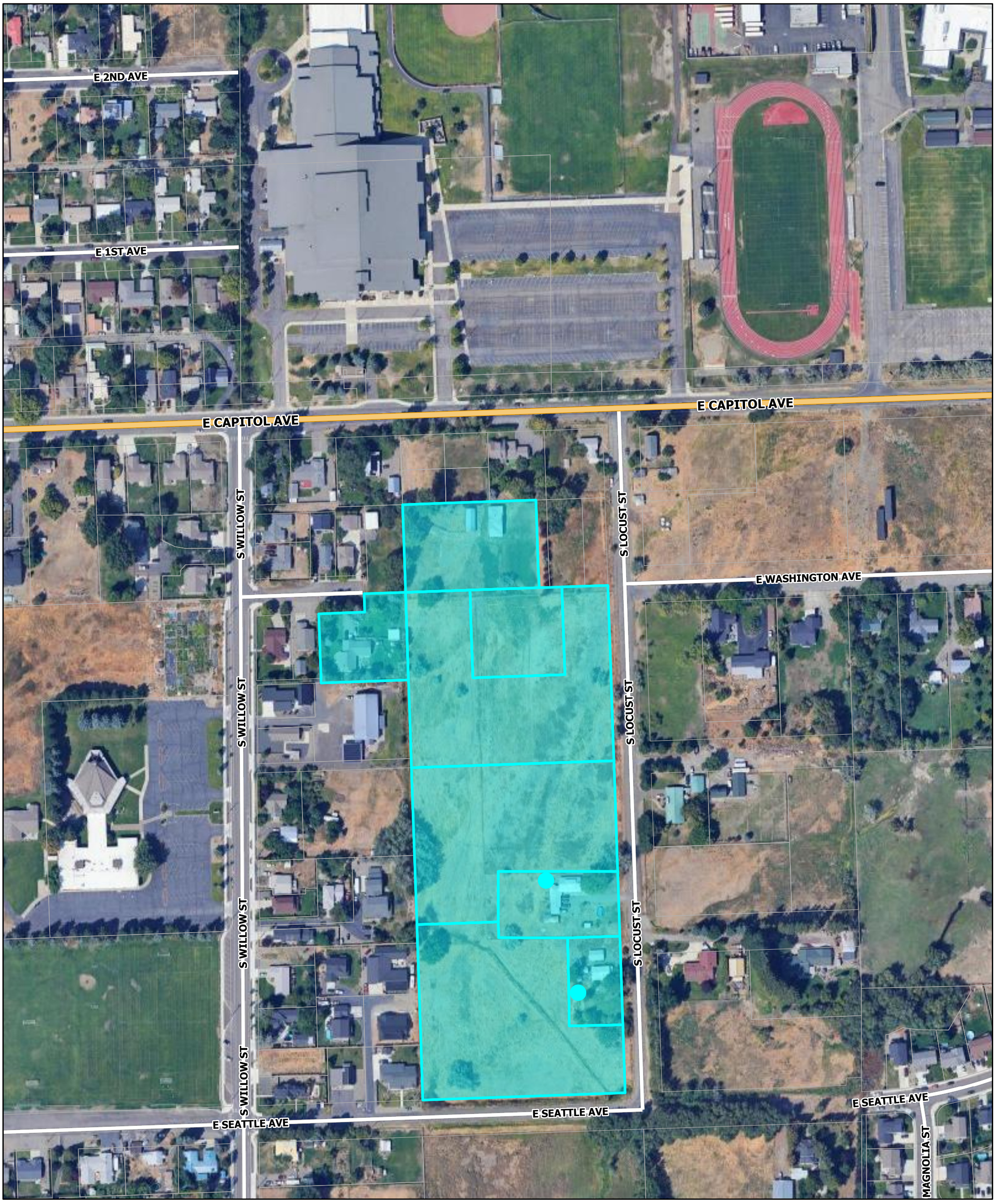
1 inch equals 376 feet

0 0.02 0.04 0.09 mi

Disclaimer:
Kittitas County makes every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data, its use, or its interpretation. Kittitas County does not guarantee the accuracy of the material contained herein and is not responsible for any use, misuse or representations by others regarding this information or its derivatives.



Exhibit 3 - Property Boundaries



6/8/2026, 11:43:03 AM

Tax Parcel Query (COMPAS)

Owner Address (COMPAS)

Site Address (COMPAS)

Major Arterial

Road

1:3,463

0 150 300 600 ft

0 45 90 180 m

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Figure 2. Future Land Use Map

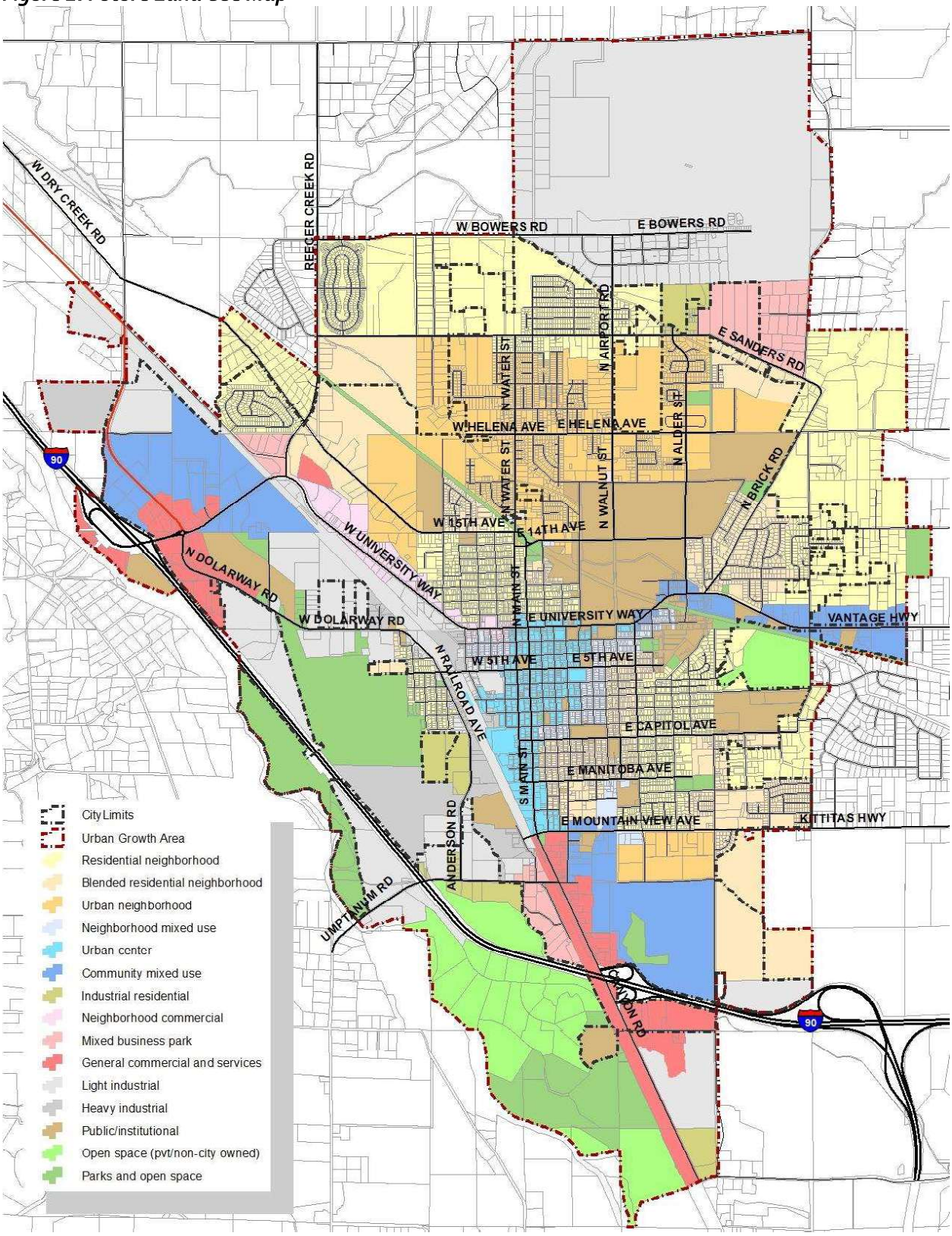
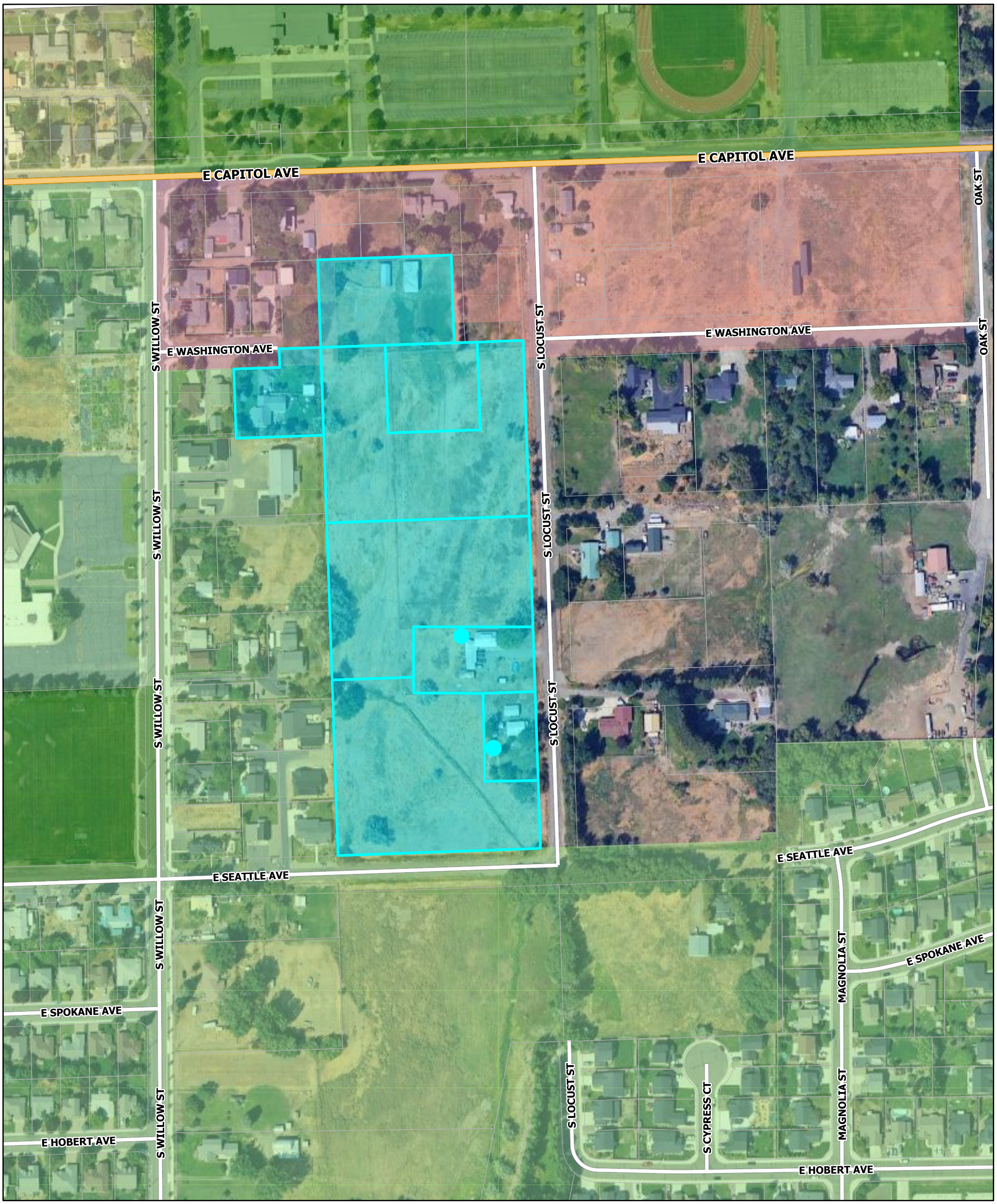


Table 7. Future Land Use- Zoning Conversion Table	
Future Land Use	**Zoning Options**
Residential Neighborhood	Residential Suburban (R-S)
	Residential Low (R-L)
	Residential Medium (R-M)
	Residential High (R-H)
	Residential Office (R-O)
	Commercial Neighborhood (C-N)
Blended Residential Neighborhood	Residential Low (R-L)
	Residential Medium (R-M)
	Residential High (R-H)
	Commercial Neighborhood (C-N)
Urban Neighborhood	Residential High (R-H)
	Residential Office (R-O)
	Commercial Neighborhood (C-N)
Neighborhood Mixed Use	Residential Medium (R-M)
	Residential High (R-H)
	Residential Office (R-O)
	Commercial Neighborhood (C-N)
Community Mixed Use	Residential Medium (R-M)
	Residential High (R-H)
	Residential Office (R-O)
	Neighborhood Center (NCMU)
	Regional Center Mixed Use (RCMU)
	Commercial Highway (C-H)
Neighborhood Commercial	Commercial Neighborhood (C-N)
	Residential Office (R-O)
Mixed Busines Park	Industrial Light (I-L)
	Commercial Highway (C-H)
	Regional Center Mixed Use (RCMU)
Urban Center	Central Commercial (C-C)
	Central Commercial II (C-CII)
General Commercial and Services	Commercial Highway (C-H)
Light Industrial	Industrial Light (I-L)
Heavy Industrial	Industrial Heavy (I-H)
Industrial Residential	Industrial Light (I-L)
Public Institutional	Public Reserve (P-R)
Open Space (Private)	Public Reserve (P-R)
Parks and Open Space (Public)	Public Reserve (P-R)

Exhibit 6 - Zoning Map



6/8/2026, 11:46:08 AM

Tax Parcel Query (COMPAS)

Owner Address (COMPAS)

Site Address (COMPAS)

Major Arterial

Road

Zoning

PR

RL

RM

RS

1:3,463

0 150 300 600 ft

0 45 90 180 m

© OpenStreetMap (and) contributors, CC-BY-SA

MANAGER'S REPORT

DATE: June 15, 2026

TO: Ellensburg City Council

FROM: Heidi Behrends Cerniwey, City Manager

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1. Juneteenth Holiday and Community Celebration on June 19
City offices will be closed in recognition of the Juneteenth holiday on Friday, June 19, 2026. However, everyone is invited to gather on Friday, June 19, for a Juneteenth Community Celebration honoring the end of slavery in the United States and celebrating freedom, history, and togetherness. The free, family-friendly event will take place from 4:00 p.m. to 9:00 p.m. at Unity Park in Ellensburg. A brief program will begin at 5:00 p.m., followed by live music, family entertainment, and community connection. Attendees are encouraged to bring lawn chairs, relax, and enjoy time with friends, neighbors, and visitors in a welcoming outdoor setting. The Juneteenth Community Celebration is presented by Black Grenade Entertainment, The City of Ellensburg's Access, Advocacy, Equity and Engagement Commission, Kittitas County Historical Museum, Central Washington University, Kittitas Valley League of Women Voters, Kittitas Chamber of Commerce and the Ellensburg Downtown Association. To learn more about this year's Juneteenth celebration, including a detailed schedule and Juneteenth resources, please visit the CWU Libraries website.

2. Citywide Community Events Calendar is Live
A new centralized community events calendar is now available on www.myellensburg.com website. The user-friendly calendar will serve as a central hub, making it easier for residents and visitors to discover upcoming events and stay informed about local happenings. Project partners include the Kittitas County Chamber of Commerce, Central Washington University, the Kittitas County Events Center, and local organizations that host community events. Funding was provided by the City's Lodging Tax fund.

3. Ellensburg Light Utility Received S&P Underlying Rating of 'A'
City staff received notice from Standard & Poors Underlying Rating that Ellensburg's electric revenue bond rating is an 'A' with a Stable outlook. The rating reflects the system's diverse electric portfolio; management team that has prudent financial policies and practices, such as long-term financial planning; and robust financial metrics. Other positive impacts specifically called out in the rating include management's strong

industry knowledge and stable finances maintained during the past three fiscal years. Ellensburg's practice of five-year financial projections and capital-improvement plans, and cybersecurity policies to manage cyber risk.

4. Touch-a-Truck Event on June 17

In celebration of National Public Works Week, the City's Public Works and Energy Services Departments will host the Touch-a-Truck event on Wednesday, June 17 from 11:00 a.m. to 2:30 p.m. at Rotary Park.

Anticipated participants are:

- City of Ellensburg Street, Water, Sewer, Stormwater, Parks Maintenance, Natural Gas, and Light Divisions
- National Public Works Mascot PW Paws
- City of Ellensburg Library
- Ellensburg Police Department
- Ellensburg Central Transit
- Ellensburg School District – Transportation Division
- Kittitas County Jail/Corrections Department
- Kittitas County Public Works
- Kittitas County Search & Rescue
- Kittitas County Sheriff's Department
- Kittitas Valley Fire and Rescue
- 811 – "Call Before You Dig"
- Washington State Department of Fish & Wildlife
- Washington State Department of Natural Resources
- Washington State Department of Transportation
- Waste Management
- United States Postal Service
- Washington State Patrol

On 6/17/26, the City Public Works and Energy Services front counters at City Hall will be closed to the public from 8 a.m. to 3 p.m. to allow employees to assist with the event.

5. City Seeks Volunteers for Committee Considering Taxi Code Updates

The City of Ellensburg is seeking volunteers to serve on an ad hoc committee that will consider possible updates to the City's taxi code. Community members with an interest in local transportation or those with current taxi licenses are encouraged to apply. The committee is expected to include about five members and will provide input as the City reviews the current code and considers whether updates may be needed. A commitment to attend up to five meetings will be required. If you are interested in serving on the ad hoc committee, please call the City Manager's office at (509) 962-7221 or email citymanager@ellensburgwa.gov and provide your name and a brief statement regarding why you would like to be appointed to the ad hoc committee. Reply before June 20, 2026.

6. Take the Aquatics Survey
A new or renovated pool facility was highlighted as a clear priority through public participation during development of the 2026-2032 Parks, Recreation, Open Space, and Sustainable Funding Plan (PROS Plan). Now, we're asking for more specific ideas about what residents would like to see in an aquatic facility and what their priorities are. Please take the survey . The survey will remain open until June 21. The City will also post boards at the Kittitas Valley Memorial Pool where people can share their priorities using a sticker-dot system.
Take the survey!

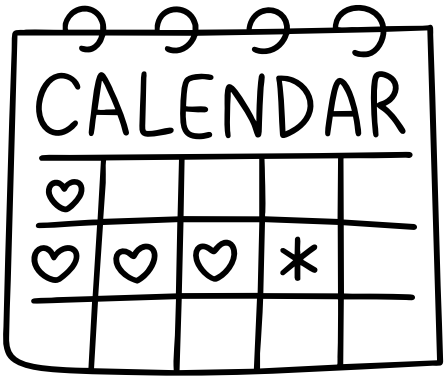
7. Climate Commitment Act (CCA) Auction Results
Staff participated in the recent Climate Commitment Act (CCA) Auction #14 on June 3, 2026, and successfully obtained allowances at the settlement price of $64.56/allowance.

8. Independence Day Community Picnic at Unity Park
The City of Ellensburg will be hosting a community-wide America 250 Community Picnic at Unity Park on Saturday, July 4, 2026, from 2:00-6:00 p.m. to celebrate the 250th anniversary of the United States. This event will bring together residents, families, veterans, artists, and local musicians for a relaxed gathering that reflects Ellensburg's community spirit and creative cultural identity. Designed as a free, family-friendly event, the picnic will combine live music, interactive art, and community connection in an open park setting. There will be no fireworks at the event, however, we encourage all to join the City of Cle Elum in their Pioneer Day celebration and fireworks show. Learn more about Kittitas County's America 250 celebrations.

9. Preview of July 6 Council Agenda and Special Study Session
The July 6 regular meeting will include a public hearing related to a zone change involving Windsor Properties. The July 6 Study Session's planned update on the Fieldhouse project may be rescheduled for a later date, based on project contract status. Moving forward, our staff will bring draft chapters (elements) of the Comprehensive Plan to each meeting to allow for early Council review and to provide an opportunity for members of the public to provide feedback. The Transportation element will be presented at the July 6 meeting.



Connecting Community.



What is it?

MyEllensburg.com is the host site for a centralized community calendar that connects your events and activities with the community.

Help us grow the one-stop shop for all events and activities in Ellensburg. *Add your event!*

MyELLENSBURG.COM

Calendar Sharing Partners

The benefit for your organization?

- Enhanced visibility for your event/activity
  - higher attendance
  - increased revenue
- Easy sign up and easy to list your events.
- Conveniently connects to your social media.
- Attract locals and visitors alike with the broader exposure through regional promotional marketing.
- Free to post and no limit to the number of events/activities you post.

I am ready to start adding my events!

1 MyEllensburg.com/events/

2 WANT YOUR EVENT ADDED? ADD AN EVENT

City of Ellensburg
DRAFT Budget Adoption Schedule
2027/2028 Biennium Budget Preparation

Budget Item	Deadlines		Responsible Party					
	City	Statutory	Finance	All Depts.	City Manager	Council	Results Team	Mike Bailey
2027-2028 Pre-Budget Items								
Council retreat / PBB orientation	2/6/2026			X				
Develop budget plan, approach, forms, and list of programs	March		X		X			X
Finalize budget plan and approach	April		X		X			X
Staff Training	April-May		X	X	X			X
List of Programs/Narratives from Directors	5/18/2026		X	X	X			
Council confirms strategic plan priorities	May					X		
Confirm community attributes	June					X		
2027-2028 Departmental Budget Preparation								
Develop internal prep - cost allocations, compensation, etc.	June	9/22/2026	X					
Performance measures training	6/15/2026		X	X	X	X		X
Budget Kickoff Meeting; budget instructions released	6/22/2026	9/8/2026	X	X				X
Budget worksheets released to Departments	6/22/2026	9/8/2026	X					
Departmental Coaching	July Office Hours		X	X				
Finance and Department Work-sessions/ Questions and Answers	7/31-8/21/2026		X	X				X
Departments submit current service level budget and proposal packages to Finance	7/31/2026	9/22/2026		X				
Non-departmental revenue estimates	8/14/2026	9/22/2026	X					
Review and refine departmental budget proposals	8/21/2026		X	X				
2027-2028 Results Teams Review								
Select Employee Results Team	July				X	X		
Select Community Results Team	July				X	X		
Training of Employee Results Teams	Early August		X				X	X
Training of Community Results Teams	Early August		X				X	X

City of Ellensburg
DRAFT Budget Adoption Schedule
2027/2028 Biennium Budget Preparation

Budget Item	Deadlines		Responsible Party					
	City	Statutory	Finance	All Depts.	City Manager	Council	Results Team	Mike Bailey
Meeting with Department Heads and Results Teams	August		X	X	X	X	X	X
Results Teams begin review	8/28/2026		X	X			X	
Results Teams meet with Departments	9/4/2026						X	
Results Teams scoring	9/11/2026		X				X	X
Assemble and assess scoring results / present to City Manager	9/25/2026		X	X	X			X
2027-2028 City Manager's Preliminary Budget Preparation								
Departmental estimates provided to City Manager; complete financial program	9/10/2026	10/1/2026	X					
City Manager/Department Budget Review Sessions	9/2-9/11/2026			X				
Manager provides Council with estimates of revenues from all sources	9/30/2026	10/6/2026	X					
Preparation of Manager's Preliminary budget	9/30/2026	11/2/2026	X		X			
Manager's preliminary budget & budget message to Council & Clerk -Optional Governmental **Revenue** Study Session-Workshop	10/19/2026	11/2/2026	X		X			
Publication notice of preliminary budget and final hearing	10/19/2026	Nov. 1-18 (approx.)	X					
2027-2028 Council Budget Review & Adoption								
Report out to Council of results / revenues	10/5/2026		X		X			
Copies of budget available to public	10/19/2026	11/21/2026	X					
Council- Public hearing revenues for levy setting	11/2/2026	Mid-October to mid-November (approx.)				X		
Council-Property Tax Levy Ordinance first reading	11/2/2026					X		
Council- property Tax Levy Ordinance second reading & Adoption	11/16/2026	11/30/2026				X		
Council- Public hearings (s) on preliminary budget	11/16/2026	Nov. 1-25 (approx.)				X		
Council-Public Hearing, Budget Ordinance first reading	11/16/2026	12/1/2026				X		
Council- Budget Ordinance second reading & Adoption	12/7/2026	12/31/2026				X		
2027-2028 Budget Post-Adoption								

City of Ellensburg DRAFT Budget Adoption Schedule 2027/2028 Biennium Budget Preparation								
	Deadlines		Responsible Party					
Budget Item	City	Statutory	Finance	All Depts.	City Manager	Council	Results Team	Mike Bailey
Adopted budget filed with AWC, MRSC, SAO, and Chase bond-holder	1/1/2027		X					
Publication of Budget Worksheet to City Staff	1/1/2027		X					
Publication of Budget Book to website, Dept. Heads and Council Members	1/22/2027		X					