

**SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT
BOARD OF COMMISSIONERS REGULAR MEETING
Everett Headquarters Building, 2320 California Street
Zoom Online Platform Option Available**

October 17, 2023

CONVENE REGULAR MEETING – 9:00 a.m. – Commission Meeting Room

Virtual Meeting Participation Information

Join Zoom Meeting:

- Use link
https://us06web.zoom.us/j/85974543056?pwd=hnjdvcdAqoTsGSx3sz_mHyF41AD5gA.zboTzt6qPMNs0Dm
- Dial in: (253) 215-8782
- Meeting ID: 859 7454 3056
- Passcode: 660446

1. CEO/GENERAL MANAGER BRIEFING AND STUDY SESSION

- A. Updates
 - 1. [Community Engagement](#)
 - 2. [Legislative](#)
 - 3. Other
- B. [Water Supply Update](#)
- C. [Energy Risk Management Report](#)
- D. [Energy Risk Management Policy Statement Update](#)

EXECUTIVE SESSION – Recess into Executive Session to Discuss Current or Potential Litigation - Training Center Room 1

RECONVENE REGULAR MEETING - 1:30 p.m. – Commission Meeting Room/Virtual Meeting Participation

2. COMMENTS FROM THE PUBLIC

Virtual Participation Information:

If you are attending the meeting virtually (using the link or number provided above) please indicate that you would like to speak by clicking “raise hand” and the Board President will call on attendees to speak at the appropriate time. If you are joining by phone, dial *9 to “raise hand.”

3. CONSENT AGENDA

- A. [Approval of Minutes for the Regular Meeting of October 2, 2023](#)
- B. [Bid Awards, Professional Services Contracts and Amendments](#)
- C. [Consideration of Certification/Ratification and Approval of District Checks and Vouchers](#)

Continued →

4. PUBLIC HEARING AND ACTION

- A. [Consideration of a Resolution Approving Increased Fees Payable by Licensees of Space on District Utility Poles](#)
- B. [Consideration of a Resolution Setting Forth the Commission’s Conclusions Regarding Adoption of Demand-Response Practices and Electric Vehicle Charging Programs Standards Under Subsections \(20\) and \(21\) of Section 111\(d\) of the Public Utility Regulatory Policies Act, as Amended](#)
- C. [Consideration of a Resolution Declaring Certain Real Property and Other Property Interests of the District Situated in Stanwood, Washington, to be Surplus and Authorizing Transfer of Said Real Property to the City of Stanwood, Washington, and Granting of a Slope Easement in Favor of the City of Stanwood, Washington](#)

5. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. [Consideration of a Resolution Approving a Lease Agreement With Roger Bell Real Estate Holdings, LLC., to Lease Vacant Property Located at 1450 80th SW, Everett, Washington, and Authorizing the District Manager, Real Estate Services, to Execute Said Lease Agreement](#)

6. [CEO/GENERAL MANAGER REPORT](#)

7. COMMISSION BUSINESS

- A. [Commission Reports](#)
- B. [Commissioner Event Calendar](#)

8. GOVERNANCE PLANNING

- A. [Governance Planning Calendar](#)

ADJOURNMENT

October 26 - 27, 2023:

Energy Northwest (ENW) Board Meeting/Public Power Forum – Pasco, WA

November 1 – 3, 2023:

Public Power Council (PPC)/Pacific Northwest Utilities Conference Committee (PNUCC) Annual Meetings – Portland, OR

The next scheduled regular meeting is November 7, 2023

Agendas can be found in their entirety on the Snohomish County Public Utility District No. 1 web page at www.snopud.com. For additional information contact the Commission Office at 425.783.8611.



BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 1

TITLE

CEO/General Manager’s Briefing and Study Session

SUBMITTED FOR: Briefing and Study Session

CEO/General Manager _____	John Haarlow _____	8473 _____
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing: _____		
Estimated Expenditure: _____		Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Executive Limitations, EL-9, Communications and Support to the Board – the CEO/General Manager shall...marshal for the board as many...points of view, issues and options as needed for fully informed Board choices.

List Attachments:

CEO/General Manager’s Briefing and Study Session attachments



Energizing Life In Our Communities

Community Engagement Report

Laura Zorick, Communications & Marketing Consultant
David Krueger, Communications & Marketing Consultant
October 17, 2023



2023 Event Summary

SNOHOMISH
PUD
Energizing Life In Our Communities

2023 Event Summary

2023 Parades

- Participated in 8 parades across the District

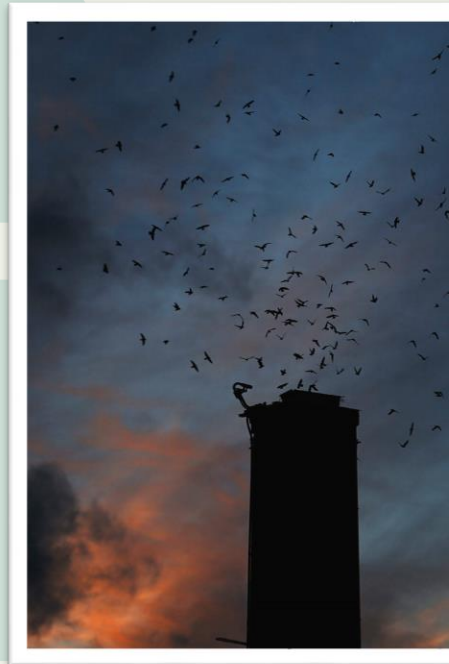


2023 Events

- 29 separate events
- 300+ Staff supporting these events

Topics Covered

- Safety
- Fish Biology
- Connect Up
- General Awareness

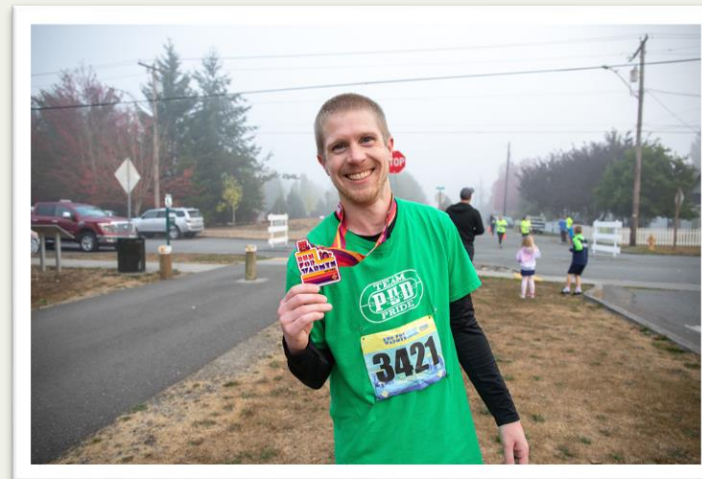


HIGHLIGHTED EVENT

SnoPUD and Snohomish Running Company's Run for Warmth

October 15, 2023

- Raising money for project PRIDE
- Welcome banner with bucket trucks
- PUD booth and VIP Tent
- Motivational mile markers
- Cheering Squad





Upcoming Events

SNOHOMISH
PUD
Energizing Life In Our Communities

Upcoming Events

Lake Stevens Harvest Festival

- October 31, 2023
- ARC Trailer

Port of Everett's Holiday on the Bay

- December 2, 2023
- ARC Trailer
- Holiday meet and greet with Zip

Holiday Bazaar

- December 8, 2023
- Hoping to combine with a recycling event with Ridwell

State Government Relations Activity Report

STATE OVERVIEW

- The Washington State Department of Ecology (Ecology) posted its [Auction Summary Report](#) for the third quarterly auction of the cap-and-invest program, which took place on August 31, 2023. The auction included the consignment of 2,927,349 no-cost allowances by Washington utilities and the sale of 5,657,651 current-year allowances by Ecology. Proceeds to consigning entities totaled \$184.5 million while state proceeds totaled \$356.6 million. To date, the state has received over \$1.4 billion from the cap-and-invest program.
- The Washington State Building Code Council (SBCC) agreed to delay the effective date of the 2021 updated building codes to March 15, 2024. The SBCC previously voted on May 24, 2023, to delay the original effective date from July 1, 2023, to October 29, 2023. The SBCC also accepted modifications of the code removing provisions that could conflict with the Energy Policy and Conservation Act and adopting a crediting system for residential and commercial codes. These modifications are aimed to address the uncertainty arising from the 9th Court of Appeals decision in *California Restaurant Association v. City of Berkeley Case*.
- Washington state received a [\\$23.4 million Grid Resilience State and Tribal Formula Grant from the U.S. Department of Energy \(DOE\)](#) to modernize the electric grid and reduce impacts due to extreme weather and natural disasters. Grid Resilience State and Tribal Formula Grants aim to ensure the reliability of power sector infrastructure so that communities have access to affordable, reliable, clean electricity. The federal funding for energy resilience will enhance and expand ongoing current grid modernization and resilience efforts throughout the state. Goals include:
 - Reducing the frequency, duration and impact of outages while enhancing resiliency in historically disadvantaged communities.
 - Strengthening prosperity by expanding well-paying, safe clean energy jobs accessible to all workers and ensuring investments have a positive effect on quality job creation and equitable economic development.
 - Building a community of practice and maximizing project scalability by identifying pathways for scaling innovations.
- The Washington State Department of Labor and Industry announced that beginning on January 1, 2024, the state minimum wage will increase from \$15.74 to \$16.28.

KEY HEARINGS/PRESS CONFERENCES/MEETINGS

- Oct. 4 | TVW: [The Impact – Carbon Policies, Goals, and Gas Prices](#)
- Oct. 9 | Senate Environment, Energy & Technology Committee Work Session: [Climate Commitment Act \(CCA\) update](#)
- Oct. 11 | The Electric Vehicle Coordinating Council held a meeting on its [draft transportation electrification strategy](#).

INTERESTING READS

- The Center Square – Washington: [Washington needs 3 million more EV charging ports to meet state goal](#)
- The Center Square – Washington: [Washington state's capital gains tax has generated more than \\$895M so far](#)
- Washington State Standard: [A new roadmap to speed the spread of electric vehicles in Washington state](#)
- Washington State Standard: [New state budget forecast offers \\$1B worth of good news for Washington leaders](#)

GOVERNMENT RELATIONS ACTIVITIES REPORT

- The Seattle Times: [WA's carbon-pricing auctions collect nearly \\$1.5 billion as allowances reach record price](#)
- The Everett Herald: [Everett senator will head state Senate's budget-writing committee](#)
- The Center Square – Washington: [Washington officials remove heat pump mandate, maintains natural gas ban](#)

LETTERS

Snohomish PUD submitted a letter to the Washington Department of Commerce providing suggestions and feedback for the department's forthcoming interim assessment of the Clean Energy Transformation Act (CETA). PUD feedback included urging Commerce to analyze how CETA influences market signals in organized markets, and how CETA intersects with other state energy policies. The letter can be found at the end of the Government Relations Activity Report.

Federal Government Relations Activity Report

FEDERAL OVERVIEW

- The Government Accountability Office issued a report to the House and Senate Appropriations Committee titled, [“DOE Could Better Support Industry Efforts to Ensure Adequate Transformer Reserves.”](#) The report makes two recommendations for the Secretary of Energy:
 - Establish a plan, including time frames as appropriate, to guide the agency's efforts to develop solutions and support for addressing transformer supply chain challenges.
 - Establish a plan, including time frames as appropriate, to guide the agency's support for utilities and facilitate greater participation in industry-sharing efforts.
- The Department of Homeland Security, in coordination with the Cyber Incident Reporting Council, released a [study](#) outlining recommendations the federal government should take to streamline and harmonize the reporting of cybersecurity incident reporting regulations.
- On Sept. 29, the Biden Administration released a [Memorandum on Restoring Healthy and Abundant Salmon, Steelhead, and Other Native Fish Populations in the Columbia River Basin](#). The memorandum:
 - Indicates it is a priority of the Biden administration to honor treaty responsibilities to tribal nations and to “carry out the requirement of the Pacific Northwest Electric Power Planning and Conservation Act (Public Law 96-501) to operate, manage, and regulate the CRS [Columbia River System] to adequately protect, mitigate, and enhance fish and wildlife affected by the Federal dams in the Basin in a manner that provides equitable treatment for fish and wildlife with the other purposes for which the Federal dams are managed and operated.”
 - States it is the policy of the Biden Administration to work with stakeholders to pursue “effective, creative, and durable solutions, informed by Indigenous Knowledge, to restore healthy and abundant salmon, steelhead and other native fish populations in the Basin; to secure a clean and resilient energy future for the region; to support local agriculture and its role in food security domestically and globally; and to invest in the communities that depend on the services provided by the Basin's Federal dams to enhance resilience to changes to the operation of the CRS, including those necessary to address changing hydrological conditions due to climate change.”
 - Directs “all executive departments and agencies with applicable authorities...to utilize their authorities and available resources to advance [this] policy,” identify “any steps necessary to meet the policy established in the memo, and report to the Office of Management and Budget within 220 days.

GOVERNMENT RELATIONS ACTIVITIES REPORT

- On Sept. 30, Congress passed a short-term funding bill formally known as a “continuing resolution” to keep the federal government open until November 17. The stop-gap spending bill funds federal agencies at their 2023 levels ensuring funding will be available for the Low-Income Home Energy Assistance Program (LIHEAP) and agencies tasked with implementing the Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) through November 17. The legislation also provides \$16 billion in disaster assistance, allowing the Federal Emergency Management Agency to continue providing public assistance. The bill passed with bipartisan support by a vote of 335-91 in the House and 88-9 vote in the Senate.
- On Oct. 3, Kevin McCarthy was removed as Speaker of the House following ongoing conflicts with a faction of conservative members of the Republican Caucus. The vote to vacate the speaker passed 216-210, with eight Republicans joining Democrats and voting to remove McCarthy. This vote followed McCarthy’s decision to partner with Democrats and pass a short-term spending bill to avoid a government shutdown.
- On October 13, the Department of Energy announced that the Pacific Northwest Hydrogen Association’s PNWH2 Hub will receive \$20 million for the initial planning phase of their hydrogen hub project being coordinated by Washington, Oregon and Montana and is eligible to receive up to 1 billion in federal funding for the deployment of the project. One of seven awardees [announced](#), the PNWH2 hub will focus on decarbonizing the region’s hard-to-electrify heavy-duty transportation, long-duration energy storage, ports, agriculture and industrial operations. Application partners include Puget Sound Energy, PACCAR and Douglas County PUD.
- Efforts to elect a new Speaker within the House Republican Caucus continue. An initial vote within the caucus did not result in a clear winner, current Majority Whip Steve Scalise (R-LA) won 113 to 99 votes for Judiciary Committee Chair and Freedom Caucus founder Jim Jordan (R-OH). On October 12 Scalise announced he withdrew from the Leadership race citing an inability to earn the 217 votes required for a vote by the full House of Representatives. The timing and next steps remain uncertain at this time.
- A group of 20 Republican senators, led by Sen. Rick Scott, sent a letter to Senate Majority Leader Chuck Schumer on Oct. 4 stating their intent to delay any legislation moving on the Senate floor that is not one of the 12 Fiscal Year 2024 appropriations bills with concerns that procrastinating passage will lead to another omnibus spending package.

KEY HEARINGS

- Sept. 14 | The House Energy & Commerce Subcommittee on Energy, Climate and Grid Security held a [hearing](#) titled, “Keeping the Lights On: Enhancing Reliability and Efficiency to Power American Homes.” Of note, Rep. Kim Schrier (D-WA) expressed concerns on the impact of the distribution transformer shortage.
- Sept. 14 | The House Natural Resources Subcommittee on Oversight and Investigations held a [hearing](#) titled, “Examining Systemic Government Overreach by CEQ.” Of note, Scott Simms (CEO & Executive Director, Public Power Council) provided testimony at the hearing.
- Sept. 20 | The House Energy and Commerce Subcommittee on Energy, Climate, and Grid Security held a [hearing](#) titled, “American Hydropower: Unleashing Reliable, Renewable, Clean Power Across the U.S.”
- Sept 28 | The House Energy and Commerce Subcommittee on Energy, Climate and Grid Security held a [hearing](#) with electric grid operators titled, “Powering America’s Economy, Security and our Way of Life: Examining the State of Grid Reliability.”

INTERESTING READS

- Washington State Standard: [Congress starts trying to figure out how to set AI ‘rules of the road’](#)
- Politico: [Treasury lays out rules for instant EV rebate](#)
- Clearing Up: [Both Sides of Snake River Dam Debate Praise Memo](#)
- The Spokesman-Review: [‘This is historic’: Biden orders whole-of-government effort to restore salmon in Columbia, Snake rivers](#)
- Washington State Standard: [Congress clears bill to avert shutdown, with vote promised later on Ukraine aid](#)
- The Center Square (WA): [WA congressional delegation votes for continued funding of federal government](#)
- E&E News: [Stopgap spending bill bails out FEMA, but challenges remain](#)
- Washington State Standard: [U.S House votes to remove Kevin McCarthy as Speaker](#)
- E&E News: [What McCarthy’s fall means for energy, environment policy](#)
- Washington State Standard: [How does a ‘frozen’ U.S. House function without a speaker? Everyone’s got an opinion.](#)
- E&E News: [Senate looks to revive stalled three-bill spending package](#)

Local Government Relations Activity Report

LOCAL OVERVIEW

- The City of Everett has started the process of updating its *Hazard Mitigation Plan* (HMP), a long-term strategy for reducing the risk and impact of natural disasters.
- The Washington State Department of Ecology awarded the Snohomish County Department of Conservation and Natural Resources \$9.9 million to continue its community floodplain solutions program for the Snohomish River watershed to increase ecological functions, reduce flooding impacts, and enhance farmland.
- The Edmonds Planning Commission has held two hearings in consideration of rezoning properties in the Edmonds Way Corridor, a new mixed-use development from Multiple Residential – Edmonds Way to Community Business - Edmonds Way. This is consistent with the city’s Comprehensive Plan. The city reached out to the PUD with inquiries related to parcels owned by the PUD (substations). The PUD responded in kind with approval to annex its adjacent substation. The Planning Commission recommended approval of the rezoning to the City Council.
- The Port of Everett Commission received a staff presentation for Seaport Modernization of Utility & [Electrification Upgrades](#) which includes some work with the PUD.
- The Port of Everett joined Governor Inslee, and the Maritime Blue CEO at a press conference in Seattle announcing the launch of the Blue Wind Supply Chain Initiative, a public/private effort to advance Washington state as a preferred destination for the manufacture of advanced components for offshore wind turbines. Port of Everett Commissioner Bachman, said that the Port “has invested \$150 million in seaport improvements, including additional cranes, rail and dock strength to be uniquely suited to help support this emerging cargo.”
- Snohomish County will need about 143,000 affordable housing units by 2044 and recently announced investments to preserve and build affordable housing and behavioral health facilities. The revenue, through the [Housing and Behavioral Health Capital Fund](#), will allow the county to invest approximately \$114 million over five years to create 550 new units of affordable housing plus an additional 150 units of emergency bridge housing. Also, recently;

GOVERNMENT RELATIONS ACTIVITIES REPORT

- Snohomish County announced a Notice of Funding Opportunity (NOFO) encouraging nonprofit organizations, for-profit developers, and government agencies to submit applications to develop affordable multi-unit rental housing projects, estimated at \$1.1 million in federal funds, for the 2024 calendar year.
- Snohomish County announced its investment of \$1.5 million of its ARPA allocation to a digital equity initiative operated by the Sno-Isle Library System that increases the capacity of loanable computer hot spots by 750 devices, improving broadband access, and connects patrons to federal discount broadband programs for income-qualified households.

INTERESTING READS

- Everett Herald: [New Everett reservoirs built to weather big earthquakes in \\$23M project](#)
- Everett Herald: [A new roadmap to speed the spread of electric vehicles in Washington state](#)
- Everett Herald: [Everett police chief to retire at the end of October](#)
- Everett Herald: [Snohomish County executive pitches \\$1.66B budget](#)
- The Center Square: [Proposed Everett budget boosts public safety amid projected 2030 \\$35.2M deficit](#)
- Everett Herald: [Sauk-Suiattle tribal leader Norma Joseph dies](#)
- Everett Herald: [Poster child estuary preserved at Edmonds Meadowdale beach](#)
- Everett Herald: [Trade group tour highlights manufacturing in Everett](#)
- Everett Herald: [Helicopter crash in Copper Lake sparks environmental health](#)



September 15, 2023

Washington Department of Commerce
1011 Plum Street SE
Olympia, WA 98504

Via email: ceta@commerce.wa.gov

RE: Comments regarding the Implementation of the Clean Energy Transformation Act and its Impact

Snohomish PUD (Snohomish) appreciates the opportunity to provide feedback on the Clean Energy Transformation Act (CETA). With 2,200 square miles of service area, serving a population of over 800,000 residents and 18,000 businesses, Snohomish is the second largest publicly owned utility in the Pacific Northwest and 13th largest in the nation. Snohomish hopes to provide feedback on the existing CETA framework, some of the market signals being sent by CETA, and how CETA intersects with other state energy policies.

Snohomish's Portfolio and CETA Standards

The ability to harness low-cost carbon-free hydro generation is critical not only to Snohomish's ability to meet CETA standards, but for all WA utilities. Snohomish appreciates that the compliance framework established in the Washington Department of Commerce (Commerce) rulemaking solidified the importance of hydro as a clean fuel and its ability to be applied to CETA compliance. Snohomish has also successfully completed its first Clean Energy Implementation Plan (CEIP) covering years 2022 – 2025.

Our CEIP forecasts that Snohomish will be 100% clean under CETA standards through the study period, as well as achieve significant energy efficiency savings. Snohomish appreciates the extensive rulemaking process held by Commerce to develop the compliance framework and points to the public engagement process as an example for other agencies about how to meaningfully engage stakeholders and reach workable solutions for clean energy policies.

How Energy Markets are Responding to CETA

Since CETA's passage, utilities have continued to transact in the bilateral Northwestern energy market. With the 2030 standard on the horizon and 2045 not far behind, utilities needing additional clean energy are now only beginning to pivot away from thermal generation. As many policy makers are discovering, developing new clean resources is an increasingly lengthy process, including resource portfolio planning, generation siting, transmission planning, and public engagement. The clean energy projects required for all WA utilities to meet the 2030 and 2045 targets are not yet built and will not be for some time.

Concurrently, moving away from baseload or flexible capacity generation such as coal and natural gas is incentivized immediately through the Climate Commitment Act (CCA) and the "No Coal" provisions of CETA.

Taken together, the market is seeing a significant reduction in available capacity without the comparable substitute resources immediately available. The result is highly volatile pricing for market participants, especially during periods of extreme weather. Significant periods of severe weather, such as summer heat domes or extended winter cold snaps are also causing significant price excursions beyond what has been historically experienced during similar seasons. These significant costs are ultimately borne by Washington electric utility ratepayers but may not be captured in explicit "compliance-related costs" as they are not directly related to CETA compliance investments, but rather are market impacts caused by CETA and other factors.

As WA utilities move away from existing thermal generation, Snohomish recognizes a need for available capacity in the Northwest. Further examination by Commerce is warranted via an interim assessment to better design the correct incentives for increased capacity. If Commerce or the legislature can provide incentives for the development of quickly available clean capacity resources, such as demand response or battery storage, this would help ease the strain felt during significant weather events and help bridge the gap between declining thermal generation and the construction of long-term clean energy solutions.

How CETA Intersects with other WA State Clean Energy Policies

As Snohomish examines the clean energy landscape in Washington, it is becoming clear that there are synergy issues between the State's primary clean energy policies: the Energy Independence Act (EIA), CETA, and the CCA. Each policy utilizes different units of measurement, covers different sectors of the economy, and imposes unique compliance requirements upon utilities. Because each policy utilizes different units of measure, compliance reporting for each program will look different and will be mutually exclusive, resulting in confusing and potentially conflicting information available to the public.

Snohomish fully supports the goal of decarbonizing the Washington electric sector and is invested in supporting the objectives of CETA. However, layering further clean energy policies on top of CETA is likely counter-productive and will increase costs to WA consumers without creating a commensurate reduction in emitted carbon. To the extent possible, Commerce and the Department of Ecology (Ecology) should work together to ensure utilities can focus time and resources on ensuring compliance with CETA. Further, each policy's reporting timelines should be examined to avoid potential conflicts and timing inefficiencies. Snohomish recommends that this issue be considered for further examination in an interim CETA assessment.

How CETA Intersects with developing Organized Markets

As the Northwest explores joining an existing organized market, or creating a new organized market, the compatibility

GOVERNMENT RELATIONS ACTIVITIES REPORT

and functionality with CETA must be a core principle of any such effort. Snohomish encourages Commerce to continue to meaningfully engage in market development processes, provide helpful feedback regarding the agency's views on implementation, assess what market designs can work and what cannot work, as well as what needs further discussion. Snohomish also encourages Commerce to hold meaningful public engagement through rulemakings to seek the input of energy industry stakeholders with expertise in market development and participation, and to provide clarity regarding the role organized markets can play regarding compliance with the CETA standards.

Snohomish appreciates the opportunity to provide feedback to Commerce on the ongoing effects and impacts of CETA. If there are any questions or clarifications about these comments, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kim Johnston', is positioned above the printed name and title.

Kim Johnston
Director of Government and External Affairs

WATER SUPPLY UPDATE

- ▶ SNOHOMISH COUNTY PUD
 - ▶ Mike Shapley – Short-Term Power Trader
- ▶ COMMISSION MEETING: OCTOBER 17, 2023
- ▶ LAST PRESENTED: APRIL 18, 2023



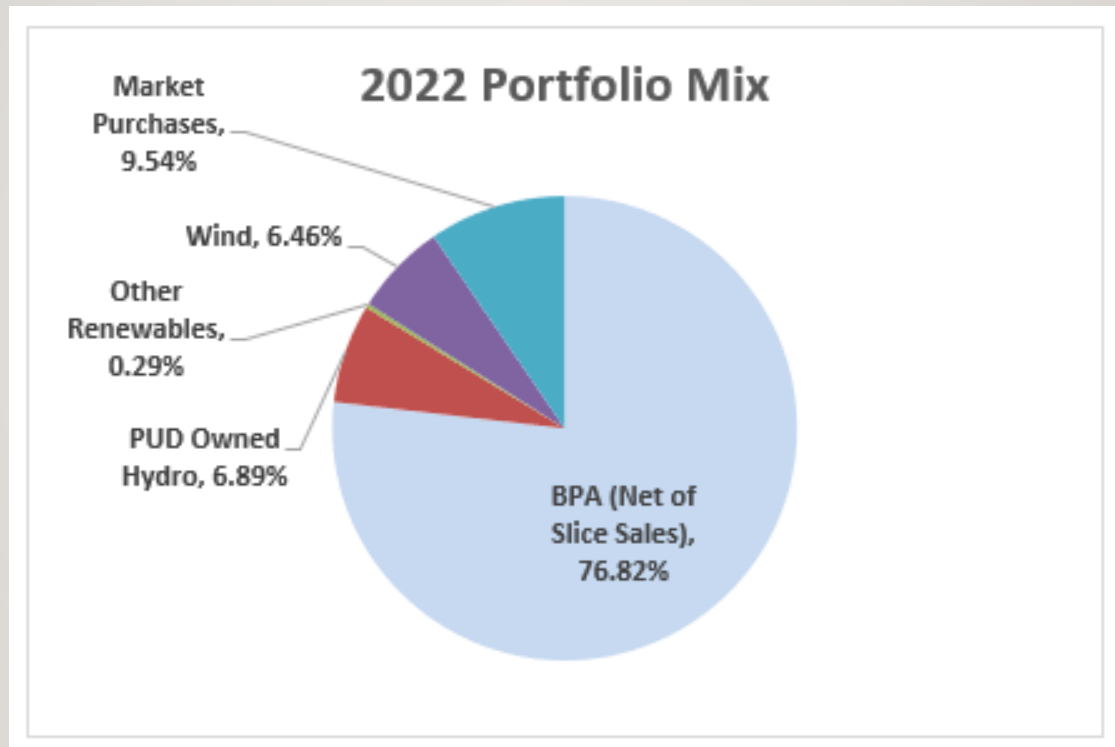
Purpose: To update the Commission on the water supply status. No action needed.

Topics:

- PUD energy portfolio mix.
- WY (water year) '23 summary: Oct '22 – Sep '23.
- The WY '24 forecast.

PUD energy resource portfolio:

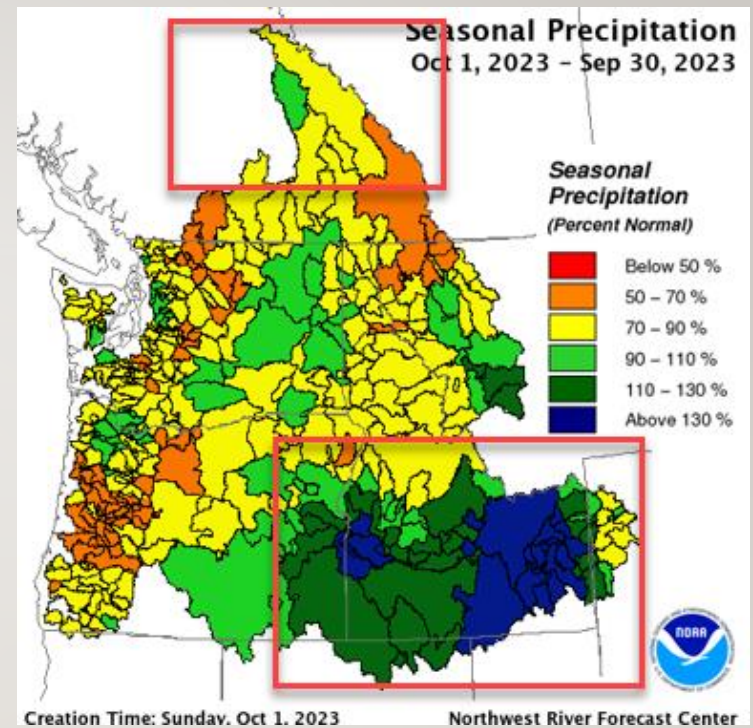
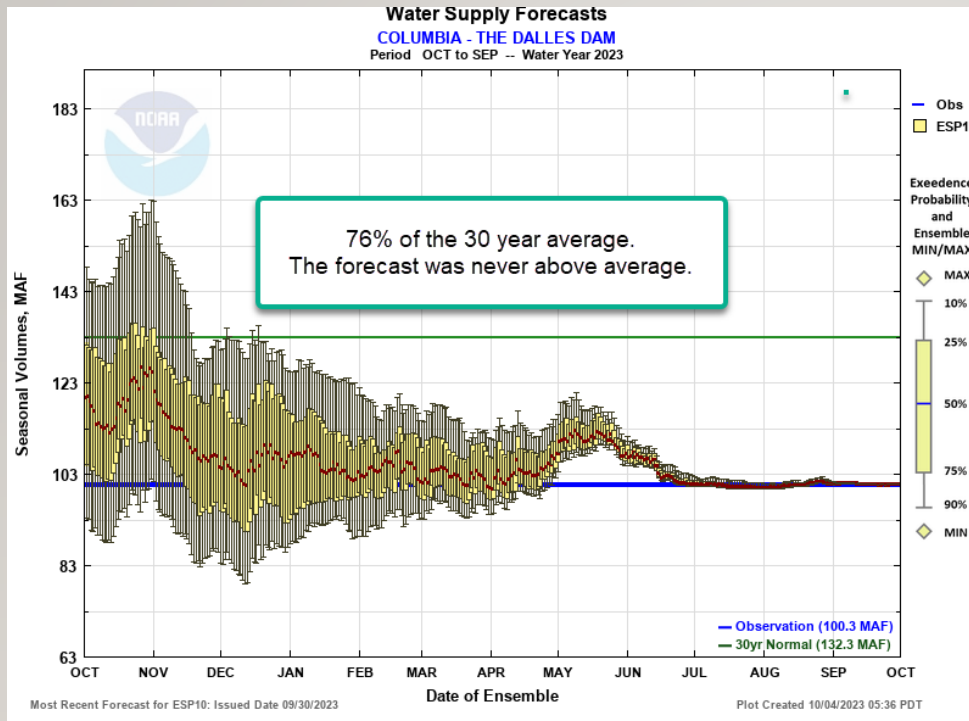
~84% of the PUD resources rely on hydro generation and water supply.



WY '23 Summary: Oct 1, 2022 – Sep 30, 2023

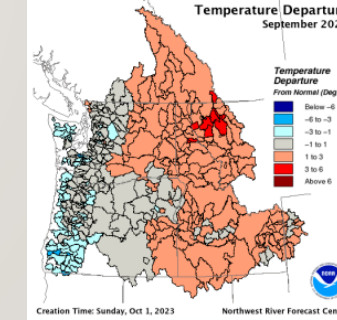
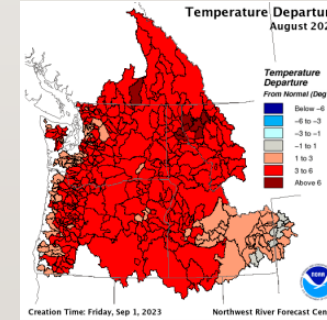
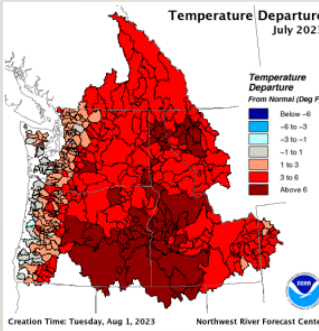
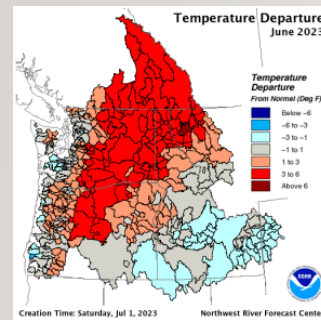
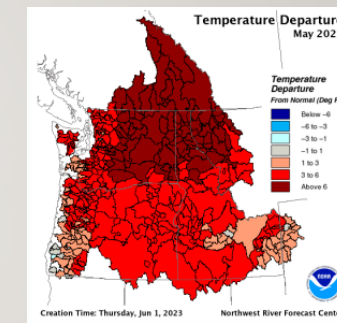
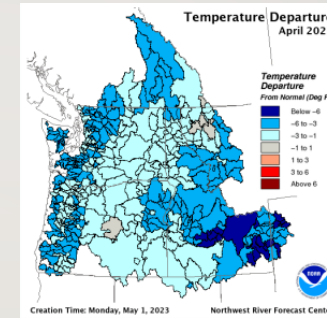
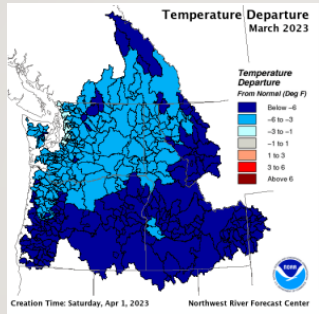
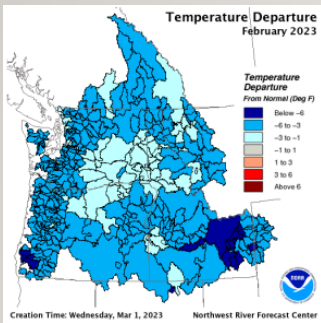
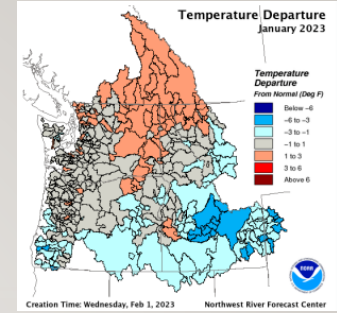
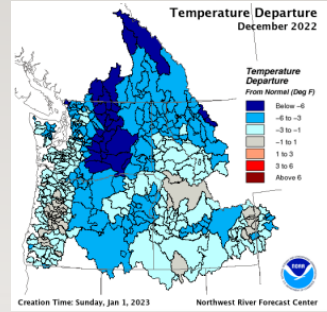
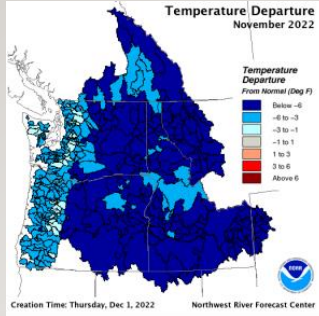
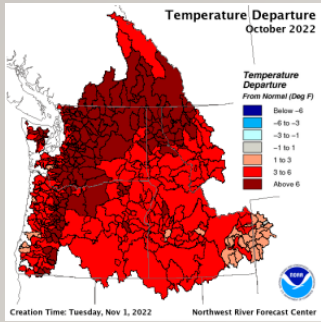
- 76% of the 30-year average (Oct-Sep) :
 - Began Oct '22 with drier than average soil conditions.
 - An early La Niña forecast looked promising for wet and cool conditions for the northern hemisphere.
 - Observed a cooler than average winter, warmer than average summer and drier than average water year.
 - Ended 70th worst in the past 76 water years.
- California benefited from above average precipitation (atypical for La Niña conditions), the Upper Columbia did not.
- Jackson Hydro: 1987 – Present.
 - Generation: 73% of average.
 - Precipitation: 71% of average.
- Hancock Creek and Calligan Creek:
 - Performed below P50 due to lack of precipitation and cold conditions. Offline since mid-June.
- Youngs Creek:
 - Performed below P50 due to lack of precipitation and cold conditions.

WY '23 Summary: Oct 1, 2022 – Sep 30, 2023



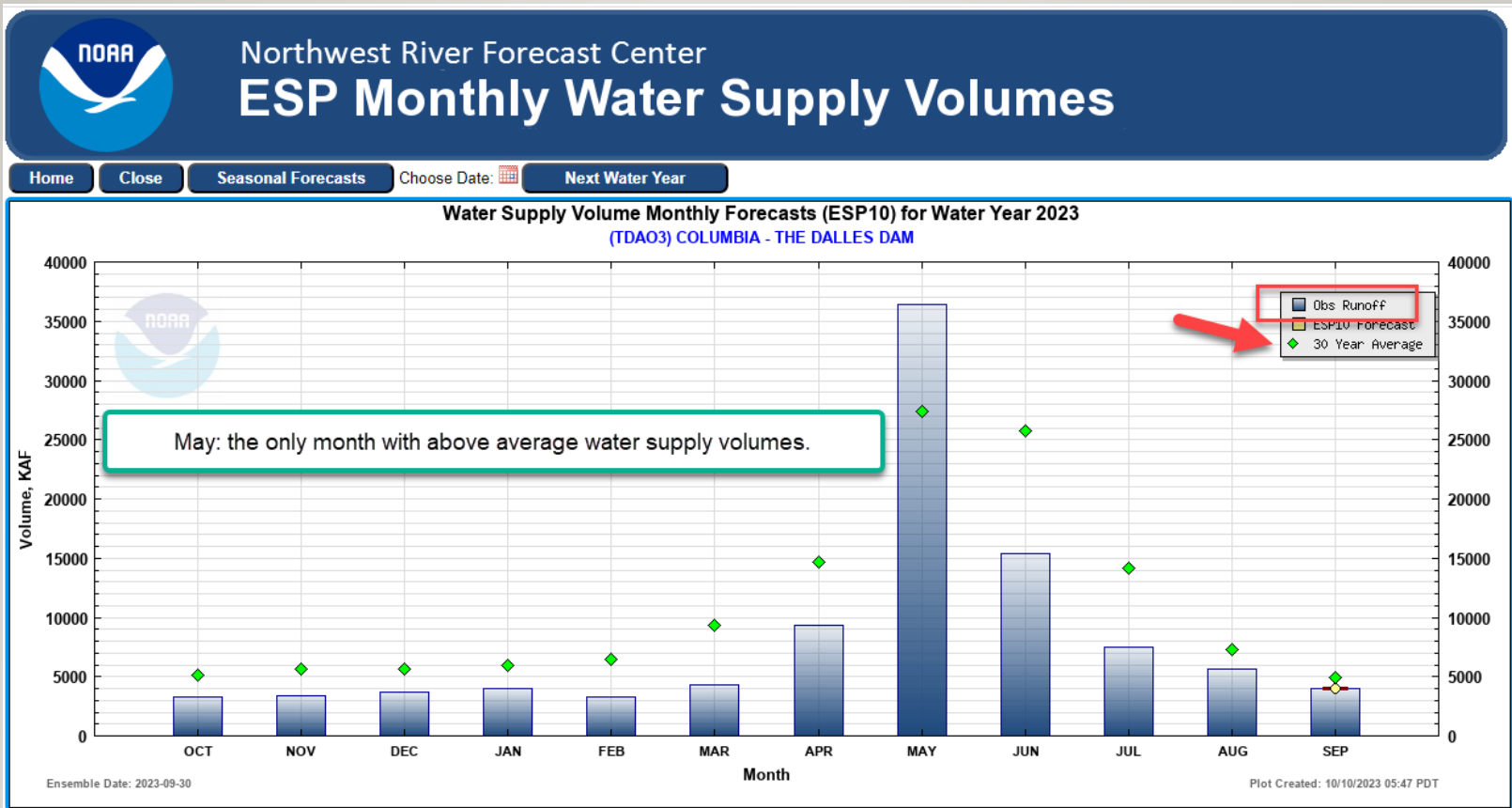
- Other than the south, a drier than average water supply basin, in particular the Upper Columbia which provides long term Spring and Summer flows.

WY '23 temperature by month:

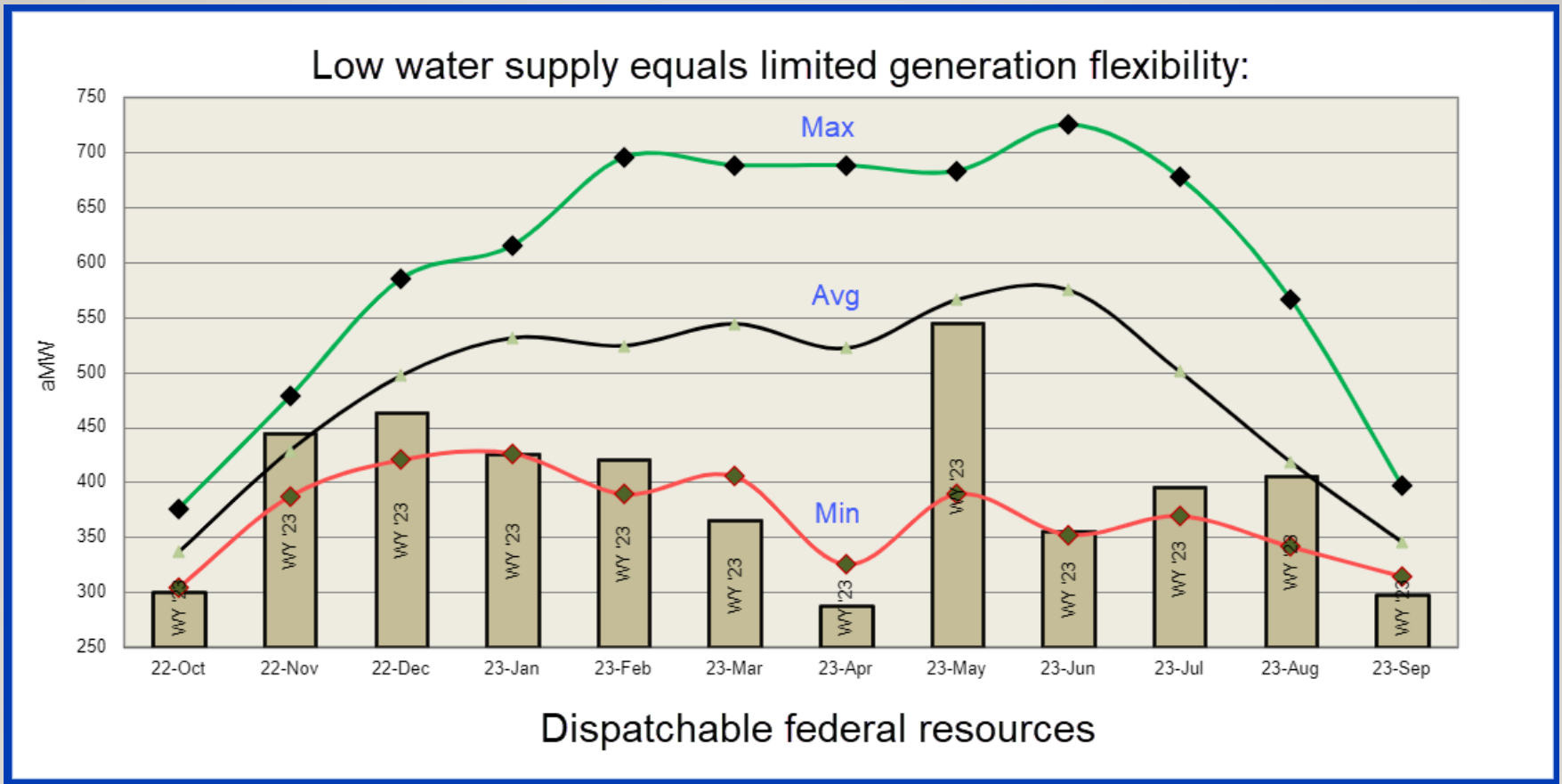


November-April, cooler than average, May-September, warmer than average.

WY '23: Monthly Ensemble Streamflow Actuals (ESP)

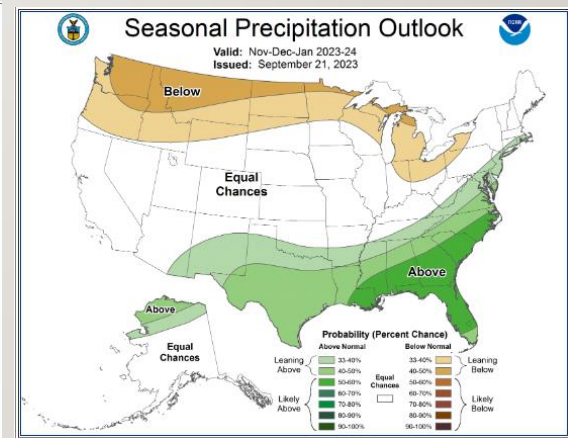
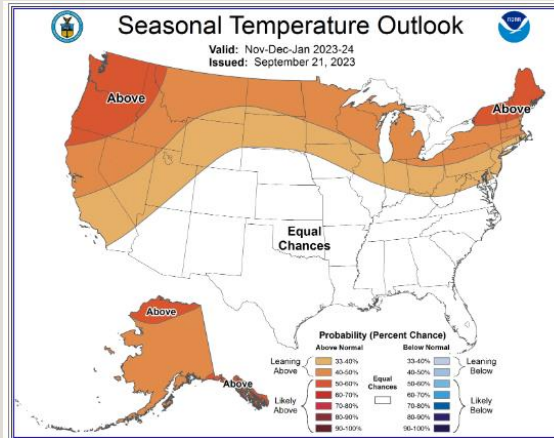
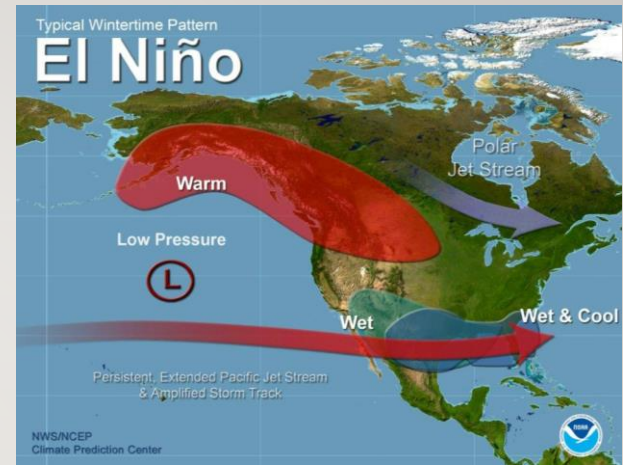
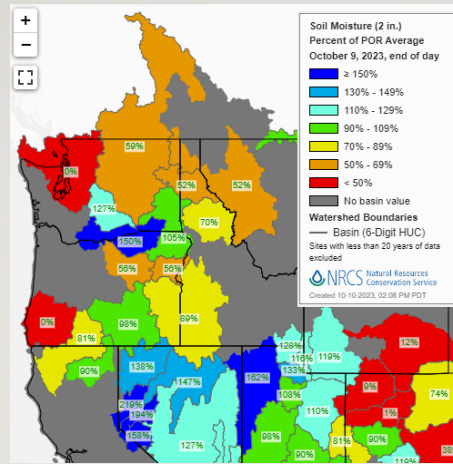


WY '23 – Hydro comparison to 2012 - 2022

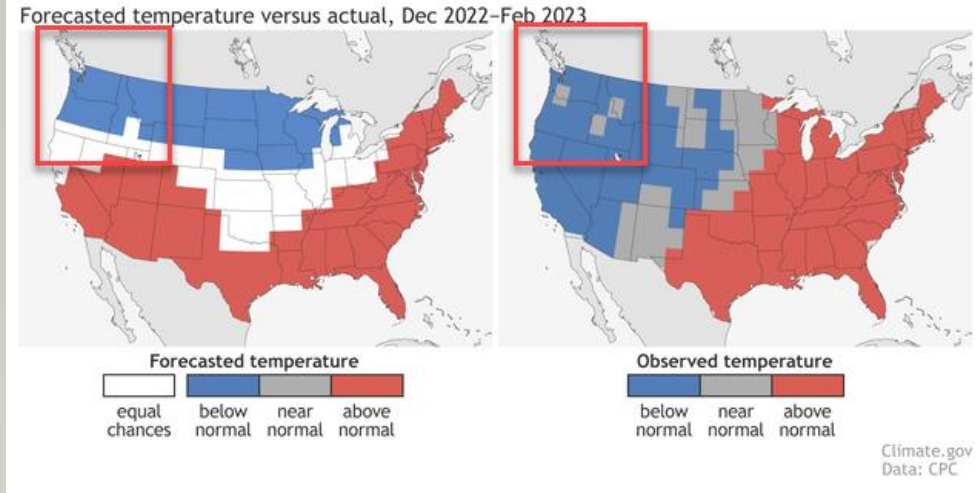


WY '24 forecast: El Niño

- Starting the year with drier than average soil conditions (again).
- Historically, El Niño will produce warmer and drier conditions in the north, cooler and wetter conditions in the south.
- Tend to reach their maximum strength Oct-Feb.

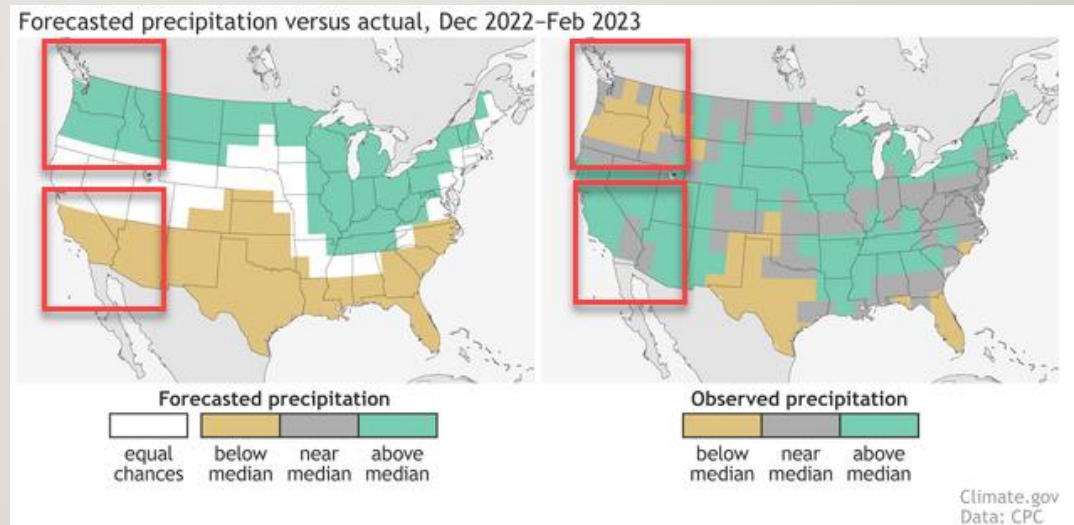


La Niña last Winter: Dec '22 – Feb '23: Forecast vs Actual



NOAA got the cold right for the NW, but missed the SW.

...and missed the precipitation for both the NW and SW.



Questions:



Energy Risk Management Report

Peter Dauenhauer, Senior Manager Rates, Economics and Energy Risk Management

Felicienne Ng, Data Scientist

Angela Johnston, Senior Manager, Treasury, Risk Management & Supply

October 17, 2023

Last Presentation: April 18, 2023



This Presentation

- Purpose of this Presentation
 - Report on the Energy Risk considerations and actions of the Energy Risk Management Committee (ERMC) over the last 6 months
 - Summarize Risk Strategy Changes
- Expectations of the Board:
 - Informational Only



Recent Meetings

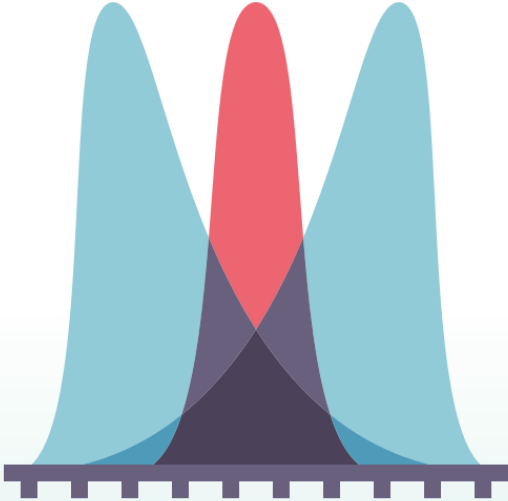
- 2023-04-13 – Q4-Q1 Bi-Annual Risk Report
- 2022-10-03 – Q2-Q3 Bi-Annual Risk Report
- 2022-01-19 – Q4 '21 Quarterly Risk Report
- 2021-10-19 – Q3 '21 Quarterly Risk Report
- 2021-08-17 – Q2 '21 Quarterly Risk Report
- 2021-04-20 – Q1 '21 Quarterly Risk Report
- 2021-12-15 - Energy Risk Management Policies and Procedures (Workshop)

Agenda

- Energy Risk Background and Fundamentals
- Sources of Risk
- 2023 Q2, 2023 Q3 Risk In Retrospect
- Risk Strategy Refresh
- Risk Policy Update



Background and Sources of Risk



A Little Background

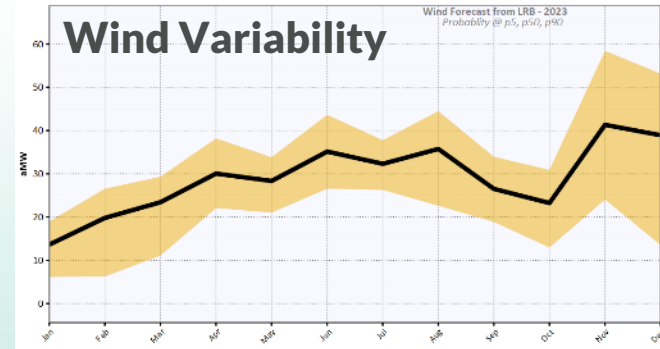
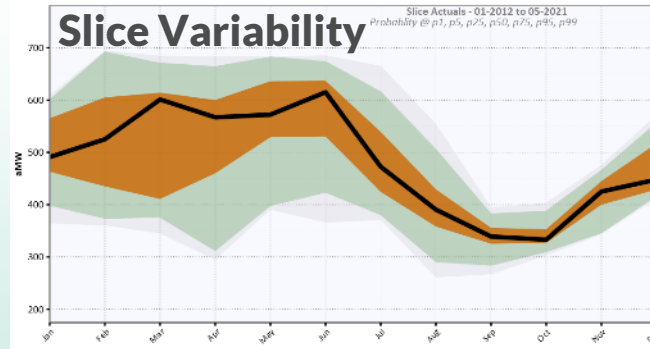
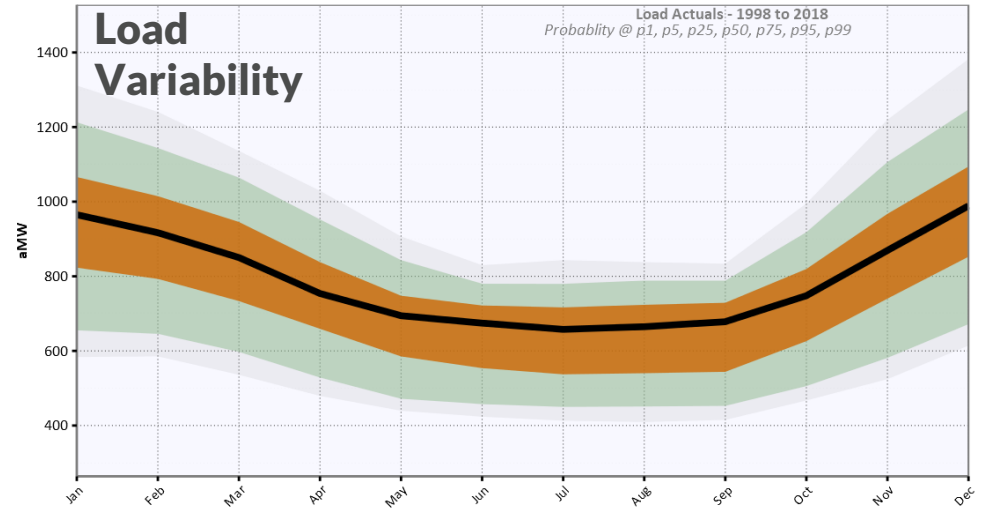
- PUD staff make best efforts to anticipate both the consumption of electric power by its customers and the supply of electric power available.
- The District engages in transactions to meet customer needs in a dependable, safe, and responsible manner.
- These transactions include buying, selling, and scheduling of electric power, options for electric power, or other energy commodities as necessary to meet load and mitigate risk.

Key Risk Management Strategies

- Keep market position near neutral in the short-term horizon (up to 30 months)
- Keep exposure to market prices below limits
 - Limits are set to cap the impacts of market movements to no more than a 3% rate increase
- Define and update uncertainties related to:
 - Generation
 - Load
 - Market Prices
- Transact market operations over time to “average out” market variations (Glidepath)

Volume Variability

- Load, Wind and Slice volume forecasts are updated with new information throughout the period.



Target Positions (Reserve Margins)

- The PUD carries a deliberate amount of length into every month to ensure we don't get caught surprisingly short in an expensive market
- Used for up to 30 months in the future
- Calculated from historical volatility metrics from:
 - Hydro
 - Wind
 - Load
 - Plus, a little extra during months when there are concerns about regional generation sufficiency

Components of Monthly Targets

	Load Risk	Wind Risk	(OR) Market	Combined (Target)
Jan	101	11	95	110
Feb	67	13	88	88
Mar	57	7	0	65
Apr	43	6	0	50
May	22	3	0	25
Jun	28	6	0	35
Jul	44	1	60	60
Aug	34	10	77	77
Sep	14	3	86	86
Oct	32	0	32	32
Nov	70	0	21	70
Dec	71	12	79	85

Uses the greater of the combined load and wind risk OR the market depth figure

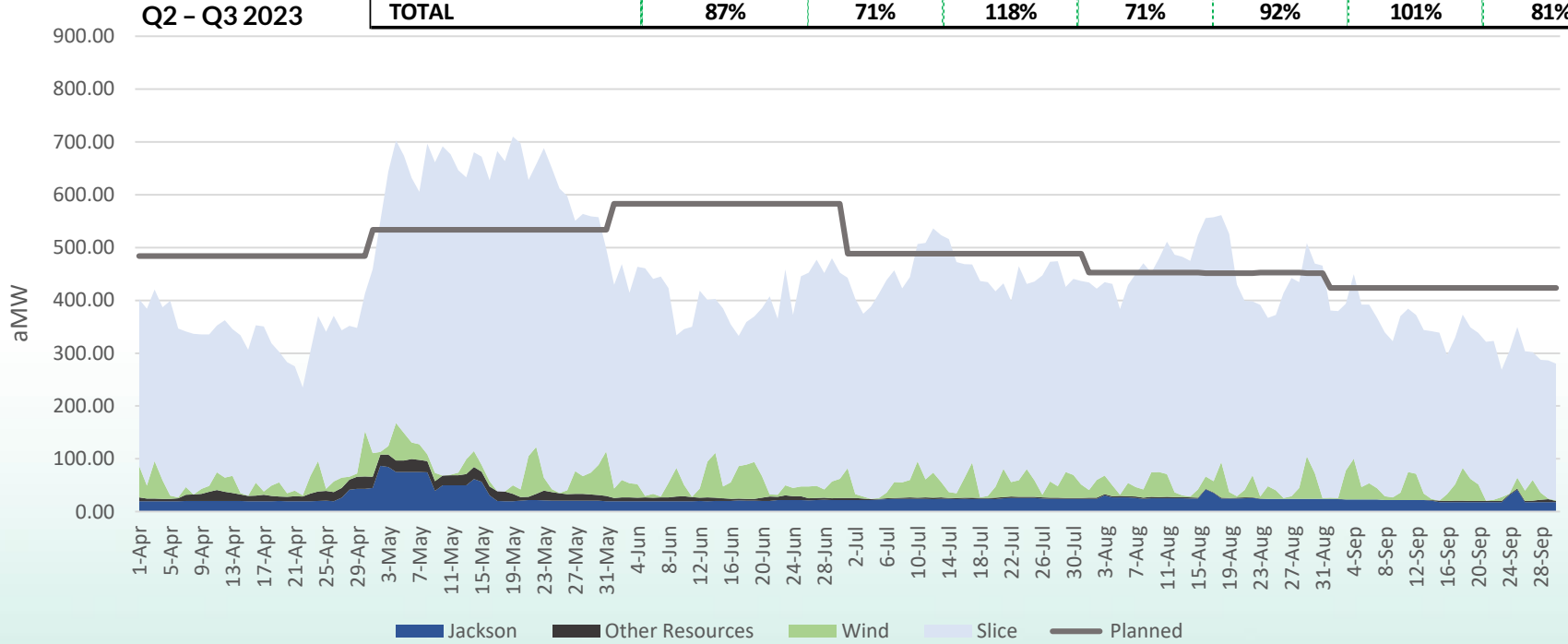
*All values in terms of heavy-load hour average Mega-Watts

**Energy Risk Q2 - Q3 2023
In Retrospect**



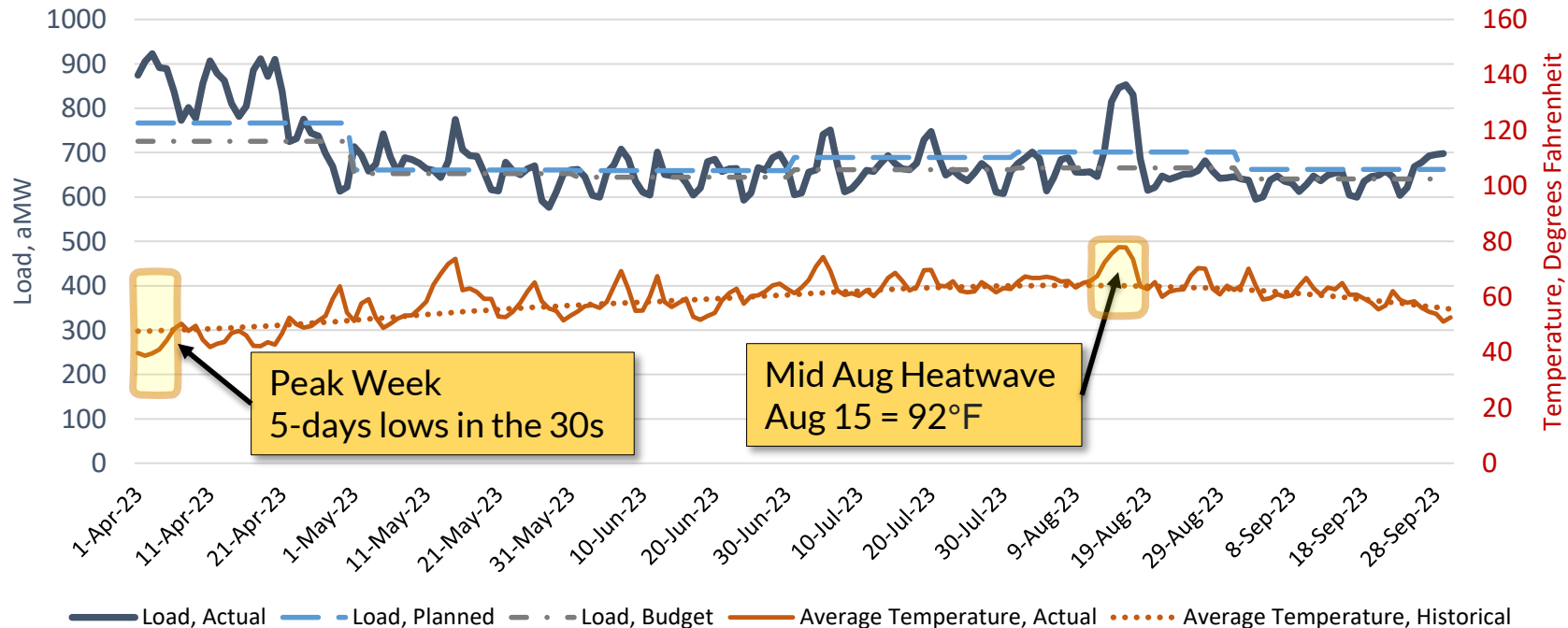
Supply

Q2 2023 - Q3 2023	Actual Relative to Planned						
	Q2 '23 - Q3 '23	April	May	June	July	August	September
Slice	89%	71%	121%	74%	94%	103%	81%
Wind	84%	73%	98%	82%	87%	72%	101%
Jackson	66%	64%	97%	40%	74%	100%	77%
Other Resources	84%	85%	122%	45%	70%	87%	25%
TOTAL	87%	71%	118%	71%	92%	101%	81%

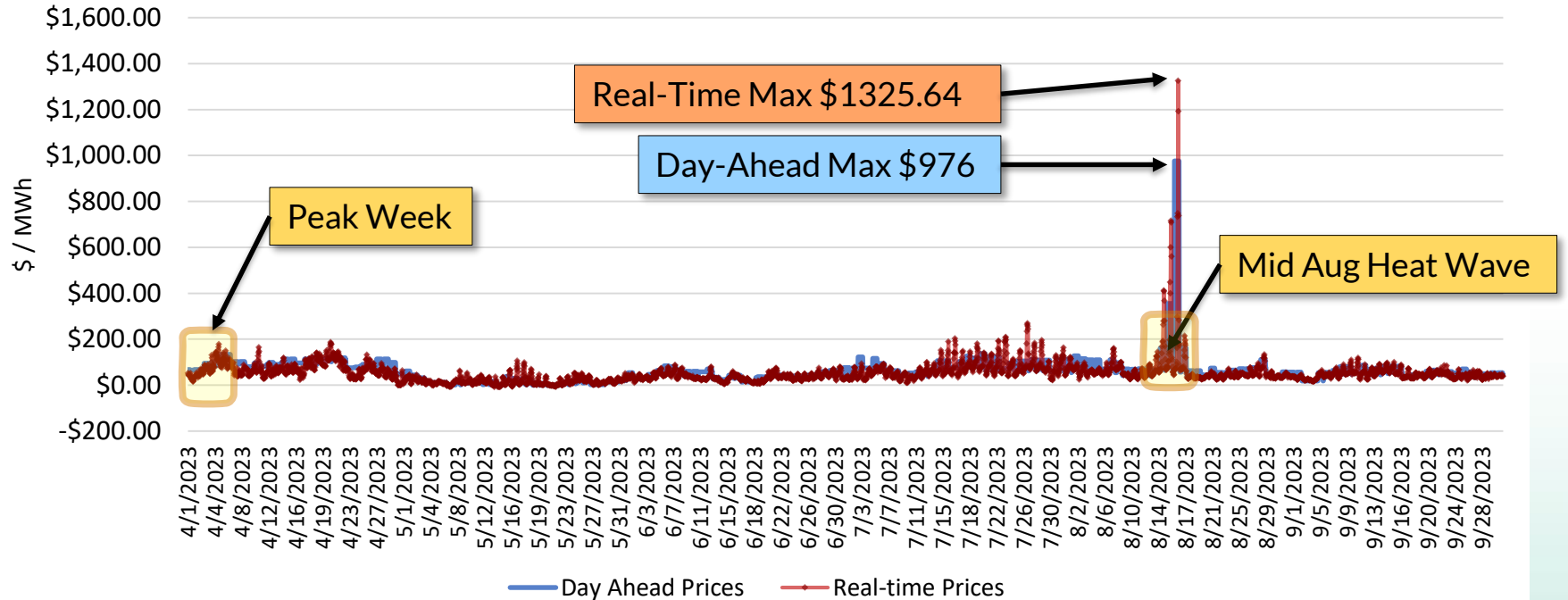


Demand

Q2 2023 - Q3 2023	Actual Relative to Planned Loads						
	Q2 '23 - Q3 '23	April	May	June	July	August	September
Budget Forecast	665	726	653	645	662	666	641
Month-Ahead Forecast	690	767	661	659	689	701	662
Actual	686	810	667	651	663	682	643
Actual vs. Budget	103%	112%	102%	101%	100%	102%	100%
Actual vs. Month-Ahead	99%	106%	101%	99%	96%	97%	97%

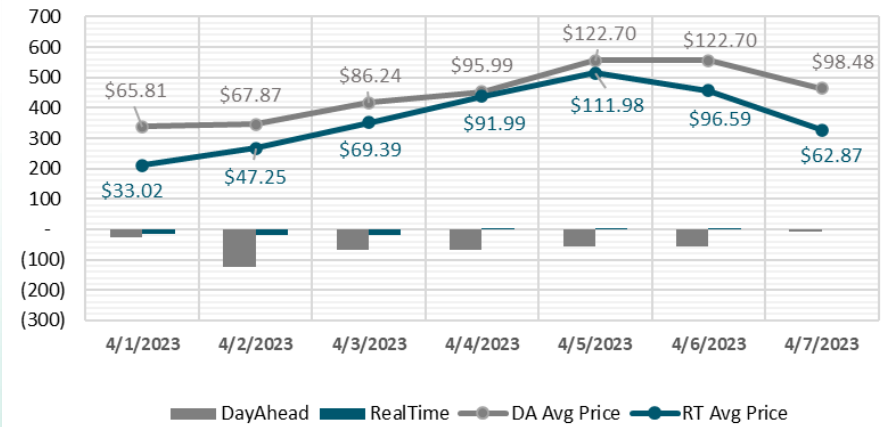
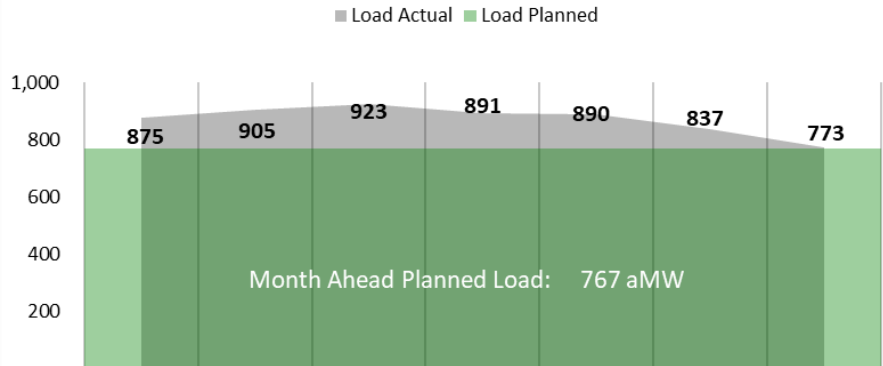


Market Prices



Peak Week Demand

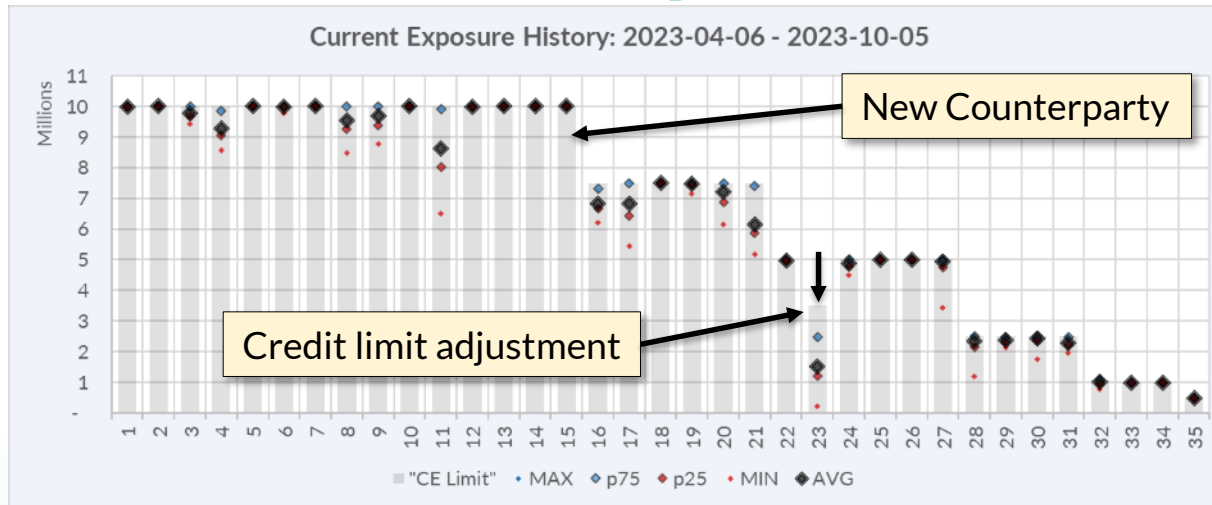
- The “Peak Week” during the quarter is the largest total load demand during a single week.
- Market prices during those periods are also shown.
- The week of 4/1– 4/7, 2023 was our peak week over the period, with a max of 1097 MW on 4/5/2023 at 7-8 AM.
- Prices over this week peaked on 4/5/2023 (\$123 Day Ahead, \$112 Real-Time).



Risk Tests



Credit Limit Analysis – Current Exposure



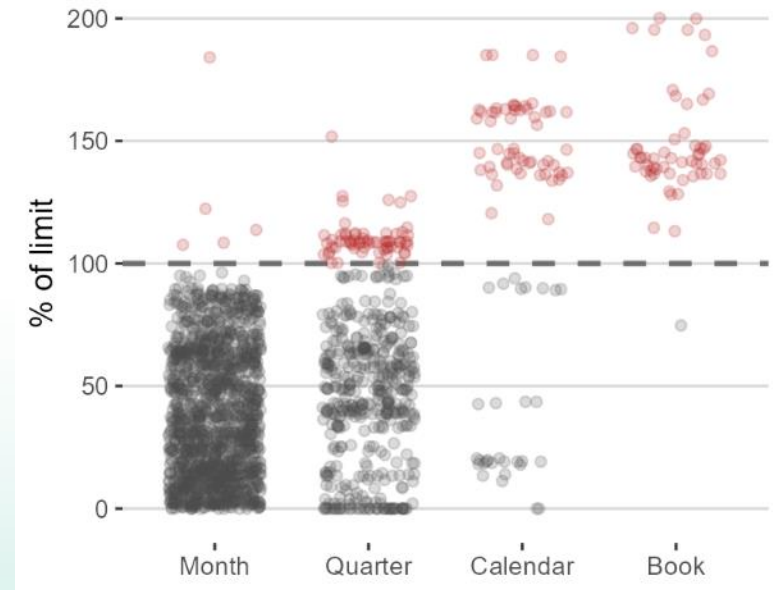
□ The District has 35 approved trading counterparties.

0 Limit Exceedances during the period.

- “Current exposure” is the cost of all active transactions at current market prices with each counterparty.
- Tests are shown throughout the period per counterparty. The average exposure and range of typical exposures are shown.

Financial Load Resource Imbalance Test

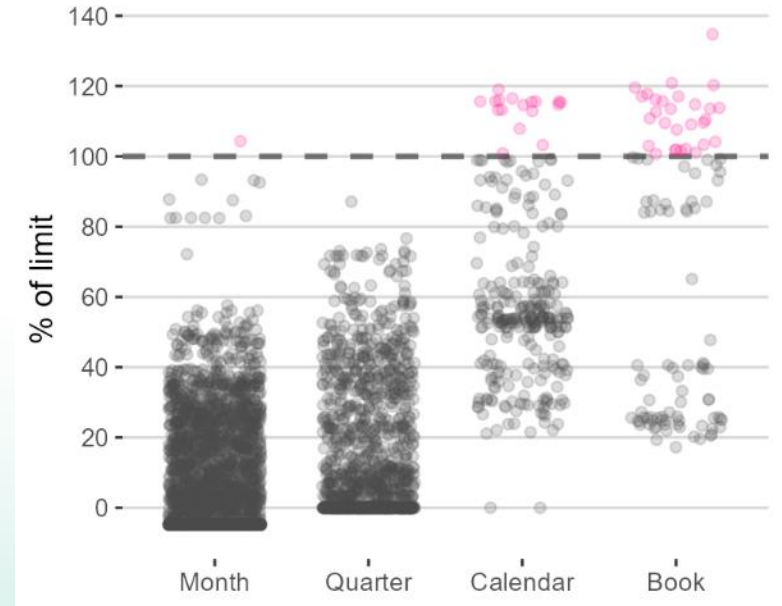
- Risk limits for this test apply to our net power position assuming slice at p25, wind & load at p50 - our “Open position”.
- No open position is allowed to have a market value greater than:
 - \$8.8M for one-month
 - \$15.2M for one-quarter
 - \$30.4M for one-year
 - \$48.0M for all positions added together
- Multiple tests taken throughout the period. Each dot represents 1 test.
- Multiple exceedances occurred throughout the period due to high market prices, and the need to retain our long positions.



Apr '23 - Sep '23

Price Volatility Test

- Our net long or short positions are subject to risk through movements in market prices.
- Risk limits for this test apply for possible one-day (not shown) and five-day price movements.
- No potential weekly loss in value is allowed over:
 - \$2.2M for one-month
 - \$3.8M for one-quarter
 - \$7.6M for one-year
 - \$12.0M for all positions added together
- Possible price movements are calculated on the basis of currently observed price volatility in forward markets.
- Multiple tests taken throughout the period. Each dot represents 1 test.
- Calendar and Book exceedances occurred throughout the period due to high market prices, high volatility, and need to retain our long positions.



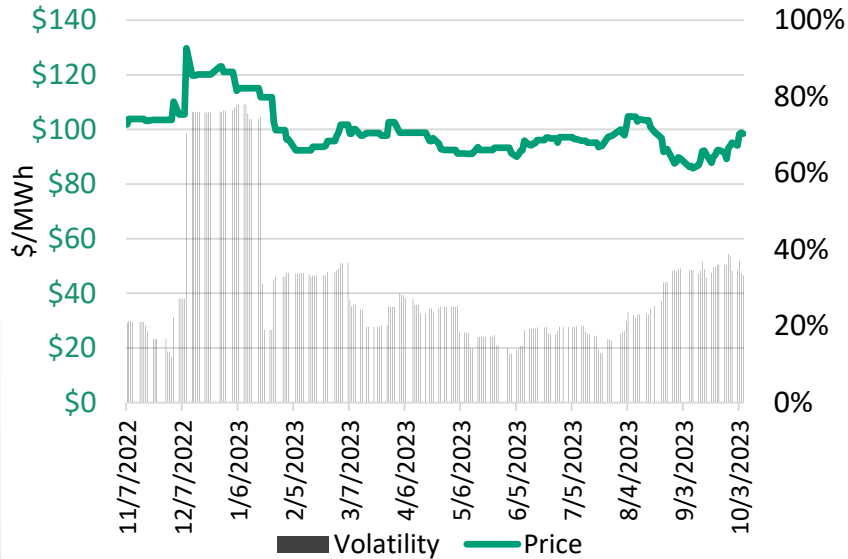
Apr '23 - Sep '23

Limit Exceedance Summary

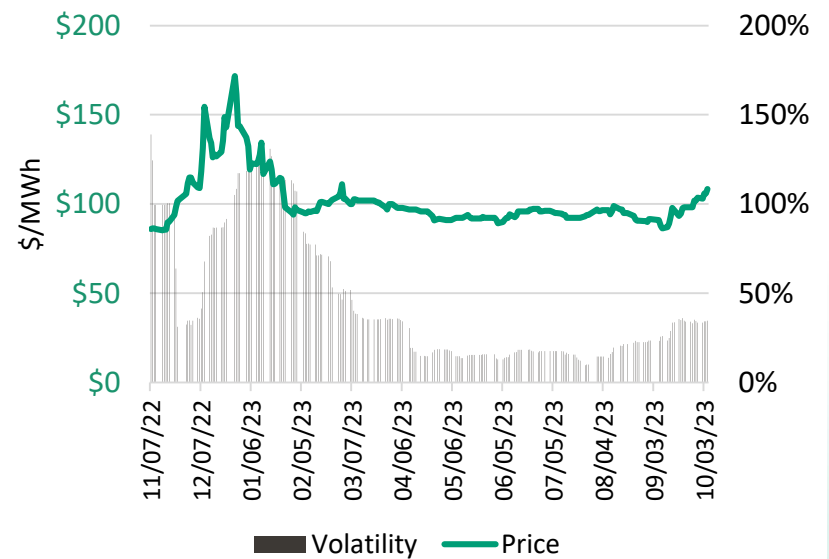
- Exceedances over the period were due to:
 - High market prices and volatility
 - Overall long portfolio positions
 - Ensuring that we have sufficient energy for variations that occur **within** a month
- Staff has responded by:
 - Transacting on the market to reduce physical length where possible
 - Implementing a Risk Strategy refresh and proposing a Risk Policy Statement Update

Forward Prices

Q4 2023



Q1 2024



**Recent Risk Program
Improvements**



Background

Recap

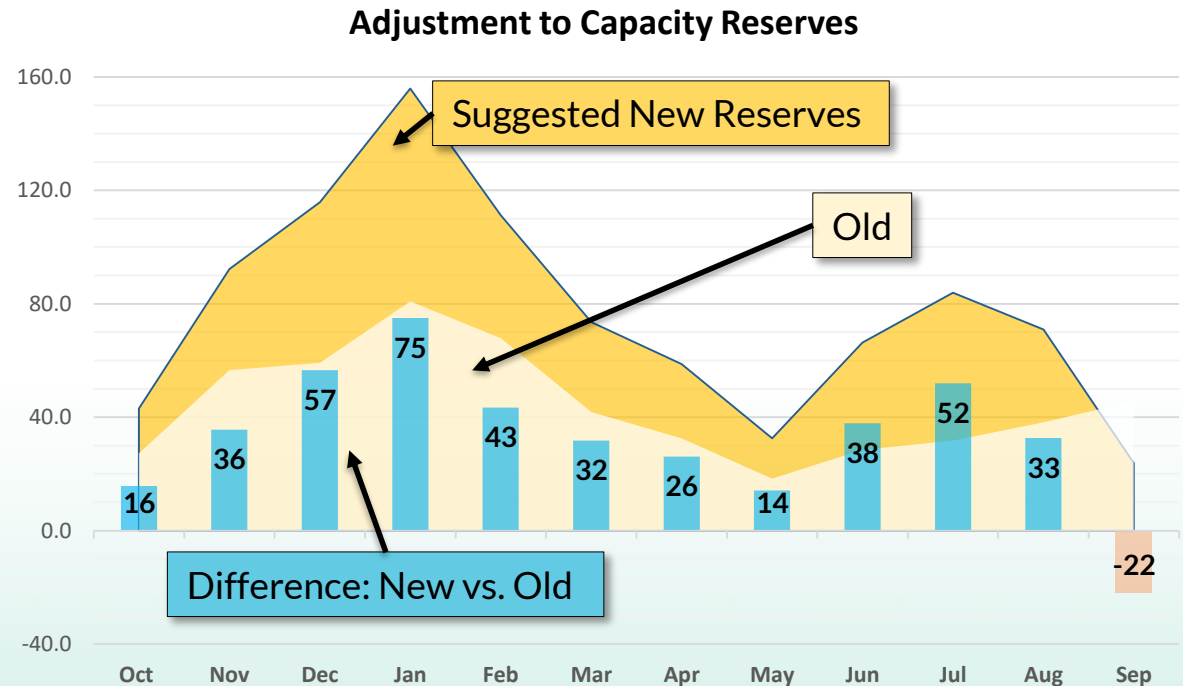
- Integrated Resource Plan (IRP) and regional Resource Adequacy discussions point to **holding more reserves**.
- **Risks that occur within a month**, for example through Day-Ahead market purchases, are not sufficiently observed in our tests, reducing the accuracy of our metrics.
- **Financial hedging** (vs. physical) allows us to hold on to our physical position but manage the market risk.

Actions Taken

- The Energy Risk Management Committee has practically responded to these issues by erring on the side of holding more length.
- The Risk Refresh effort has taken significant steps to revise our policies and processes to:
 - Prepare the PUD for our future market conditions.
 - Continuously improve our existing practices.

First...Hold More Length

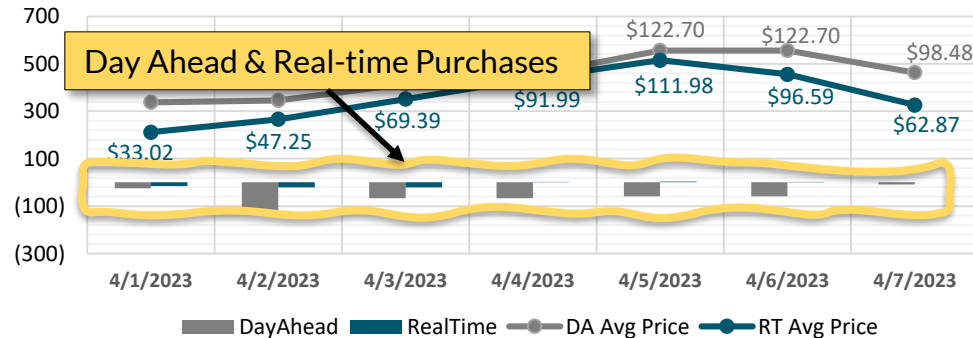
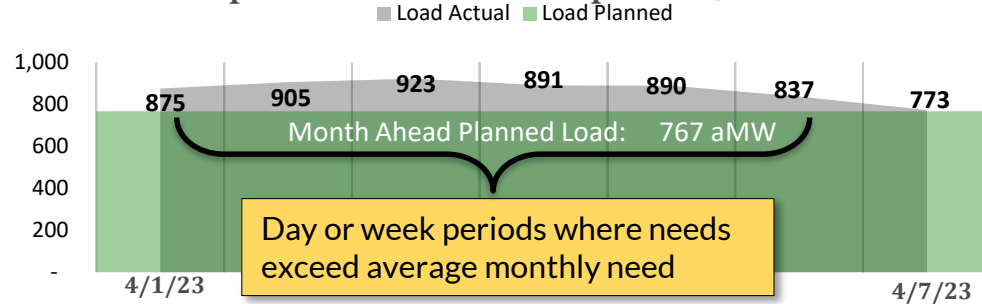
- Established new Volumetric Capacity Reserve Requirements
- Aligned with Integrated Resource Plan
- Created a bridge to Resource Adequacy requirements



Second... Improve Risk Metric Accuracy

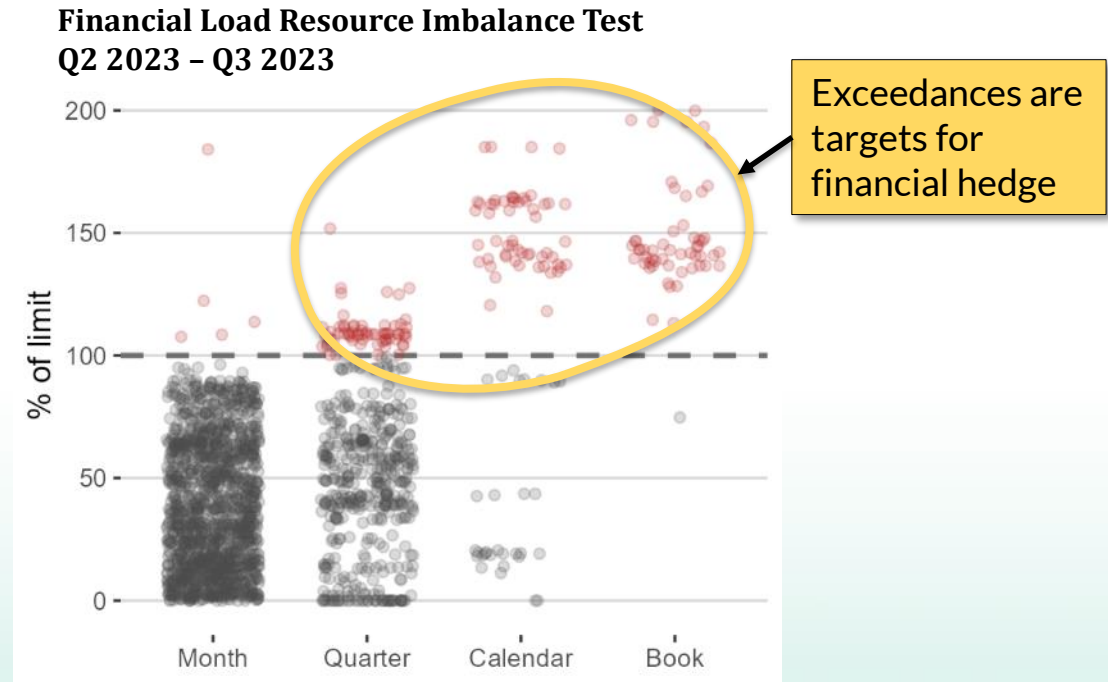
- Existing reserves cover needed length over a whole month.
- Peaks within a month sometimes require us to buy on the market at high prices.
- Accounting for this will better inform our risk-driven decisions.

Report Peak Week Apr 1-7, 2023



Third... Add Financial Trades To Our Toolbelt

- Financial trades (hedging) allows us to hold on to our physical position, but lock in our future prices.
- **New tool** to help manage our experienced market conditions.



See ERM Policy Statement Update

As a result of:

1. Continuous improvements being made to address market volatility and align our risk framework with the IRP models.
2. Regional resource adequacy requirements.
3. Incorporating new tools to manage energy risks.

The ERM will be proposing an update to the policy statement in separate briefing.

Questions?





Energy Risk Management Policy Statement Update

Peter Dauenhauer, Senior Manager, Rates, Economics and Energy Risk Management

Angela Johnston, Senior Manager, Treasury, Risk Management & Supply

October 17, 2023

Agenda

- Purpose of this presentation:
 - To brief the Board on the Energy Risk Management (ERM) Policy Statement and staff recommendations to amend the statement.
 - To brief the Board on efforts to update the ERM Manual.
- Action items:
 - No Action is required today.
 - Requesting approval of a resolution to amend the District's ERM Policy Statement at the November 7, 2023, Commission Meeting.

Background

- The Board approved Financial Trading as a tool for the District in 2008.
- With 2023 Risk Refresh staff has identified a need to engage in financial trades to assist with risk mitigation requiring:
 - Update the ERM Policy Statement (with Board approval).
 - Update Risk Manual which implements our policy and establishes controls and procedures.

ERM Policy Statement – Recommended Changes

- Include a Qualified Independent Reviewer (QIR).
- Note the full Finance division – explicitly include Regulatory Compliance as part of its responsibilities.
- Increasing the managed exposure from 2.5 years (30 months) to 36 months.
- Minor grammatical changes.

Updating the Risk Manual

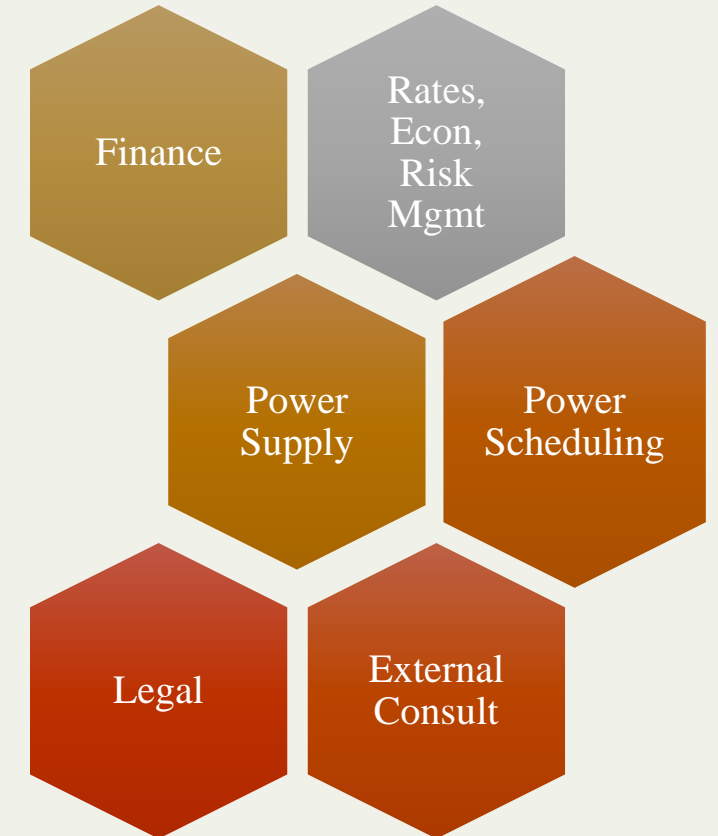
During 2023, the team identified gaps in the existing Risk Manual and aligned it to the Risk Refresh objectives.

This work was completed in September 2023.

Summary of Results

- The manual now includes additional structure, controls, and accountability as the District looks to utilize financial hedging.
- Roles and responsibilities of the Energy Risk Management Committee (ERMC) – voting and non-voting – have been updated to reflect existing industry standards, District expectations, and current practices.
- The Manual has been updated to reflect the District’s current portfolio of risks, metrics to track, and constraints the ERMC will employ to mitigate those risks.

Teams, we need them...



... and we got them!

Financial Hedge Program - Process Development Overview

- A new tool requires new processes.
- Required alignment of smaller projects to achieve the larger goal.
 - Front / Middle / Back Office procedures.
 - Compliance with Governmental Account Standards Board (GASB), Dodd-Frank Protocols.
 - QIR Engagement – *more to come*.
 - Reporting and oversight.
 - New Agreements with counterparties – International Swaps & Derivatives Agreement (ISDA).
 - Internal Tools and processes for identifying financial hedges and strategy.
- Major team efforts – we are almost there.

Background: Financial Trading



Financial Trading 101

- The PUD has almost exclusively transacted physical products.
- Financial products are another popular tool in the toolbox to manage market risks.
- Advantages:
 - Locks in prices the same as physical transactions.
 - Additional liquidity (more counterparties willing trade).
 - Preserve physical length (resource adequacy).
 - Various credit advantages.
 - Qualified Independent Representative (QIR) – both a benefit and a cost.
- Considerations:
 - Additional Counterparty requirements – ISDA.
 - Back-office preparation and ongoing management.

Basic Building Block - What Is A Financial Swap?

- Conceptually – the future sale of energy (on the day-ahead market) has a dollar value, which itself, can be traded.
- Most common example: PUD sells financially to another counterparty.
 - The price terms are set ahead of time (say \$100/MWh).
 - When the month of delivery arrives, we sell into the day-ahead market (generating revenues).
 - Counterparty buys (generating costs).
 - We settle so that the contracted price is effective for both counterparties (goes both ways).

Next Steps

- Return to the Board on November 7, 2023, for approval of Resolution authorizing the amendment to the District's ERM Policy Statement.

EXECUTIVE SESSION

Tuesday, October 17, 2023

Discussion of Current or Potential Litigation - Approximately 45 Minutes

COMMENTS FROM THE PUBLIC



BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 3A

TITLE

Approval of the Minutes for the Regular Meeting of October 2, 2023

SUBMITTED FOR: Consent Agenda

<u>Commission</u>	<u>Allison Morrison</u>	<u>8037</u>
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing:	_____	
Estimated Expenditure:	_____	Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description: GP-3(4) ... a non-delegable, statutorily assigned Board duty as defined under RCW 54.12.090 – minutes.

List Attachments:
Preliminary Minutes

**PRELIMINARY
SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT**

Regular Meeting

October 2, 2023

The Regular Meeting was convened by President Rebecca Wolfe at 9:00 a.m. Those attending were Sidney Logan, Vice-President; Tanya Olson, Secretary; CEO/General Manager John Haarlow; Acting General Counsel Joe Fina; Assistant General Managers Pam Baley (virtually), Brant Wood, and Jason Zyskowski; Chief Financial Officer Scott Jones; Chief Information Officer Kristi Sterling; other District staff; members of the public; Commission & Executive Services Director Melissa Collins; Clerk of the Board Allison Morrison; and Deputy Clerks of the Board Jenny Rich and Morgan Stoltzner.

*** Items Taken Out of Order**

****Non-Agenda Items**

1. CEO/GENERAL MANAGER BRIEFING AND STUDY SESSION

A. Updates

1. Media. Media and Public Relations Liaison Aaron Swaney provided a presentation on District related news and articles.
2. Other. Chief Financial Officer Scott Jones provided an update on the 2023 Water Bonds.

Director, Government/External Affairs & Strategy Kim Johnston provided an update on current Legislative activities.

B. Residential New Construction: Energy Efficiency & Grid Harmonization

Senior Manager Energy Services and Customer Innovations Jeff Feinberg introduced Senior Customer & Energy Services Program Manager Allison Grinczel, who provided an overview of the upcoming Energy Services Residential New Construction Program.

The next step would be Board consideration of a resolution at the October 17, 2023, Commission meeting.

C. 2025 Pole Attachment Rates

Data Scientist Felicie Ng updated the Board on the new pole attachment rates to be effective January 1, 2024.

The next step would be a Public Hearing and Action at the October 17, 2023, Commission meeting.

D. Surplus and Sale of a Portion of District Property to the City of Stanwood

Manager Real Estate Services Maureen Barnes informed the Board of the proposed fee sale and slope easement of portions of District property to the City of Stanwood.

The next step would be a Public Hearing and Action at the October 17, 2023, Commission meeting.

E. Lease for Temporary Storage Yard

Manager Real Estate Services Maureen Barnes and Manager Materials Management & Warehouse Claudio Lazar informed the Board of a proposed three year lease agreement with Roger Bell Real Estate Holding, LLC. for a temporary equipment storage site.

The next step would be Board consideration of a resolution at the October 17, 2023, Commission meeting.

The meeting recessed at 10:03 a.m. and reconvened at 10:10 a.m.

F. 2023 IRP Overview

Senior Manager Power Supply Garrison Marr, Principal Utility Analyst Kris Scudder, and Utility Analyst Landon Snyder provided an update on the 2023 IRP, including operational environment and phase progress findings.

The next steps would be a public outreach open house on November 2, 2023, a final briefing at the November 21, 2023, Commission meeting, and Board consideration of a resolution adopting the 2023 IRP at the December 5, 2023, Commission meeting.

The meeting recessed at 11:19 a.m.

RECONVENE REGULAR MEETING

The Regular Meeting was reconvened by President Rebecca Wolfe at 1:30 p.m. Those attending were Sidney Logan, Vice-President; Tanya Olson, Secretary; CEO/General Manager John Haarlow; Acting General Counsel Joe Fina; Assistant General Managers Pam Baley (virtually), Brant Wood, and Jason Zyskowski; Chief Financial Officer Scott Jones; Chief Information Officer Kristi Sterling; other District staff; members of the public; Commission & Executive Services Director Melissa Collins; Clerk of the Board Allison Morrison; and Deputy Clerks of the Board Jenny Rich and Morgan Stoltzner.

*** Items Taken Out of Order**

****Non-Agenda Items**

Changes to the agenda were made as follows: Item 06B add “At Places” amended Schedule 20 BPA Retail Electric Rates.

2. RECOGNITION/DECLARATIONS

A. Employee of the Month for October – Sarah Mayo

Sarah Mayo was recognized as Employee of the Month for October.

B. Certified Municipal Clerk Accomplishment – Jenny Rich

Jenny Rich was recognized for achieving her Certified Municipal Clerk Designation.

3. COMMENTS FROM THE PUBLIC

- Steven Keeler, Edmonds, provided a document at places, by reference made a part of the packet.

4. CONSENT AGENDA

A. Approval of Minutes for the Regular Meeting of September 19, 2023

B. Bid Awards, Professional Services Contracts and Amendments

Public Works Contract Award Recommendations:

None

Formal Bid Award Recommendations \$120,000 and Over:

Requirements Contract for 28 MVA Power Transformers with Hyundai Corporation USA

Professional Services Contract Award Recommendations \$200,000 and Over:

None

Miscellaneous Contract Award Recommendations \$200,000 and Over:

None

Interlocal Agreements and Cooperative Purchase Recommendations:

Contracts:

None

Amendments:

Purchase/Contract No. 4600003656 with Petrocard

Sole Source Purchase Recommendations:

None

Emergency Declarations, Purchases and Public Works Contracts:

None

Purchases Involving Special Facilities or Market Condition Recommendations:

None

Formal Bid and Contract Amendments:

None

Contract Acceptance Recommendations:

Public Works Contract No. CW2250066 with Sturgeon Electric Co., Inc.

Public Works Contract No. CW2250226 with Davey Tree Surgery Company

Public Works Contract No. CW2252097 with D & G Backhoe, Inc.

C. Consideration of Certification/Ratification and Approval of District Checks and Vouchers

A motion unanimously passed approving Agenda Items 4A – Approval of the Minutes for the Regular Meeting of September 19, 2023; 4B – Bid Awards, Professional Services Contracts and Amendments; and 4C – Consideration/Ratification and Approval of District Checks and Vouchers.

5. PUBLIC HEARING

A. Open the 2024 Budget Hearing

President Wolfe opened the public hearing.

Chief Financial Officer Scott Jones and Budget & Financial Planning Manager Sarah Bond provided a presentation to introduce the 2024 proposed Electric, Generation, and Water System budgets.

The 2024 Budget remaining hearing schedule was as follows:

November 7, 2023

2024 Proposed Budget Presentation

November 21, 2023

Discuss any potential changes to the 2024 Proposed Budget

December 5, 2023

Adoption of the 2024 Budget

There were no public comments.

A motion unanimously passed continuing the hearing on the 2024 Budget to Tuesday, November 7, 2023, at 1:30 p.m., at 2320 California Street in Everett.

B. Staff Recommendations on New Public Utility Regulatory Policy Acts Standards

President Wolfe opened the public hearing.

Senior Manager, Rates, Economics & Energy Risk Management Peter Dauenhauer presented the formal staff recommendations on the new Public Utility Regulatory Policies Act (PURPA) Standards included in the Infrastructure Investment and Jobs Acts (IIJA) of 2021.

The next step would be a Public Hearing and Action at the October 17, 2023, Commission meeting.

There were no public comments.

A motion unanimously passed continuing the hearing on the Staff Recommendations on New Public Regulatory Policies Act Standards be continued to Tuesday, October 17, 2023, at 1:30 p.m., at 2320 California Street in Everett.

6. PUBLIC HEARING AND ACTION**A. Disposal of Surplus Property – 4th Quarter 2023**

President Wolfe opened the public hearing.

There being no questions from the Board or the public, the public hearing was closed.

Based on staff's recommendation that the items are no longer necessary or useful to the District, a motion unanimously passed approving those items listed on Exhibit A of the Disposal of Surplus Property – 4th Quarter 2023 and be sold for high bid or disposed of according to the policy in the 4th Quarter of 2023.

B. Consideration of a Resolution Amending the District's Retail Electric Rate Schedules and Street Lighting Rate Schedules to Pass Through Bonneville Power Administration Rate Increases

President Wolfe opened the public hearing.

Data Scientist Christina Leinneweber presented to the Board the results of the implementation of Bonneville Power Administration (BPA) cost adjustment FY2024-2025.

There being no questions from the Board or the public, the public hearing was closed.

A motion unanimously passed approving Resolution No. 6144 amending the District's Retail Electric Rate Schedules and Street Lighting Rate Schedules to pass through Bonneville Power Administration rate increases.

- C. Consideration of a Resolution Authorizing the Manager, Real Estate Services, to Execute an Easement in Favor of Snohomish County That Allows the County to Operate, Repair, and Maintain a Recreational Trail on a Portion of the Power Line Corridor Property of the District Commonly Known as the PNT Right-of-Way Located in Snohomish County, Washington

President Wolfe opened the public hearing.

There being no questions from the Board or the public, the public hearing was closed.

A motion unanimously passed approving Resolution No. 6145 authorizing the Manager, Real Estate Services, to execute an easement in favor of Snohomish County that allows the County to operate, repair, and maintain a recreational trail on a portion of the power line corridor property of the District commonly known as the PNT Right-of-Way located in Snohomish County, Washington.

7. CEO/GENERAL MANAGER REPORT

CEO/General Manager John Haarlow reported on District related topics and accomplishments.

8. COMMISSION BUSINESS

A. Commission Reports

There were no Commission reports.

B. Commissioner Event Calendar

Commissioner Wolfe requested to arrive a day early on October 25, 2023, in order to attend the morning portion of the October 26, 2023, Energy Northwest Board meeting. The Board approved the request.

C. 2023 Treasury Budget, Forecast, and Major Project Status Report – August

There were no questions regarding the report.

9. GOVERNANCE PLANNING

A. Governance Planning Calendar

Commissioner Logan requested that the 25MW Battery Storage Project Briefing be moved to the November 7, 2023, Commission meeting.

ADJOURNMENT

There being no further business or discussion to come before the Board, the Regular Meeting of October 2, 2023, adjourned at 3:09 p.m. An audio file of the meeting is on file in the Commission Office and available for review.

Approved this 17th day of October, 2023.

Secretary

President

Vice President



BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 3B

TITLE

CEO/General Manager's Report of Public Works Contract Award Recommendations; Formal Bid Award Recommendations; Professional Services Contract Award Recommendations; Miscellaneous Contract Award Recommendations; Cooperative Purchase Recommendations; Sole Source Purchase Recommendations; Emergency Declarations, Purchases and Public Works Contracts; Purchases Involving Special Facilities or Market Condition Recommendations; Formal Bid and Contract Amendments; and Contract Acceptance Recommendations

SUBMITTED FOR: Consent Agenda

<u>Contracts/Purchasing</u>	<u>Clark Langstraat</u>	<u>5539</u>
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing: _____		
Estimated Expenditure: _____		Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description, GP-3(4) ... non-delegable, statutorily assigned Board duty – Contracts and Purchasing.

The CEO/General Manager's Report of Public Works Contract Award Recommendations; Formal Bid Award Recommendations \$120,000 and Over; Professional Services Contract Award Recommendations \$200,000 and Over; Miscellaneous Contract Award Recommendations \$200,000 and Over; Cooperative Purchase Recommendations; Sole Source Purchase Recommendations; Emergency Declarations, Purchases and Public Works Contracts; Purchases Involving Special Facilities or Market Condition Recommendations; Formal Bid and Contract Amendments; and Contract Acceptance Recommendations contains the following sections:

Public Works Contract Award Recommendations;
None

Formal Bid Award Recommendations \$120,000 and Over;
None

Professional Services Contract Award Recommendations \$200,000 and Over (Page 1);
Professional Services Contract No. CW2252767 with Performance Systems Development
of NY LLC

Miscellaneous Contract Award Recommendations \$200,000 and Over (Page 2);
Recommend Rejection for Request for Proposal No. 1418-KP

Interlocal Agreements and Cooperative Purchase Recommendations;
Contracts:
None
Amendments:
None

Sole Source Purchase Recommendations;
None

Emergency Declarations, Purchases and Public Works Contracts;
None

Purchases Involving Special Facilities or Market Condition Recommendations;
None

Formal Bid and Contract Amendments (Pages 3 - 6);
Professional Services Contract No. CW2248274 with BHC Consultants LLC
Professional Services Contract No. CW2249247 with GridBright, Inc.
Miscellaneous Contract No. 60954 with Open Access Technology International, Inc.
(OATI)

Contract Acceptance Recommendations (Page 7);
Public Works Contract No. CW2247862 with TRICO Companies, LLC

List Attachments:
October 17, 2023 Report

**Professional Services Contract Award Recommendation(s) \$200,000 And Over
October 17, 2023**

PSC No. CW2252767
RFP 23-1370-SR
**Energy Efficiency and Grid
 Harmonization Program in
 Residential New Construction
 Market**

No. of Bids Solicited:	13	
No. of Bids Received:	1	
Project Leader & Phone No.:	Allison Grinczel	Ext. 8275
Contract Term:	NTP – 12/31/2026	

Residential New Construction program delivered at the design stage with developers, architects, and customers to incentivize above code energy efficiency and demand response opportunities in single family and small multifamily properties.

	<u>Consultant</u>	<u>Not-to-Exceed Amount (tax n/a)</u>
Award To	Performance Systems Development of NY LLC	\$3,954,854.00

Summary Statement:

Energy Services has selected Performance Systems Development (PSD) to provide Residential New Construction Energy Efficiency and Grid Harmonization services. This program supports current and future residential new construction growth in a cost-effective manner and agrees with the greatest area of increased conservation potential according to the 2023 CPA/IRP draft.

Energy Services coordinated with the Plat Engineering group to discuss what type of programming may best support Residential new construction to provide mutual benefit to the District and customers. The Plats department anticipates most new homes will be 100% electric which further intensifies the need to provide more energy efficient homes. Working with builders in the pre-installation phase allows us to influence Market Transformation, or “smart home ready” homes in our territory, building homes that would be able to utilize Time of Day and/or Demand Response activities, in addition to above code energy efficiency.

The proposal was evaluated via a 7-person committee and even though only one proposal was submitted, the proposal from PSD was deemed acceptable per the selection criteria outlined in the RFP.

PSD has over a decade of experience of marketing, optimizing savings, and managing performance-based, pay-for-savings residential new construction programs, and leveraging insights learned from the marketing and outreach of various other new construction, major renovation, energy codes, and other related residential and commercial programs.

The costs shown include both consultant fees, and developer/homeowner incentives for the entirety of the contract.

Miscellaneous Contract Award Recommendation(s)
October 17, 2023

RFP No. 23-1418-KP
 Landscape Maintenance Of
 District Properties - North
 & East County & Camano
 Island

No. of Bids Solicited:	18	
No. of Bids Received:	3	
Project Leader & Phone No.:	Brion Henault	Ext. 1790
Estimate:	\$140,000.00	

This Contract is for complete grounds and irrigation maintenance work at the DISTRICT’S landscaped sites as set forth in the Specifications. Work includes the furnishing of all supervision, labor, tools, appropriate specialized equipment, materials, work and pesticide application records, transportation, and proper debris disposal necessary to perform all work as specified and to maintain all properties in a safe, presentable, and healthy condition. Work under this contract is categorized as Routine Landscape Maintenance and Scheduled Maintenance.

<u>Contractor</u>	<u>Subtotal (w/o tax)</u>
Total Landscape Corporation	\$104,000.00
Pacheco’s Landscape, LLC.	\$114,050.00
Management Services Northwest, LLC.	\$125,597.20

Summary Statement: All bidders failed to include a copy of a Bid Security document as required in the Notice to Bidders, in the bid documents. Therefore, Staff recommends rejection of all bids as non-responsive.

Formal Bid and Contract Amendment(s)
October 17, 2023

PSC No. CW2248274
Engineering Services for Kayak
Reservoir No. 2 Replacement Project

Contractor/Consultant/Supplier:	BHC Consultants LLC	
Project Leader & Phone No.:	Max Selin	397-3033
Amendment No.:	1	
Amendment:	\$49,470.00	

Original Contract Amount:	\$313,741.00	Original Start/End:	7/28/22 – 12/31/23
Present Contract Amount:	\$313,741.00	Present Start/End:	7/28/22 – 12/31/23
Amendment Amount:	\$49,470.00	New End Date:	N/A
New Contract Amount:	\$363,211		

Summary Statement: Staff is seeking approval to increase the contract by \$49,470.00 due to a change in project execution. Demolition and construction were originally planned as one phase however, in an effort to streamline the project considering permitting timelines and delays and optimal construction seasons, the project was divided into two separate phases, demolition and construction. This resulted in increased costs for BHC Consultants relative to the need to create two separate sets of plans and specifications along with additional time for permit support and a second Engineer's cost estimate.

Formal Bid and Contract Amendment(s)
October 17, 2023

PSC No. CW2249247

Support Services for Evaluation,
Planning & Procurement of New
SCADA and ADMS Platform

Contractor/Consultant/Supplier:	GridBright, Inc.
Project Leader & Phone No.:	Mark Flury x1722
Amendment No.:	2
Amendment:	\$68,500.00

Original Contract Amount: \$531,387.00
Present Contract Amount: \$578,587.00
 Amendment Amount: \$ 68,500.00
New Contract Amount: \$647,087.00

Original Start/End: 10/12/22 – 12/31/24
Present Start/End: 10/12/22 – 12/31/24
New End Date: 12/31/2025

Summary Statement: Staff is seeking approval to increase the contract by \$68,500.00 to assist the District with developing and adding the Enterprise Historian software requirements in the procurement documents for the Supervisory Control and Data Acquisition (SCADA) and Advanced Distribution Management Systems (ADMS) project, as well as extend the contract term to December 31, 2025.

The current Enterprise Historian (eDNA) will be going end of life by 2026 and no longer be supported by the manufacturer. The Enterprise Historian allows the District to extract and report out data for statistical analysis such as trends, cycles, and seasonal variances to aid in forecasting an event or demand. The data is used by various departments for system load scheduling, monitoring, and rates; planning system capacity and reliability; and other long-term planning efforts around operations. The District also puts data from the Enterprise Historian on www.snopud.com for kayakers to see river flow. Due to the highly complex, costly, and time-consuming integrations between the Enterprise Historian software and SCADA system, District staff is requesting additional consulting time and resources from GridBright to identify the Enterprise Historian software requirements and include them in the ADMS/SCADA Replacement RFP going out this year.

Summary of Amendments:

Amendment 1 approved by the Board on July 25, 2023, increased the contract value by \$47,200 for additional DOE GRIP grant support and travel and other out-of-pocket expenses.

**Formal Bid and Contract Amendment(s)
October 17, 2023**

Misc. Contract No. 60954
OATI Energy Trading System
(ETS) Customer
Agreement (WebExchange
Service)

Contractor/Consultant/Supplier:	Open Access Technology International, Inc. (OATI)	
Project Leader & Phone No.:	Steve Eaton	x1763
Amendment No.:	13	
Amendment (Not to Exceed):	\$57,225.46	

Original Contract Amount:	\$ 15,480.00	Original Start/End:	1/1/2011 – 12/31/2013
Present Contract Amount:	\$263,005.54	Present Start/End:	1/1/2011 – 12/31/2023
Amendment Amount (Not to Exceed):	\$ 57,225.46	New End Date:	12/31/2024
New Contract Amount (Not to Exceed):	\$320,231.00		

Summary Statement: Staff recommends approval of Amendment No. 13 to extend the term through December 31, 2024, and to increase the contract value by \$57,225.46 plus applicable tax.

The amount requested is the amount that staff anticipate using for this service over the next five years, and such amount includes the annual price increase of 3%. The District, at its sole discretion, has the option to renew annually for an additional four (4) years, under the same terms and conditions. If the District exercises the options to renew, the contract will be extended for a total of five (5) years at the approximate amount of \$57,225.46, plus tax. With this Commission approval, staff may exercise renewals of this contract administratively.

This contract provides access to the real time / intra hour power exchange market to enable partial automation and identification of bilateral energy trades, as well as OATI digital certificate services to provide access to 3rd party solutions including BPA's CDE (Customer Data Entry) solution, OASIS (Open Access Same-time Information System) for transmission reservation viewing, and WECC CDMS (NERC reliability and compliance tracking).

Summary of Amendments:

Amendment No.1 dated August 15, 2012, added 5 licenses and \$4,692.74 to the contract.

Amendment No. 2 (administrative) dated November 27, 2013, extended the term to December 31, 2014, and added \$14,818.00 to the contract for continuing services.

Summary Statement
(continued):

Amendment No. 3 dated January 16, 2014, added VPN Access tunnel services, incorporated WebExchange Services, increased contract value by \$67,888.12 and extend term to December 31, 2016.

Amendment No. 4 (administrative) dated December 27, 2016, extended the term to December 31, 2017, and added \$22,500.00 to the contract for continuing services.

Amendment No. 5 (administrative) dated October 9, 2017, added \$10,000.00 to the contract for continuing services.

Amendment No. 6 (administrative) dated December 15, 2017, extended the term to December 31, 2018, and added \$32,391.00 to the contract for continuing services.

Amendment No. 7 (administrative) dated December 13, 2018, extended the term to December 31, 2019, and added \$25,000.00 to the contract for continuing services.

Amendment No. 8 (administrative) dated October 10, 2019, added \$5,640.68 to the contract for continuing services.

Amendment No. 9 dated December 17, 2019, extended the term to December 31, 2020, removed services that have been transitioned to another vendor, and added \$34,106.00 to the contract for continuing services.

Amendment No. 10 dated December 15, 2020, extended the term to December 31, 2021, added \$30,489.00 to the contract for continuing services, and changed the contract title to "WebExchange Service".

Amendment No. 11 (administrative) dated October 13, 2021, extended the term to December 31, 2022, for continuing services.

Amendment No. 12 (administrative) dated November 2, 2022, extended the term to December 31, 2023, for continuing services.

Contract Acceptance Recommendations(s)
October 17, 2023

**Accept Contract(s) as complete and grant approval to release
Retained fund after full compliance with Departments of Labor
and Industries, Revenue and Employment Security.**

PWC No. CW2247862
Jackson Powerhouse Tenant
Improvements

Contractor:	TRICO Companies, LLC		
Start/End:	6/20/22 – 7/31/23		
Evaluator & Phone No.:	Brad Spangler	Ext.	8151
No. of Amendments:	4		
Retained Fund:	\$116,203.75		

Original Contract Amount:	\$2,262,000.00	Contingency Allowance:	\$230,000.00
Total Amendment Amount:	\$62,075.00	Contingency Allowance Used:	\$62,075.00
Final Contract Amount:	\$2,324,075.00	Contingency Allowance Savings:	\$167,925.00

Summary Statement: None.



BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 3C

TITLE

Consideration of Certification/Ratification and Approval of District Checks and Vouchers

SUBMITTED FOR: Consent Agenda

<u>General Accounting & Financial Systems</u>	<u>Shawn Hunstock</u>	<u>8497</u>
<i>Department</i>	<i>Contact</i>	<i>Extension</i>

Date of Previous Briefing: _____

Estimated Expenditure: _____ Presentation Planned

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description: GP-3(4)(B)(2)a non-delegable, statutorily assigned Board duty to approve vouchers for all warrants issued.

The attached District checks and vouchers are submitted for the Board’s certification, ratification and approval.

List Attachments:
Voucher Listing



CERTIFICATION/RATIFICATION AND APPROVAL

We, the undersigned of the Public Utility District No. 1 of Snohomish County, Everett, Washington, do hereby certify that the merchandise or services hereinafter specified have been received, and the Checks or Warrants listed below are ratified/approved for payment this 17th day of October 2023.

CERTIFICATION:

Certified as correct:

CEO/General Manager

Shawn Nunstock

Auditor

Jean /ma

Chief Financial Officer/Treasurer

RATIFIED AND APPROVED:

Board of Commissioners:

President

Vice-President

Secretary

TYPE OF DISBURSEMENT	PAYMENT REF NO.	DOLLAR AMOUNT	PAGE NO.
REVOLVING FUND			
Customer Refunds, Incentives and Other	1125243 - 1125471	\$45,928.46	2 - 9
Electronic Customer Refunds		\$10,026.90	10 - 12
WARRANT SUMMARY			
Warrants	8075301 - 8075481	\$4,358,816.14	13 - 18
ACH	6041095 - 6041458	\$7,151,222.23	19 - 30
Wires	7003005 - 7003014	\$7,467,765.68	31
Payroll - Direct Deposit	5300000898 - 5300000898	\$4,280,899.21	32
Payroll - Warrants	845039 - 845045	\$17,992.73	32
Automatic Debit Payments	5300000892 - 5300000901	\$3,655,108.43	33
	GRAND TOTAL	\$26,987,759.78	

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
9/25/23	1125243	TOWN OF DARRINGTON	\$101.79
9/25/23	1125244	2017-2 IH BORROWER LP	\$34.08
9/25/23	1125245	MG ARTESIA APARTMENTS LLC	\$12.36
9/25/23	1125246	MG ARTESIA APARTMENTS LLC	\$16.29
9/25/23	1125247	CHRISTINA WILLIAMS ARENAS	\$78.71
9/25/23	1125248	ANNA MAE MALERICH	\$90.51
9/25/23	1125249	DEBBIE JONES	\$436.70
9/25/23	1125250	KENNETH BARBOUR	\$91.70
9/25/23	1125251	VOID	\$0.00
9/25/23	1125252	FABIOLA VALDEZ	\$25.47
9/25/23	1125253	JUAN HERNANDEZ PEREZ	\$88.74
9/25/23	1125254	PATRICK HANNA	\$8.25
9/25/23	1125255	ROY MARKS	\$133.81
9/25/23	1125256	CONSOLIDATED GUTTER & SHEET METAL LLC	\$1,268.69
9/25/23	1125257	JESSICA BROWN	\$54.69
9/25/23	1125258	GABRIELA SERRANO	\$28.02
9/25/23	1125259	JANIS WALLACE	\$27.67
9/25/23	1125260	CHRISTINE EVANS	\$17.98
9/25/23	1125261	VOID	\$0.00
9/25/23	1125262	PAULA BAILEY	\$136.97
9/26/23	1125263	B9 MF ALDERWOOD PARK LLC	\$6.74
9/26/23	1125264	SREIT CASCADIA POINTE LLC	\$14.20
9/26/23	1125265	SKS COURTYARD LLC IV	\$15.21
9/26/23	1125266	JILL ROBERTS	\$13.55
9/26/23	1125267	SADIE HEIM	\$64.29
9/26/23	1125268	EDUARDO ENRIQUEZ	\$88.35
9/26/23	1125269	DARRIN RAVENEL	\$103.73
9/26/23	1125270	CARLA SAXON	\$62.77
9/26/23	1125271	CHELSEA MARCONI	\$63.01
9/26/23	1125272	YASH PATEL	\$38.69
9/26/23	1125273	SABZPARI GHIAS	\$402.37
9/26/23	1125274	PHILIP MILLER	\$76.26

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
9/26/23	1125275	VOID	\$0.00
9/26/23	1125276	DEAL ENTERPRISES	\$170.56
9/26/23	1125277	SMOKEY PT COMMERCIAL LLC	\$8.90
9/26/23	1125278	OLIVER SMITH	\$40.49
9/26/23	1125279	DIMENSION TOWNHOUSES LLC	\$69.35
9/26/23	1125280	SMOKEY POINT APARTMENTS IV LLC	\$80.61
9/26/23	1125281	CRYSTAL CREEK ASSOCIATES	\$16.43
9/26/23	1125282	CLARA MEYER	\$161.28
9/26/23	1125283	WENDY SIMS	\$6.19
9/26/23	1125284	ANTOINETTE HILL	\$106.70
9/26/23	1125285	MICHELLE SANCHEZ	\$158.29
9/26/23	1125286	DAVE DUHAMEL	\$40.82
9/26/23	1125287	SMOKEY PT COMMERCIAL LLC	\$19.49
9/27/23	1125288	DONALD HARDING	\$1,897.30
9/27/23	1125289	KARYN SIGURDSSON	\$31.41
9/27/23	1125290	DANIEL ANDEMARIAM	\$12.09
9/27/23	1125291	HALLMARK HOMES NW LLC	\$7.23
9/27/23	1125292	YUE FENG	\$140.41
9/27/23	1125293	IDRISSA DIOP	\$202.12
9/27/23	1125294	JOHN ALLEN SCHRIER	\$223.74
9/27/23	1125295	ALISHA MALIGON	\$98.32
9/27/23	1125296	MUNIKANAKA SRI SAELINI CHINTAM	\$129.29
9/27/23	1125297	MICK GREENSHIELDS	\$64.21
9/27/23	1125298	SREIT FULTONS CROSSING LLC	\$142.47
9/27/23	1125299	ALCO MUKILTEO BUSINESS PARK LLC	\$93.86
9/27/23	1125300	SPEEDWAY II LLC	\$23.15
9/27/23	1125301	HAMZA MANSOUR	\$115.53
9/27/23	1125302	ARNOLD DENISTON	\$125.63
9/27/23	1125303	ESTATE OF CHRISTIAN IVAN CORONADO PEREZ	\$156.83
9/27/23	1125304	ELI GREEN	\$18.41
9/27/23	1125305	ASHLEY BERRETH	\$247.72
9/27/23	1125306	ELIZABETH PIEDRA-BOND	\$584.17

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
9/27/23	1125307	VALERIE TACKETT	\$750.90
9/27/23	1125308	FELIX JARALBA	\$61.82
9/27/23	1125309	LARRY ENGELS	\$154.43
9/27/23	1125310	VINTAGE AT LAKEWOOD, LLC	\$7.06
9/27/23	1125311	THANKS ALCIUS	\$5.59
9/27/23	1125312	LUIS AMADOR	\$158.96
9/27/23	1125313	ADELE MARUO	\$16.40
9/27/23	1125314	JANINNE FREDLUND	\$29.35
9/27/23	1125315	AUDRA LOPEZ	\$10.67
9/28/23	1125316	ESTRELLA WEGNER	\$6.03
9/28/23	1125317	NEHEMIAH ZARATE-ROURKE	\$54.41
9/28/23	1125318	TAYLOR MORRISON NORTHWEST LLC	\$47.92
9/28/23	1125319	ASI EAGLES LANDING LLC	\$31.27
9/28/23	1125320	EARL SANDQUIST	\$81.43
9/28/23	1125321	HOUSING AUTHORITY OF SNO CO	\$35.94
9/28/23	1125322	GINA BATMAN	\$17.98
9/28/23	1125323	MARY FORTSON	\$54.33
9/28/23	1125324	RAY MONT LOGISTICS SEATTLE INC	\$126.45
9/28/23	1125325	JOYCE MULDER	\$630.62
9/28/23	1125326	DUANE BOWERS	\$12.22
9/28/23	1125327	CONNIE KEEFAUVER	\$47.59
9/28/23	1125328	VOID	\$0.00
9/28/23	1125329	HOUSING AUTHORITY OF SNO CO	\$7.89
9/28/23	1125330	CATHERINE HADLEY	\$27.31
9/28/23	1125331	JOSIEFEL GUEVARA	\$32.16
9/28/23	1125332	JACKSON MOODY	\$144.27
9/28/23	1125333	BRADFORD FRESHWATER PARTNERS LLC	\$13.08
9/28/23	1125334	VINTAGE AT LAKEWOOD, LLC	\$154.35
9/28/23	1125335	M EVELYN ROOT	\$65.39
9/28/23	1125336	KRISSY CLARK	\$29.48
9/28/23	1125337	SALIHA KHIATI	\$44.46
9/28/23	1125338	MIDNITE SOLAR	\$47.32

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
10/2/23	1125339	MIRCEA DAN PITICARIU	\$40.67
10/2/23	1125340	TAMIKA PLUMMER	\$184.96
10/2/23	1125341	ASTRID JAIME VIVEROS	\$117.46
10/2/23	1125342	XIAOTIAN QIN	\$36.42
10/2/23	1125343	DONALD HUBER	\$22.33
10/2/23	1125344	SIMRANJIT SINGH	\$132.51
10/2/23	1125345	PACIFIC RIDGE - DRH, LLC	\$33.23
10/2/23	1125346	RUEBEN ABILIUS	\$80.26
10/2/23	1125347	MELODY SULLIVAN	\$90.48
10/2/23	1125348	YI TANG	\$91.46
10/2/23	1125349	BEXAEW BOTHELL RIDGE LP	\$94.05
10/2/23	1125350	SAMANTHA CORY	\$180.70
10/2/23	1125351	ERYNN SNEL	\$47.33
10/2/23	1125352	VIOLA POSEY	\$98.84
10/2/23	1125353	JAYNA B LLC	\$5.51
10/2/23	1125354	DMYTRO OMEKOVETS	\$149.19
10/2/23	1125355	JOHANNA OSMAN-KRAE	\$227.30
10/2/23	1125356	PAVEL TSVETANOV	\$154.04
10/2/23	1125357	AMY SELLS HAIST	\$2,032.38
10/2/23	1125358	STEVE AUCKLAND	\$5.00
10/2/23	1125359	JEANNE PARSLEY	\$108.85
10/2/23	1125360	KRISTEN ANSON	\$560.46
10/2/23	1125361	DEZEMBER JOHNSON	\$56.83
10/2/23	1125362	THANKS ALCIUS	\$15.87
10/2/23	1125363	PROJECT PRIDE	\$1,657.74
10/2/23	1125364	JULIE HOWELL HIRAMOTO	\$324.59
10/2/23	1125365	JANETTE ANDERSON BROWN	\$61.66
10/2/23	1125366	LARAS MAULIDIA	\$107.02
10/2/23	1125367	PATRICK HERRON	\$438.22
10/2/23	1125368	MOHAMMAD HERZALLA	\$1,176.34
10/2/23	1125369	STEPHEN DEVORE	\$574.00
10/2/23	1125370	NANCY HERNANDEZ	\$88.28

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
10/2/23	1125371	VOID	\$0.00
10/2/23	1125372	RODNEY JAMES	\$25.80
10/2/23	1125373	JULIA JASPEN	\$485.04
10/3/23	1125374	FRANK FISCHER	\$441.45
10/3/23	1125375	MORGAN BASSETT	\$232.95
10/3/23	1125376	FAMILY TREE APTS	\$45.32
10/3/23	1125377	PROGRANITE SURFACES LLC	\$3,906.82
10/3/23	1125378	JASON WELLS	\$39.37
10/3/23	1125379	SMOKEY POINT APARTMENTS IV LLC	\$34.50
10/3/23	1125380	DEBI GOCHANOUR	\$877.66
10/3/23	1125381	LINDSAY FRYKMAN	\$32.03
10/3/23	1125382	ANTOINETTE DUNCAN	\$324.59
10/3/23	1125383	BRYANT EVERETT	\$130.79
10/3/23	1125384	PAIGE LONGDON	\$159.29
10/3/23	1125385	AATOLII TROTSKOVEETS	\$79.90
10/3/23	1125386	MICHAEL WILLIAMS	\$40.95
10/3/23	1125387	LYNNE BAXTER	\$30.25
10/3/23	1125388	BILLIE VANDEZANDE	\$106.47
10/3/23	1125389	BRIAN LEW	\$11.14
10/3/23	1125390	NIKHIL SIDDAM	\$112.39
10/3/23	1125391	RAVEN SMITH	\$31.83
10/3/23	1125392	MARIO CHAVEZ	\$35.76
10/3/23	1125393	HZ COPPERSTONE APARTMENTS, LLC	\$13.08
10/3/23	1125394	AMBER DOWNING	\$177.73
10/3/23	1125395	CPI-GREP AA I LYNNWOOD LP	\$23.08
10/3/23	1125396	LARYSA RABESHKO	\$98.41
10/3/23	1125397	RAJENDRA JOSHI	\$53.15
10/3/23	1125398	TRAVIS FISCHER	\$9.93
10/3/23	1125399	JULIA MARADIAGA	\$56.56
10/3/23	1125400	CESAR MATEUS BELLO	\$223.39
10/3/23	1125401	REAL PROPERTY MANAGEMENT NORTH PUGET	\$11.71
10/3/23	1125402	VOID	\$0.00

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
10/3/23	1125403	HANWO HUANG	\$83.32
10/3/23	1125404	MARTHA LOPEZ	\$48.28
10/3/23	1125405	DANIEL KEOLA KEN HIRATA	\$144.27
10/3/23	1125406	PHILLIP SHIPLEY	\$38.51
10/3/23	1125407	KURTIS LOCKIE	\$114.69
10/3/23	1125408	KELLY JO LENHARDT	\$249.02
10/3/23	1125409	ADAM ALMOUSAWI	\$124.46
10/3/23	1125410	JOHN TAM	\$91.99
10/3/23	1125411	WATERFRONT PLACE LP	\$16.26
10/3/23	1125412	REAL PROPERTY MANAGEMENT NORTH PUGET	\$48.71
10/3/23	1125413	RICHARD GALLAGHER	\$187.54
10/3/23	1125414	GREENCITY DEVELOPMENT LLC	\$1,226.42
10/3/23	1125415	AVA SCHWEIGER	\$19.29
10/3/23	1125416	JLANAYE JULIEN	\$157.14
10/4/23	1125417	WILLIAM DUNNIGAN	\$22.63
10/4/23	1125418	BENJAMIN VALENCIA	\$11.02
10/4/23	1125419	SAKSAKON PONYIAM	\$146.61
10/4/23	1125420	SREIT CASCADIA POINTE LLC	\$7.48
10/4/23	1125421	KINECT @ LYNNWOOD APARTMENTS, LLC	\$15.93
10/4/23	1125422	STEVENS PARK LLC	\$41.77
10/4/23	1125423	M&S NETWORK PROPERTY DEVELOPMENT LLC	\$237.20
10/4/23	1125424	AZIZ RAMOVIC	\$17.94
10/4/23	1125425	MARYLYN EASTMAN	\$15.00
10/4/23	1125426	MICHAEL MITCHELL	\$236.15
10/4/23	1125427	VOID	\$0.00
10/4/23	1125428	TAYLOR MORRISON NORTHWEST LLC	\$42.23
10/4/23	1125429	YANCHUN ZHOU	\$222.92
10/4/23	1125430	VOID	\$0.00
10/4/23	1125431	SHITANSHU VERMA	\$35.06
10/4/23	1125432	VOID	\$0.00
10/4/23	1125433	RHONDA GETTER	\$10.12
10/4/23	1125434	EVELYN JARA	\$97.58

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
10/4/23	1125435	ROOSEVELT HOLDINGS LLC	\$28.48
10/4/23	1125436	GABINO CIPRIANO	\$363.93
10/4/23	1125437	CLINTON JEFFERSON	\$7.85
10/5/23	1125438	MIGUEL MALDONADO	\$130.88
10/5/23	1125439	TRISHA VU	\$178.41
10/5/23	1125440	RENEE QUISTORF	\$25.04
10/5/23	1125441	WILLIAM PEASE	\$8,548.50
10/5/23	1125442	ZHANNA SNITSAR	\$492.20
10/5/23	1125443	EVERETT HOUSING AUTHORITY	\$36.19
10/5/23	1125444	SREIT FULTONS CROSSING LLC	\$57.35
10/5/23	1125445	HILLCREST ESTATES LLC	\$15.44
10/5/23	1125446	ELIZABETH HEIL	\$51.57
10/5/23	1125447	JOSE MANUEL CEJA AGUILAR	\$106.54
10/5/23	1125448	AUGUSTA GLEN APTS	\$456.64
10/5/23	1125449	EDNAH SNEED	\$691.28
10/5/23	1125450	ADAM SIX	\$486.36
10/5/23	1125451	GREGORIO EMERY	\$54.52
10/5/23	1125452	ROBERT SHAW	\$58.74
10/6/23	1125453	STRATA NICKEL LLC	\$15.37
10/6/23	1125454	CYNTHIA MENDOZA	\$152.01
10/6/23	1125455	COLBY DEAN	\$23.78
10/6/23	1125456	XANASHA ROSE	\$118.26
10/6/23	1125457	NORTH SOUND PROPERTIES LLC	\$26.54
10/6/23	1125458	MARISSA BOYD	\$46.81
10/6/23	1125459	TEENA MCBRIEN	\$47.41
10/6/23	1125460	LAURI JOHANNESSEN	\$410.03
10/6/23	1125461	PHILIP MEADE	\$13.62
10/6/23	1125462	BHAVANA GUDI	\$23.21
10/6/23	1125463	ARTHUR TSAI	\$272.57
10/6/23	1125464	TODD KINYON	\$115.54
10/6/23	1125465	JAE OH	\$60.00
10/6/23	1125466	C C S COMPUTER SYSTEMS	\$225.30

Detailed Disbursement Report

Revolving Fund - Customer Refunds, Incentives and Other			
Payment Date	Payment Ref Nbr	Payee	Amount
10/6/23	1125467	EVA MIRANDA DIAZ	\$122.28
10/6/23	1125468	SEASONS LYNNWOOD, LLC	\$32.82
10/6/23	1125469	ROSANNE GENCE	\$21.63
10/6/23	1125470	WEST EDGE DEVELOPMENT TWO LLC	\$50.09
10/6/23	1125471	MONICA PAZ	\$104.73
Total:			\$45,928.46

Detailed Disbursement Report

Revolving Fund - Electronic Customer Refunds			
Payment Date	Payment Ref Nbr	Payee	Amount
9/25/23	000525896106	PRAPAPAN BORISUTBUNTARIK	\$51.45
9/25/23	000525896107	PRAPAPAN BORISUTBUNTARIK	\$72.63
9/26/23	000525900376	NASSIM AMAR	\$287.84
9/26/23	000525900377	SRINIVASA SHAIK	\$41.78
9/26/23	000525900378	NASSIM AMAR	\$145.98
9/26/23	000525900379	DEREK JONES	\$64.15
9/26/23	000525900380	KYLIE JOHNSON	\$50.15
9/26/23	000525900381	JONATHAN CHONG	\$96.20
9/26/23	000525900382	VEASNA TING	\$128.57
9/26/23	000525900383	JAZMIN RODRIGUEZ	\$62.78
9/26/23	000525900384	DENISE WILHOIT	\$200.00
9/26/23	000525900385	KATHLEEN LANGENHEIM	\$60.42
9/26/23	000525900386	DEREK JONES	\$64.15
9/26/23	000525900387	TAYLOR LEMAY RICE	\$142.00
9/26/23	000525900388	RING BIRHANU	\$215.09
9/27/23	000525911371	JAMES YANG	\$27.17
9/27/23	000525911372	GERON VOSGROSS	\$57.07
9/27/23	000525911373	TIRUKALYAN PURANAM	\$149.75
9/27/23	000525911374	SACHIN TOMAR	\$160.00
9/27/23	000525911375	SAVANA ETGETON	\$144.93
9/27/23	000525911376	REYAZ BASHA SHAIK	\$35.12
9/27/23	000525911377	RILEY PHILLIPS	\$19.59
9/27/23	000525911378	LAUREN YLVISAKER	\$37.34
9/27/23	000525911379	DOUGLAS UREN	\$132.55
9/27/23	000525911380	TODD SOLBERG	\$55.00
9/27/23	000525911381	VEERA MERLA	\$94.26
9/28/23	000525920911	LESLIE DALTON	\$125.00
9/28/23	000525920912	LESLIE DALTON	\$125.00
9/28/23	000525920913	LESLIE DALTON	\$54.73
9/28/23	000525920914	IRYNA SHVYDKA	\$55.83
9/28/23	000525920915	NIKHIL MOHAN	\$84.33
9/28/23	000525920916	KAYDEE CLEVELAND	\$114.81

Detailed Disbursement Report

Revolving Fund - Electronic Customer Refunds			
Payment Date	Payment Ref Nbr	Payee	Amount
9/28/23	000525920917	IVAN COLLINS	\$141.04
9/28/23	000525920918	GREG LANDSIEDEL	\$23.04
9/28/23	000525920919	BARBARA FLYNN	\$47.47
9/28/23	000525920920	SOPHIA PARK	\$52.96
9/28/23	000525920921	ZHIHAN SHI	\$56.34
9/28/23	000525920922	SAMUEL GYASI	\$14.27
9/28/23	000525920923	JUSTIN ANDERSON	\$50.00
10/2/23	000525947828	DIANA BALLESTEROS	\$130.00
10/2/23	000525947829	AMANDEEP BHATTI	\$160.00
10/2/23	000525947830	MICHAEL ROBERTSON	\$326.00
10/3/23	000525958231	JENAE SOBOTA	\$256.56
10/3/23	000525958232	CODY ALLEN	\$250.00
10/3/23	000525958233	CODY ALLEN	\$110.18
10/3/23	000525958234	CODY ALLEN	\$250.00
10/3/23	000525958235	HARSHITHA RANGARAJU	\$63.24
10/3/23	000525958236	HARSHITHA RANGARAJU	\$129.46
10/3/23	000525958237	BRAEDEN FEDERSPIEL	\$29.16
10/4/23	000525968262	JUAN-CARLOS CLAROS-TEJADA	\$109.57
10/4/23	000525968263	DOMINIC LEACH	\$104.13
10/4/23	000525968264	ISABELLE NOVENARIO	\$108.43
10/4/23	000525968265	RACHEL BESKE	\$22.98
10/4/23	000525968266	EMILY CONEV	\$11.17
10/4/23	000525968267	JOOKYOUNG HAN	\$45.17
10/4/23	000525968268	GENEVA SHERMAN	\$47.24
10/4/23	000525968269	JACK OCHU	\$25.57
10/4/23	000525968270	MATTHEW PORTER	\$17.10
10/4/23	000525968271	VLADIMEER SAVIN	\$12.20
10/4/23	000525968272	ALEXANDER TILDEN	\$21.09
10/4/23	000525968273	VENKATA PINAPATRUNI	\$12.21
10/4/23	000525968274	CAROL RICHARDSON	\$116.00
10/4/23	000525968275	CAROL MILLER	\$119.00
10/4/23	000525968276	EMILY HOWARD	\$112.33

Detailed Disbursement Report

Revolving Fund - Electronic Customer Refunds			
Payment Date	Payment Ref Nbr	Payee	Amount
10/4/23	000525968277	CAYTLEN PLASCENCIA	\$136.02
10/4/23	000525968278	ALEXIS FROST	\$70.84
10/4/23	000525968279	ALEXIS FROST	\$141.68
10/4/23	000525968280	ALEXIS FROST	\$35.42
10/4/23	000525968281	JOSEPH DEROUIN	\$5.97
10/4/23	000525968282	GARRETT WILKINSON	\$15.42
10/6/23	000525986966	LINDSAY MAYS	\$63.70
10/6/23	000525986967	DAVID HINSCHBERGER	\$115.67
10/6/23	000525986968	NADEZHDA KERBY	\$103.40
10/6/23	000525986969	LESLIE KOFFI	\$244.37
10/6/23	000525986970	CALEB DARROW	\$85.11
10/6/23	000525986971	JENHUEI LIN	\$49.22
10/6/23	000525986972	LINDSAY MAYS	\$56.79
10/6/23	000525986973	NICHOLAS BAILEY	\$68.22
10/6/23	000525986974	NICHOLAS BAILEY	\$159.35
10/6/23	000525986975	ROBERT QUACH	\$53.80
10/6/23	000525986976	CALEB DARROW	\$36.98
10/6/23	000525986977	GINNA PATRICIA FUSTAMANTE OLIVERA	\$81.98
10/6/23	000525986978	ATHENA KOZANITIS	\$35.99
10/6/23	000525986979	CHASE HANSEN	\$59.76
10/6/23	000525986980	NORTHWEST WEIGHT LOSS SURGERY	\$1,986.37
10/6/23	000525986981	CLAUDIA OLNEY	\$28.83
10/6/23	000525986982	BEVERLY RILEY	\$11.97
10/6/23	000525986983	JONATHAN IZZETT	\$42.80
10/6/23	000525986984	JAYDEN HONEY	\$26.64
10/6/23	000525986985	GABRIELA SERRANO	\$67.60
10/6/23	000525986986	AILEEN SANICO	\$46.55
10/6/23	000525986987	DASJANNA CALHOUN	\$66.87

Total: \$10,026.90

Detailed Disbursement Report

Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
9/26/23	8075301	VERIZON C/O WEWORK SUITE 500	\$9,525.77
9/26/23	8075302	CENTURY COMMUNITIES	\$243.00
9/26/23	8075303	CHRISTIAN CONGREGATION	\$2,741.95
9/26/23	8075304	CHEMSTATION SEATTLE LLC	\$951.73
9/26/23	8075305	COMCAST HOLDING CORPORATION	\$310.86
9/26/23	8075306	CITY OF DARRINGTON	\$5,807.34
9/26/23	8075307	DAVID DUZENACK	\$324.21
9/26/23	8075308	CITY OF EVERETT	\$569,368.25
9/26/23	8075309	GLOBAL RENTAL COMPANY INC	\$20,881.00
9/26/23	8075310	CITY OF GOLD BAR	\$8,788.26
9/26/23	8075311	CITY OF GOLD BAR	\$672.02
9/26/23	8075312	HAT ISLAND COMMUNITY ASSN	\$10.00
9/26/23	8075313	CORE & MAIN LP	\$1,014.75
9/26/23	8075314	LANGUAGE LINE SERVICES INC	\$7,607.48
9/26/23	8075315	CITY OF MARYSVILLE	\$170,233.68
9/26/23	8075316	CITY OF MOUNTLAKE TERRACE	\$58,610.23
9/26/23	8075317	BEACON PUBLISHING INC	\$660.00
9/26/23	8075318	GENUINE PARTS COMPANY	\$1,364.53
9/26/23	8075319	RIVERSIDE TOPSOIL INC	\$88.00
9/26/23	8075320	SNOHOMISH COUNTY	\$3,295.00
9/26/23	8075321	SHI INTERNATIONAL CORP	\$280.83
9/26/23	8075322	SOUND PUBLISHING INC	\$52.92
9/26/23	8075323	CITY OF SULTAN	\$26,210.69
9/26/23	8075324	UNIVERSAL LANGUAGE SERVICE INC	\$44.05
9/26/23	8075325	VALMONT INDUSTRIES INC	\$11,264.75
9/26/23	8075326	STATE OF WASHINGTON	\$795.68
9/26/23	8075327	STATE OF WASHINGTON	\$2,350.00
9/26/23	8075328	WESCO GROUP INC	\$496.09
9/26/23	8075329	DOBBS HEAVY DUTY HOLDINGS LLC	\$163.25
9/26/23	8075330	7TH INNING STRETCH	\$11,330.00
9/26/23	8075331	AABCO BARRICADE CO INC	\$208.43
9/26/23	8075332	ALDERWOOD WATER & WASTEWATER DISTRI	\$52.90

Detailed Disbursement Report

Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
9/26/23	8075333	CITY OF ARLINGTON	\$126,266.75
9/26/23	8075334	BICKFORD MOTORS INC	\$2,626.04
9/26/23	8075335	CITY OF BOTHELL	\$111,741.59
9/26/23	8075336	CITY OF BRIER	\$14,058.49
9/26/23	8075337	CALERO SOFTWARE LLC	\$3,099.18
9/26/23	8075338	CINTAS CORPORATION NO 2	\$54.40
9/26/23	8075339	CITY OF EDMONDS	\$134,184.68
9/26/23	8075340	EVERETT ENGINEERING INC	\$12,822.69
9/26/23	8075341	EDS MCDUGALL LLC	\$375.00
9/26/23	8075342	CITY OF INDEX	\$557.52
9/26/23	8075343	CITY OF LAKE STEVENS	\$104,433.64
9/26/23	8075344	CITY OF LAKE STEVENS	\$57,026.96
9/26/23	8075345	CITY OF MONROE	\$77,141.45
9/26/23	8075346	PACIFIC PUBLISHING CO INC	\$1,275.80
9/26/23	8075347	PRINCETON TECTONICS	\$3,257.16
9/26/23	8075348	RADIAC ABRASIVES INC	\$35,012.00
9/26/23	8075349	CITY OF STANWOOD	\$27,140.31
9/26/23	8075350	STANWOOD REDI MIX INC	\$1,507.77
9/26/23	8075351	WELLSPRING FAMILY SERVICES	\$3,152.80
9/26/23	8075352	TOWN OF WOODWAY	\$4,610.92
9/26/23	8075353	CITY OF GRANITE FALLS	\$15,167.94
9/26/23	8075354	CROWN CASTLE INTERNATIONAL CORP	\$7,188.64
9/26/23	8075355	KAISER FOUNDATION HEALTH PLAN OF WA	\$6,157.00
9/26/23	8075356	THE PAPE GROUP INC	\$10,957.33
9/26/23	8075357	CITY OF EVERETT	\$554,936.82
9/26/23	8075358	WASHINGTON STATE DEPT OF HEALTH	\$473,970.85
9/26/23	8075359	BRINKS INC	\$2,335.63
9/26/23	8075360	LOGAN LITTLE	\$212.31
9/26/23	8075361	THE PAPE GROUP INC	\$103.39
9/26/23	8075362	PERFORMANCE VALIDATON INC	\$2,376.00
9/26/23	8075363	KENDALL DEALERSHIP HOLDINGS LLC	\$108.68
9/26/23	8075364	ACCESS INFO INTERMEDIATE HLDNG I LL	\$921.79

Detailed Disbursement Report

Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
9/26/23	8075365	ACCESS INFO INTERMEDIATE HLDNG I LL	\$4,932.91
9/26/23	8075366	SUN RUBY CONSULTANTS	\$2,500.00
9/26/23	8075367	ALDERWOOD HEIGHTS ASSOC II LLC	\$180,850.00
9/26/23	8075368	SHINN MECHANICAL INC	\$341,233.75
9/26/23	8075369	LIVEVIEW TECHNOLOGIES INC	\$17,122.70
9/26/23	8075370	SCI NETWORKS USA	\$51,031.77
9/26/23	8075371	HOUGH BECK & BAIRD INC	\$2,445.52
9/26/23	8075372	THE BARTELL DRUG COMPANY	\$31.28
9/26/23	8075373	CITY OF LYNNWOOD	\$164,410.17
9/26/23	8075374	CITY OF MUKILTEO	\$70,902.00
9/26/23	8075375	CITY OF SNOHOMISH	\$35,351.60
9/26/23	8075376	BLUE SKY ELECTRICAL CONTRACTING	\$3,373.47
9/26/23	8075377	CASCADE ENERGY INC	\$17,057.00
9/26/23	8075378	BELRED HEATING COOLING &	\$2,650.00
9/26/23	8075379	MARY WICKLUND	\$9.10
9/28/23	8075380	NORTHWEST CONSTRUCTION INC	\$16,362.72
9/28/23	8075381	SADIQ KARMALI	\$18,512.19
9/28/23	8075382	MONICA MERLAU	\$7,207.16
9/28/23	8075383	D HITTLE & ASSOCIATES INC	\$6,556.28
9/28/23	8075384	CITY OF EVERETT	\$4,284.45
9/28/23	8075385	GLOBAL RENTAL COMPANY INC	\$3,681.65
9/28/23	8075386	CITY OF LYNNWOOD	\$1,265.52
9/28/23	8075387	SHI INTERNATIONAL CORP	\$11,898.62
9/28/23	8075388	STATE OF WASHINGTON	\$3,691.90
9/28/23	8075389	STATE OF WASHINGTON	\$982.00
9/28/23	8075390	WESCO GROUP INC	\$921.02
9/28/23	8075391	BICKFORD MOTORS INC	\$801.90
9/28/23	8075392	CITY OF BOTHELL	\$340.49
9/28/23	8075393	DIRECTV ENTERTAINMENT HOLDINGS LLC	\$168.99
9/28/23	8075394	SKOTDAL MUTUAL LLC	\$226.60
9/28/23	8075395	SNOHOMISH COUNTY	\$1,566.12
9/28/23	8075396	DON MORIN INC	\$4,232.40

Detailed Disbursement Report

Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
9/28/23	8075397	ACCORD CONTRACTORS LLC	\$4,898.12
9/28/23	8075398	OREGON STATE UNIVERSITY	\$15,000.00
9/28/23	8075399	SYSTEMS SOURCE INC	\$11,538.56
9/28/23	8075400	COGNITO LLC	\$950.40
9/28/23	8075401	ALIMAK GROUP USA INC	\$7,960.83
9/28/23	8075402	KENDALL DEALERSHIP HOLDINGS LLC	\$84.77
9/28/23	8075403	ST MICHAELS CHURCH	\$13,322.61
10/3/23	8075404	COMCAST HOLDING CORPORATION	\$546.22
10/3/23	8075405	CITY OF EVERETT	\$4,142.19
10/3/23	8075406	GLOBAL RENTAL COMPANY INC	\$3,516.80
10/3/23	8075407	GENUINE PARTS COMPANY	\$613.96
10/3/23	8075408	OLYMPIC VIEW WATER SEWER	\$210.16
10/3/23	8075409	RIVERSIDE TOPSOIL INC	\$200.00
10/3/23	8075410	SNOHOMISH COUNTY	\$290.00
10/3/23	8075411	SOUND PUBLISHING INC	\$58.80
10/3/23	8075412	SNOHOMISH COUNTY SOCIETY OF	\$6,263.71
10/3/23	8075413	TALLEY INC	\$4,567.50
10/3/23	8075414	UNITED LABORATORIES INC	\$13,686.12
10/3/23	8075415	STATE OF WASHINGTON	\$1,783.67
10/3/23	8075416	ALDERWOOD WATER & WASTEWATER DISTRI	\$85.16
10/3/23	8075417	ASCENT GIS INC	\$1,318.80
10/3/23	8075418	BICKFORD MOTORS INC	\$11,660.67
10/3/23	8075419	PACIFIC PUBLISHING CO INC	\$730.80
10/3/23	8075420	PROVEN COMPLIANCE SOLUTIONS INC	\$198.75
10/3/23	8075421	TWELVE THIRTY ONE INCORPORATED	\$136.28
10/3/23	8075422	WASHINGTON STATE UNIVERSITY	\$100.00
10/3/23	8075423	HDR ENGINEERING INC	\$16,059.25
10/3/23	8075424	BEAR COMMUNICATIONS INC	\$4,554.42
10/3/23	8075425	MX TOOLBOX INC	\$1,188.00
10/3/23	8075426	THE PAPE GROUP INC	\$7,378.84
10/3/23	8075427	WILLDAN ENERGY SOLUTIONS INC	\$29,675.22
10/3/23	8075428	SUPERIOR SEPTIC SERVICE LLC	\$1,408.11

Detailed Disbursement Report

Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
10/3/23	8075429	METER READING HOLDING I CORP	\$16,160.41
10/3/23	8075430	BAXTER AUTO PARTS INC	\$3,192.60
10/3/23	8075431	RADIATE HOLDINGS LP	\$1,462.28
10/3/23	8075432	LEVEL 3 FINANCING INC	\$1,996.06
10/3/23	8075433	SYNOPTIC DATA PBC	\$1,750.00
10/3/23	8075434	NATIONAL TRENCH SAFETY INC	\$1,061.90
10/3/23	8075435	WADE PARK MANOR LLC	\$5,436.60
10/3/23	8075436	TECH SAFETY LINES INC	\$3,141.51
10/3/23	8075437	ONE BEAT CPR LEARNING CENTER LLC	\$62,400.00
10/3/23	8075438	ELIASS ALFI	\$750.00
10/3/23	8075439	W EWING STRINGFELLOW	\$1,000.00
10/3/23	8075440	GLASS BY LUND INC	\$1,200.00
10/3/23	8075441	SUPERIOR GLASS INSTALLATIONS INC	\$226.53
10/5/23	8075442	AT&T CORP	\$3,323.57
10/5/23	8075443	COMCAST HOLDING CORPORATION	\$158.71
10/5/23	8075444	CITY OF EDMONDS	\$1,340.40
10/5/23	8075445	GLOBAL RENTAL COMPANY INC	\$6,813.80
10/5/23	8075446	ISLAND COUNTY	\$206.50
10/5/23	8075447	ISLAND COUNTY	\$206.50
10/5/23	8075448	ITRON INC	\$10,341.08
10/5/23	8075449	MUKILTEO WATER & WASTEWATER DIST	\$257.71
10/5/23	8075450	GENUINE PARTS COMPANY	\$796.94
10/5/23	8075451	PUGET SOUND ENERGY INC	\$6,149.69
10/5/23	8075452	SKAGIT LAW GROUP PLLC	\$3,015.00
10/5/23	8075453	SHI INTERNATIONAL CORP	\$6,303.70
10/5/23	8075454	OLDCASTLE PRECAST INC	\$14,298.55
10/5/23	8075455	DOBBS HEAVY DUTY HOLDINGS LLC	\$570.45
10/5/23	8075456	BICKFORD MOTORS INC	\$482.64
10/5/23	8075457	CLEARVIEW GLASS CO INC	\$164.85
10/5/23	8075458	THE HO SEIFFERT COMPANY	\$3,685.00
10/5/23	8075459	EMERALD SERVICES INC	\$295.83
10/5/23	8075460	EDS MCDUGALL LLC	\$725.00

Detailed Disbursement Report

Accounts Payable Warrants			
Payment Date	Payment Ref Nbr	Payee	Amount
10/5/23	8075461	LI IMMIGRATION LAW PLLC	\$70.00
10/5/23	8075462	RALPHS CONCRETE PUMPING INC	\$897.89
10/5/23	8075463	SPRINGBROOK NURSERY AND TRUCKING IN	\$163.19
10/5/23	8075464	STATE OF WASHINGTON	\$11,789.66
10/5/23	8075465	WILLIAMS SCOTSMAN INC	\$257.66
10/5/23	8075466	CITY OF EVERETT	\$1,800.00
10/5/23	8075467	GRAPHIC TECHNOLOGIES INC	\$23,893.50
10/5/23	8075468	LAMAR TEXAS LTD PARTNERSHIP	\$6,220.00
10/5/23	8075469	COMCAST CORPORATION	\$514.06
10/5/23	8075470	AMERICAN AIR FILTER CO INC	\$343.64
10/5/23	8075471	THE PAPE GROUP INC	\$11,098.61
10/5/23	8075472	OCCUPATIONAL HEALTH CENTERS OF WA P	\$310.50
10/5/23	8075473	WATERSHED SCIENCE & ENGINEERING INC	\$1,417.50
10/5/23	8075474	CHARGE NORTHWEST LLC	\$1,260.00
10/5/23	8075475	CSD ATTORNEYS AT LAW PS	\$512.00
10/5/23	8075476	SUPERIOR SEPTIC SERVICE LLC	\$938.74
10/5/23	8075477	CLARY LONGVIEW LLC	\$60,041.73
10/5/23	8075478	BACKFLOWS NORTHWEST INC	\$55.00
10/5/23	8075479	GREEN REBATES LLC	\$168,054.94
10/5/23	8075480	M-1 TANKS INC	\$12,713.86
10/5/23	8075481	RAY ENERGY PNW LLC	\$46,290.67

Total: \$4,358,816.14

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
9/25/23	6041095	DAVID EVANS & ASSOCIATES INC	\$6,573.50
9/25/23	6041096	NORTH COAST ELECTRIC COMPANY	\$1,796.87
9/25/23	6041097	TOPSOILS NORTHWEST INC	\$776.28
9/25/23	6041098	GORDON TRUCK CENTERS INC	\$752.17
9/25/23	6041099	WILLIAMS SCOTSMAN INC	\$1,540.24
9/25/23	6041100	HOGLUNDS TOP SHOP INC	\$2,236.41
9/25/23	6041101	LENZ ENTERPRISES INC	\$276.00
9/25/23	6041102	PACO VENTURES LLC	\$4,493.44
9/25/23	6041103	POWER ENGINEERS INC	\$15,358.44
9/25/23	6041104	GRAYBAR ELECTRIC CO INC	\$1,966.59
9/25/23	6041105	ALTEC INDUSTRIES INC	\$1,894.15
9/25/23	6041106	ANIXTER INC	\$307,925.08
9/25/23	6041107	MCWANE INC	\$47,610.69
9/25/23	6041108	CONSOR NORTH AMERICA INC	\$2,009.25
9/25/23	6041109	PACHECOS LANDSCAPING LLC	\$8,247.88
9/25/23	6041110	CM AIR PROS LLC	\$10,900.00
9/25/23	6041111	JAMES MILLER	\$20.00
9/25/23	6041112	SCOTT SPAHR	\$522.32
9/25/23	6041113	WILLIAM BINCKLEY	\$50.00
9/25/23	6041114	JEFFREY FEINBERG	\$1,765.33
9/25/23	6041115	RICHARD ROSENKILDE	\$39.30
9/25/23	6041116	LULU ZHAO	\$174.00
9/25/23	6041117	JONATHAN BALTAZAR	\$250.00
9/26/23	6041118	ALS GROUP USA CORP	\$279.00
9/26/23	6041119	CARDINAL PAINT & POWDER INC	\$89.35
9/26/23	6041120	CERIUM NETWORKS INC	\$2,857.40
9/26/23	6041121	DOBLE ENGINEERING CO	\$1,116.00
9/26/23	6041122	FASTENAL COMPANY	\$633.02
9/26/23	6041123	MCMASTER-CARR SUPPLY CO	\$1,484.72
9/26/23	6041124	NORTH COAST ELECTRIC COMPANY	\$235.43
9/26/23	6041125	ORRICK HERRINGTON & SUTCLIFFE LLP	\$3,029.10
9/26/23	6041126	ROBERT HALF INTERNATIONAL INC	\$4,902.40

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
9/26/23	6041127	ROMAINE ELECTRIC CORP	\$2,258.59
9/26/23	6041128	RWC INTERNATIONAL LTD	\$77.16
9/26/23	6041129	STELLAR INDUSTRIAL SUPPLY INC	\$1,360.82
9/26/23	6041130	TOPSOILS NORTHWEST INC	\$1,035.04
9/26/23	6041131	STATE OF WASHINGTON	\$8,826.25
9/26/23	6041132	WILLIAMS SCOTSMAN INC	\$283.15
9/26/23	6041133	WW GRAINGER INC	\$962.94
9/26/23	6041134	CELLCO PARTNERSHIP	\$313.96
9/26/23	6041135	CUZ CONCRETE PRODUCTS INC	\$16,015.36
9/26/23	6041136	DICKS TOWING INC	\$710.52
9/26/23	6041137	DUNLAP INDUSTRIAL HARDWARE INC	\$200.46
9/26/23	6041138	HD FOWLER COMPANY INC	\$2,084.02
9/26/23	6041139	HOGLUNDS TOP SHOP INC	\$1,352.20
9/26/23	6041140	MT HOOD FASTENER CO	\$248.45
9/26/23	6041141	NATIONAL SAFETY INC	\$867.48
9/26/23	6041142	NORTHWEST CASCADE INC	\$83.48
9/26/23	6041143	ROGER R OLSEN	\$315.00
9/26/23	6041144	RICOH USA INC	\$2,101.88
9/26/23	6041145	LOUIS F MATHESON CONSTRUCTION INC	\$26.98
9/26/23	6041146	ROHLINGER ENTERPRISES INC	\$2,361.36
9/26/23	6041147	SEATTLE AUTOMOTIVE DISTRIBUTING INC	\$388.02
9/26/23	6041148	SOUND SAFETY PRODUCTS CO INC	\$5,639.58
9/26/23	6041149	SAMPSA M WRIGHT	\$12,486.16
9/26/23	6041150	GRAYBAR ELECTRIC CO INC	\$554.05
9/26/23	6041151	ALTEC INDUSTRIES INC	\$10,190.27
9/26/23	6041152	ANIXTER INC	\$141,856.33
9/26/23	6041153	MCWANE INC	\$179,907.72
9/26/23	6041154	REXEL USA INC	\$938.48
9/26/23	6041155	BALLARD INDUSTRIAL INC	\$1,271.22
9/26/23	6041156	HARMSEN LLC	\$23,317.00
9/26/23	6041157	QCERA INC	\$2,053.50
9/26/23	6041158	CALIFORNIA INDEPENDENT SYSTEM OPERA	\$106,200.00

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
9/26/23	6041159	ORSI LESSEE LLC	\$25,272.00
9/26/23	6041160	FLEET SERVICE VEHICLE REPAIR LLC	\$10,997.43
9/26/23	6041161	MARIAN DACCA PUBLIC AFFAIRS LLC	\$6,800.00
9/26/23	6041162	GMES LLC	\$1,457.27
9/26/23	6041163	XIOLOGIX LLC	\$8,597.25
9/26/23	6041164	JASON ZYSKOWSKI	\$128.34
9/26/23	6041165	LISA HUNNEWELL	\$75.00
9/26/23	6041166	BENJAMIN ICE	\$400.00
9/26/23	6041167	MELISSA COLLINS	\$225.84
9/26/23	6041168	MATTHEW ZYSKOWSKI	\$849.85
9/26/23	6041169	CLAUDIU LAZAR	\$1,496.81
9/27/23	6041170	ALS GROUP USA CORP	\$731.50
9/27/23	6041171	CENTRAL WELDING SUPPLY CO INC	\$68.41
9/27/23	6041172	IIA LIFTING SERVICES INC	\$790.00
9/27/23	6041173	JACO ANALYTICAL LAB INC	\$810.00
9/27/23	6041174	KUBRA DATA TRANSFER LTD	\$40,455.40
9/27/23	6041175	LAKESIDE INDUSTRIES INC	\$1,279.24
9/27/23	6041176	MOTOR TRUCKS INTL & IDEALEASE INC	\$627.95
9/27/23	6041177	NORTHSTAR CHEMICAL INC	\$2,692.20
9/27/23	6041178	NW SUBSURFACE WARNING SYSTEM	\$7,741.29
9/27/23	6041179	RWC INTERNATIONAL LTD	\$53.02
9/27/23	6041180	SISKUN INC	\$916.53
9/27/23	6041181	STELLAR INDUSTRIAL SUPPLY INC	\$884.64
9/27/23	6041182	STELLA-JONES CORPORATION	\$30,023.30
9/27/23	6041183	TOPSOILS NORTHWEST INC	\$258.76
9/27/23	6041184	UNITED PARCEL SERVICE	\$179.24
9/27/23	6041185	GORDON TRUCK CENTERS INC	\$14.16
9/27/23	6041186	WEST COAST PAPER CO	\$3,056.10
9/27/23	6041187	WEST PUBLISHING CORPORATION	\$8,330.06
9/27/23	6041188	WETLAND RESOURCES INC	\$1,031.25
9/27/23	6041189	WW GRAINGER INC	\$22.72
9/27/23	6041190	BACKGROUND INFORMATION SERVICES INC	\$1,514.59

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
9/27/23	6041191	CHAMPION BOLT & SUPPLY INC	\$150.16
9/27/23	6041192	EASTSIDE SAW & SALES INC	\$125.30
9/27/23	6041193	EDGE ANALYTICAL INC	\$1,730.00
9/27/23	6041194	OPEN ACCESS TECHNOLOGY INTL INC	\$763.06
9/27/23	6041195	LOUIS F MATHESON CONSTRUCTION INC	\$1,743.21
9/27/23	6041196	SEATTLE AUTOMOTIVE DISTRIBUTING INC	\$67.86
9/27/23	6041197	TECH PRODUCTS INC	\$197.00
9/27/23	6041198	WALTER E NELSON CO OF WESTERN WA	\$5,902.29
9/27/23	6041199	WESTERN SAFETY PRODUCTS INC	\$5,806.02
9/27/23	6041200	GRAYBAR ELECTRIC CO INC	\$1,495.72
9/27/23	6041201	ALTEC INDUSTRIES INC	\$4,708.13
9/27/23	6041202	GRAVITEC SYSTEMS INC	\$12,466.40
9/27/23	6041203	TRAFFIC CONTROL PLAN CO OF WA LLC	\$175.00
9/27/23	6041204	WESTERN STATES FIRE PROTECTION CO	\$3,022.17
9/27/23	6041205	ATWORK COMMERCIAL ENTERPRISES LLC	\$16,207.25
9/27/23	6041206	DS SERVICES OF AMERICA INC	\$4,514.86
9/27/23	6041207	TWILIO INC	\$4,592.63
9/27/23	6041208	USIC HOLDINGS INC	\$61,593.63
9/27/23	6041209	MIRO CONSULTING INC	\$600.00
9/27/23	6041210	GRIDBRIGHT INC	\$15,372.50
9/27/23	6041211	ELEVATOR SUPPORT COMPANY LLC	\$2,912.36
9/27/23	6041212	HP INC	\$5,361.02
9/27/23	6041213	STILLWATER ENERGY LLC	\$9,485.00
9/27/23	6041214	CARLOS TOSTADO	\$179.65
9/27/23	6041215	JOHN MANTOW	\$32.76
9/28/23	6041216	ASPLUNDH TREE EXPERT LLC	\$51,836.82
9/28/23	6041217	CENTRAL WELDING SUPPLY CO INC	\$79.91
9/28/23	6041218	DAY MANAGEMENT CORPORATION	\$3,350.85
9/28/23	6041219	HOWARD INDUSTRIES INC	\$89,386.07
9/28/23	6041220	NORTH COAST ELECTRIC COMPANY	\$2,677.63
9/28/23	6041221	NW ENERGY EFFICIENCY ALLIANCE INC	\$82,551.79
9/28/23	6041222	PITNEY BOWES PRESORT SERVICES LLC	\$248.38

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
9/28/23	6041223	ROBERT HALF INTERNATIONAL INC	\$4,315.20
9/28/23	6041224	ROMAINE ELECTRIC CORP	\$2,058.87
9/28/23	6041225	SCHWEITZER ENGINEERING LAB INC	\$583.92
9/28/23	6041226	SEAHURST ELECTRIC CO INC	\$21,100.80
9/28/23	6041227	SISKUN INC	\$900.91
9/28/23	6041228	GORDON TRUCK CENTERS INC	\$59.28
9/28/23	6041229	WASTE MANAGEMENT OF WASHINGTON INC	\$5,981.07
9/28/23	6041230	WETLAND RESOURCES INC	\$13,635.00
9/28/23	6041231	WILLIAMS SCOTSMAN INC	\$1,237.24
9/28/23	6041232	AARD PEST CONTROL INC	\$283.54
9/28/23	6041233	CELLCO PARTNERSHIP	\$5,950.88
9/28/23	6041234	EHT INC	\$8,500.00
9/28/23	6041235	GENERAL PACIFIC INC	\$311.54
9/28/23	6041236	HOGLUNDS TOP SHOP INC	\$983.61
9/28/23	6041237	NORTHWEST CASCADE INC	\$2,534.50
9/28/23	6041238	REX ELECTRIC SERVICE INC	\$4,680.22
9/28/23	6041239	LOUIS F MATHESON CONSTRUCTION INC	\$362.71
9/28/23	6041240	STOEL RIVES LLP	\$12,446.00
9/28/23	6041241	TOTAL LANDSCAPE CORP	\$2,108.67
9/28/23	6041242	TRICO COMPANIES LLC	\$67,811.05
9/28/23	6041243	TYNDALE ENTERPRISES INC	\$9,824.46
9/28/23	6041244	WESTERN SAFETY PRODUCTS INC	\$225.37
9/28/23	6041245	ALTEC INDUSTRIES INC	\$388.71
9/28/23	6041246	ROADPOST USA INC	\$1,353.02
9/28/23	6041247	FABER CONSTRUCTION CORP	\$2,291,335.70
9/28/23	6041248	Z2SOLUTIONS LLC	\$21,587.50
9/28/23	6041249	ICONIX WATERWORKS INC	\$7,231.04
9/28/23	6041250	REXEL USA INC	\$3,199.36
9/28/23	6041251	BALLARD INDUSTRIAL INC	\$7,364.97
9/28/23	6041252	DS SERVICES OF AMERICA INC	\$337.03
9/28/23	6041253	RESOURCE INNOVATIONS INC	\$120,500.00
9/28/23	6041254	CURTIS A SMITH	\$7,313.67

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
9/28/23	6041255	ADVANCED GOVERNMENT SERVICES INC	\$292.20
9/28/23	6041256	ROLLUDA ARCHITECTS	\$7,852.69
9/28/23	6041257	THEODORE BLAINE LIGHT III	\$2,653.50
9/28/23	6041258	SHERELLE GORDON	\$32,000.00
9/28/23	6041259	THE ADT SECURITY CORPORATION	\$357.30
9/28/23	6041260	MAPBOX INC	\$542.50
9/28/23	6041261	OXBOW LLC	\$17,662.50
9/28/23	6041262	KERI DAVIS	\$604.04
9/28/23	6041263	ALLISON GRINCZEL	\$1,038.41
9/28/23	6041264	TRAVIS OLSON	\$410.94
9/28/23	6041265	ALLISON MORRISON	\$287.70
9/28/23	6041266	JONATHAN JONES	\$1,471.61
9/28/23	6041267	JOHN NORBERG	\$963.12
9/29/23	6041268	HOWARD INDUSTRIES INC	\$14,690.34
9/29/23	6041269	LAKESIDE INDUSTRIES INC	\$549.91
9/29/23	6041270	OPEN TEXT INC	\$393,477.10
9/29/23	6041271	ROBERT HALF INTERNATIONAL INC	\$8,608.00
9/29/23	6041272	RWC INTERNATIONAL LTD	\$1,838.18
9/29/23	6041273	STAR RENTALS INC	\$3,452.80
9/29/23	6041274	TESSCO INCORPORATED	\$20.88
9/29/23	6041275	WASHINGTON ST NURSERY & LANDSCAPE A	\$5,005.00
9/29/23	6041276	LI IMMIGRATION LAW PLLC	\$525.00
9/29/23	6041277	ROHLINGER ENTERPRISES INC	\$3,470.86
9/29/23	6041278	WEX BANK	\$12,012.58
9/29/23	6041279	SEMAPHORE CORP	\$25,281.90
9/29/23	6041280	HARNISH GROUP INC	\$2,352.22
9/29/23	6041281	MORGAN LEWIS & BOCKIUS LLP	\$59,610.83
9/29/23	6041282	JULIE MAINSTONE	\$45.29
9/29/23	6041283	AARON JANISKO	\$252.00
9/29/23	6041284	CASSIE DAHLBECK	\$2,190.08
9/29/23	6041285	JOHN HAARLOW	\$2,608.85
9/29/23	6041286	JACOB DUNN	\$101.55

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
9/29/23	6041287	MORGAN STOLTZNER	\$292.32
9/29/23	6041288	LIBERTY MUTUAL GROUP INC	\$31,861.67
10/2/23	6041289	ALS GROUP USA CORP	\$193.00
10/2/23	6041290	ON HOLD CONCEPTS INC	\$71.44
10/2/23	6041291	PARAMETRIX INC	\$7,337.50
10/2/23	6041292	SAP AMERICA INC	\$1,714.44
10/2/23	6041293	STELLAR INDUSTRIAL SUPPLY INC	\$695.00
10/2/23	6041294	TACOMA SCREW PRODUCTS INC	\$25.34
10/2/23	6041295	TESSCO INCORPORATED	\$4,724.34
10/2/23	6041296	TOPSOILS NORTHWEST INC	\$776.28
10/2/23	6041297	OTC GLOBAL HOLDINGS LP	\$999.00
10/2/23	6041298	AARD PEST CONTROL INC	\$751.30
10/2/23	6041299	BENEFITFOCUS COM INC	\$13,116.89
10/2/23	6041300	COLEHOUR & COHEN INC	\$18,154.01
10/2/23	6041301	ENERGY NORTHWEST	\$57,211.00
10/2/23	6041302	GENERAL PACIFIC INC	\$10,443.45
10/2/23	6041303	LENZ ENTERPRISES INC	\$7,404.18
10/2/23	6041304	LI IMMIGRATION LAW PLLC	\$1,370.00
10/2/23	6041305	NORTHWEST CASCADE INC	\$3,782.50
10/2/23	6041306	LOUIS F MATHESON CONSTRUCTION INC	\$3,256.88
10/2/23	6041307	SNOHOMISH COUNTY	\$5,540.68
10/2/23	6041308	WETHERHOLT & ASSOCIATES INC	\$360.00
10/2/23	6041309	ANIXTER INC	\$23,548.72
10/2/23	6041310	SEMAPHORE CORP	\$2,475.00
10/2/23	6041311	ICONIX WATERWORKS INC	\$627.47
10/2/23	6041312	MICHAEL NASH	\$5,265.00
10/2/23	6041313	TRAFFIC CONTROL PLAN CO OF WA LLC	\$175.00
10/2/23	6041314	DNV GL NOBLE DENTON USA LLC	\$2,612.50
10/2/23	6041315	ENABLE NOW EXPERT LLC	\$270.00
10/2/23	6041316	UNIVERSAL PROTECTION SERVICE LP	\$133,631.22
10/2/23	6041317	GLASS FIX LLC	\$1,404.75
10/2/23	6041318	MONICA GORMAN	\$102.84

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
10/2/23	6041319	TYLER REINITZ	\$371.10
10/2/23	6041320	JACOB LINDELL	\$206.50
10/2/23	6041321	AUSTIN ALMQUIST	\$931.50
10/2/23	6041322	CHAD GRABNER	\$206.50
10/2/23	6041323	SEAN LAWSON	\$931.50
10/2/23	6041324	FREDERICK WILLENBROCK	\$56.34
10/3/23	6041325	DICA MARKETING COMPANY	\$2,457.52
10/3/23	6041326	INTERCONTINENTAL EXCHANGE HOLDINGS	\$3,325.00
10/3/23	6041327	TOPSOILS NORTHWEST INC	\$129.38
10/3/23	6041328	UNITED PARCEL SERVICE	\$198.48
10/3/23	6041329	VAN NESS FELDMAN LLP	\$13,640.00
10/3/23	6041330	WASTE MANAGEMENT OF WASHINGTON INC	\$938.13
10/3/23	6041331	WESTERN FACILITIES SUPPLY INC	\$942.76
10/3/23	6041332	AARD PEST CONTROL INC	\$216.02
10/3/23	6041333	CELLCO PARTNERSHIP	\$348.65
10/3/23	6041334	DESIGNER DECAL INC	\$1,114.39
10/3/23	6041335	GENERAL PACIFIC INC	\$300.42
10/3/23	6041336	LENZ ENTERPRISES INC	\$322.21
10/3/23	6041337	NORTHWEST CASCADE INC	\$132.00
10/3/23	6041338	RICOH USA INC	\$29,056.77
10/3/23	6041339	ROHLINGER ENTERPRISES INC	\$7,366.18
10/3/23	6041340	WETHERHOLT & ASSOCIATES INC	\$2,342.88
10/3/23	6041341	ZIPPER GEO ASSOCIATES LLC	\$173.00
10/3/23	6041342	ANIXTER INC	\$6,113.74
10/3/23	6041343	CAPITAL ARCHITECTS GROUP PC	\$5,677.50
10/3/23	6041344	TRU-CHECK INC	\$398,548.36
10/3/23	6041345	US DEPT OF ENERGY BONNEVILLE	\$2,500.00
10/3/23	6041346	MCWANE INC	\$42,061.62
10/3/23	6041347	HARNISH GROUP INC	\$6,185.70
10/3/23	6041348	BANK OF AMERICA NA	\$371,745.67
10/3/23	6041349	QCL INC	\$797.00
10/3/23	6041350	CHANDLER ASSET MANAGEMENT INC	\$3,500.00

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
10/3/23	6041351	HOME COMFORT ALLIANCE LLC	\$1,650.00
10/4/23	6041352	BENTLEY SYSTEMS INC	\$7,200.61
10/4/23	6041353	DAVID EVANS & ASSOCIATES INC	\$249.49
10/4/23	6041354	EJ BROOKS COMPANY	\$10,818.54
10/4/23	6041355	MOTOR TRUCKS INTL & IDEALEASE INC	\$1,834.12
10/4/23	6041356	NRC ENVIRONMENTAL SERVICES INC	\$2,856.76
10/4/23	6041357	OPEN TEXT INC	\$9,509.80
10/4/23	6041358	PETROCARD INC	\$89,602.70
10/4/23	6041359	ROBERT HALF INTERNATIONAL INC	\$8,659.55
10/4/23	6041360	ROMAINE ELECTRIC CORP	\$998.02
10/4/23	6041361	S&C ELECTRIC COMPANY	\$133,266.72
10/4/23	6041362	STAR RENTALS INC	\$133.65
10/4/23	6041363	STELLAR INDUSTRIAL SUPPLY INC	\$11,623.84
10/4/23	6041364	SNOHOMISH COUNTY SOCIETY OF	\$3,700.00
10/4/23	6041365	TOPSOILS NORTHWEST INC	\$258.76
10/4/23	6041366	GORDON TRUCK CENTERS INC	\$898.33
10/4/23	6041367	VAN NESS FELDMAN LLP	\$6,465.00
10/4/23	6041368	BRAKE & CLUTCH SUPPLY INC	\$3,121.19
10/4/23	6041369	EDGE ANALYTICAL INC	\$216.00
10/4/23	6041370	HOGLUNDS TOP SHOP INC	\$1,244.62
10/4/23	6041371	PACO VENTURES LLC	\$4,493.44
10/4/23	6041372	LOUIS F MATHESON CONSTRUCTION INC	\$2,824.93
10/4/23	6041373	SENSUS USA INC	\$1,648.50
10/4/23	6041374	SOUND SAFETY PRODUCTS CO INC	\$1,450.68
10/4/23	6041375	WALTER E NELSON CO OF WESTERN WA	\$2,838.45
10/4/23	6041376	WETHERHOLT & ASSOCIATES INC	\$23,745.90
10/4/23	6041377	UNITED RENTALS NORTH AMERICA INC	\$572.78
10/4/23	6041378	ALTEC INDUSTRIES INC	\$5,249.68
10/4/23	6041379	TRAFFIC CONTROL PLAN CO OF WA LLC	\$1,050.00
10/4/23	6041380	REXEL USA INC	\$211.01
10/4/23	6041381	RESOURCE INNOVATIONS INC	\$10,500.00
10/4/23	6041382	INFOSOL INC	\$9,000.00

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
10/4/23	6041383	MCG ENERGY HOLDINGS LLC	\$4,025.09
10/4/23	6041384	AA REMODELING LLC	\$4,526.00
10/4/23	6041385	JOHN PETOSA	\$120.63
10/4/23	6041386	STACY MEISSNER	\$1,007.29
10/4/23	6041387	TYLER WELLS	\$1,627.66
10/4/23	6041388	KURT KAHKLEN	\$1,134.34
10/4/23	6041389	PAUL KISS	\$455.82
10/4/23	6041390	JENNY ZIMMERMAN	\$200.00
10/4/23	6041391	KELSEY LEWIS	\$949.20
10/4/23	6041392	JANET KLOOS	\$10.48
10/4/23	6041393	TRAVIS BOUWMAN	\$136.00
10/4/23	6041394	LIBERTY MUTUAL GROUP INC	\$8,450.45
10/5/23	6041395	ASPLUNDH TREE EXPERT LLC	\$39,589.35
10/5/23	6041396	DAVID EVANS & ASSOCIATES INC	\$6,771.20
10/5/23	6041397	IIA LIFTING SERVICES INC	\$2,655.00
10/5/23	6041398	FASTENAL COMPANY	\$29.51
10/5/23	6041399	MCMILLEN INC	\$1,052.50
10/5/23	6041400	MOTOR TRUCKS INTL & IDEALEASE INC	\$922.72
10/5/23	6041401	NORTH COAST ELECTRIC COMPANY	\$273.98
10/5/23	6041402	NORTHSTAR CHEMICAL INC	\$620.60
10/5/23	6041403	ON HOLD CONCEPTS INC	\$234.70
10/5/23	6041404	OPEN TEXT INC	\$8,096.25
10/5/23	6041405	S&C ELECTRIC COMPANY	\$130,693.08
10/5/23	6041406	SCHWEITZER ENGINEERING LAB INC	\$4,222.71
10/5/23	6041407	TOPSOILS NORTHWEST INC	\$129.38
10/5/23	6041408	WW GRAINGER INC	\$861.62
10/5/23	6041409	RS AMERICAS INC	\$418.72
10/5/23	6041410	OTC GLOBAL HOLDINGS LP	\$925.00
10/5/23	6041411	EASTSIDE SAW & SALES INC	\$275.75
10/5/23	6041412	EDGE ANALYTICAL INC	\$240.00
10/5/23	6041413	GENERAL PACIFIC INC	\$8,402.39
10/5/23	6041414	HD FOWLER COMPANY INC	\$38.54

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
10/5/23	6041415	HERRERA ENVIRONMENTAL CONSULTANTS I	\$16,872.42
10/5/23	6041416	HOGLUNDS TOP SHOP INC	\$3,830.02
10/5/23	6041417	NORTHWEST CASCADE INC	\$75.00
10/5/23	6041418	BEN-KO-MATIC CO	\$5,099.08
10/5/23	6041419	PACO VENTURES LLC	\$43,414.47
10/5/23	6041420	LOUIS F MATHESON CONSTRUCTION INC	\$1,361.25
10/5/23	6041421	SENSUS USA INC	\$1,771.53
10/5/23	6041422	ZIPPER GEO ASSOCIATES LLC	\$40,218.65
10/5/23	6041423	ALTEC INDUSTRIES INC	\$236.49
10/5/23	6041424	CG ENGINEERING PLLC	\$10,280.00
10/5/23	6041425	HARNISH GROUP INC	\$1,202.30
10/5/23	6041426	MCWANE INC	\$100,601.71
10/5/23	6041427	RESOURCE INNOVATIONS INC	\$2,945.00
10/5/23	6041428	SHERELLE GORDON	\$32,000.00
10/5/23	6041429	FLEET SERVICE VEHICLE REPAIR LLC	\$18,520.92
10/5/23	6041430	THE ADT SECURITY CORPORATION	\$16,355.70
10/5/23	6041431	ARCHECOLOGY LLC	\$90.00
10/5/23	6041432	B2T SOLUTIONS LLC	\$7,200.00
10/5/23	6041433	TRUE CABLE HOLDINGS LLC	\$1,885.71
10/5/23	6041434	AMERICAN CRAWLSPACE & PEST SERVICES	\$2,445.00
10/5/23	6041435	CM AIR PROS LLC	\$5,950.00
10/5/23	6041436	CRAIG DE YOUNG	\$250.00
10/5/23	6041437	ROBERT STEINER	\$136.00
10/5/23	6041438	JUSTIN CRAVEN	\$766.16
10/5/23	6041439	SUE FRESE	\$259.00
10/5/23	6041440	LYNETTE ZWAR	\$225.00
10/5/23	6041441	KEVIN JOHNSTON	\$81.22
10/5/23	6041442	SHAWN WIGGINS	\$45.86
10/5/23	6041443	JESSE PREUSS	\$279.04
10/5/23	6041444	PUBLIC UTILITY DISTRICT EMPLOYEES	\$1,705.00
10/5/23	6041445	OFFICE OF THE SECRETARY OF STATE	\$2,050.00
10/6/23	6041446	PETROCARD INC	\$150,217.59

Detailed Disbursement Report

Accounts Payable ACH			
Payment Date	Payment Ref Nbr	Payee	Amount
10/6/23	6041447	CELLCO PARTNERSHIP	\$88,924.37
10/6/23	6041448	HOGLUNDS TOP SHOP INC	\$137.38
10/6/23	6041449	GARY PETERSEN	\$3,109.70
10/6/23	6041450	LOUIS F MATHESON CONSTRUCTION INC	\$598.85
10/6/23	6041451	SENSUS USA INC	\$4,147.81
10/6/23	6041452	UNITED RENTALS NORTH AMERICA INC	\$1,142.20
10/6/23	6041453	SPINAL HEALTH CONSULTANTS INC	\$14,000.00
10/6/23	6041454	HOME COMFORT ALLIANCE LLC	\$4,300.00
10/6/23	6041455	TROY HAUGSTAD	\$136.00
10/6/23	6041456	SHELLEY PATTISON	\$1,348.27
10/6/23	6041457	CHRISTINA ARNDT	\$278.71
10/6/23	6041458	NICHOLAS PERETTI	\$766.16
Total:			\$7,151,222.23

Detailed Disbursement Report

Accounts Payable Wires			
Payment Date	Payment Ref Nbr	Payee	Amount
9/25/23	7003005	CRAWFORD & COMPANY	\$10,291.13
9/26/23	7003006	PUGET SOUND ENERGY INC	\$1,063.31
9/28/23	7003007	US DEPARTMENT OF ENERGY	\$4,247,176.00
10/3/23	7003008	US BANK	\$79,206.10
10/4/23	7003009	US POSTAL SVC	\$6,206.25
10/4/23	7003010	MOBILIZZ INC	\$596.88
10/5/23	7003011	US BANK NA	\$2,293,151.19
10/5/23	7003012	ICMA-RC	\$221,463.89
10/5/23	7003013	PUBLIC UTILITY DIST NO 1 OF SNOHOMI	\$25,795.63
10/5/23	7003014	ICMA-RC	\$582,815.30

Total: \$7,467,765.68

Detailed Disbursement Report

Payroll			
Period End Date	Payment Ref Nbr	Payee	Amount
10/4/23	5300000898	PUD EMPLOYEES - DIRECT DEPOSIT	\$4,280,899.21
10/6/23	845039 - 845045	PUD EMPLOYEES - WARRANTS	\$17,992.73

Detailed Disbursement Report

Automatic Debit Payments			
Payment Date	Payment Ref Nbr	Payee	Amount
9/25/23	5300000892	STATE OF WA DEPT OF RETIR	\$182,057.90
9/27/23	5300000893	STATE OF WA DEPT OF REVEN	\$2,306,622.49
9/28/23	5300000894	WELLNESS BY WISHLIST INC	\$5,540.04
10/2/23	5300000895	WELLNESS BY WISHLIST INC	\$4,220.18
10/2/23	5300000896	SAFEGUARD BUSINESS SYSTEM	\$1,081.94
10/2/23	5300000897	ELAVON INC DBA MERCHANT S	\$1,713.77
10/4/23	5300000898	ADP INC	\$1,000,650.57
10/5/23	5300000899	US POSTAL SVC	\$110,000.00
10/6/23	5300000900	WELLNESS BY WISHLIST INC	\$4,655.48
10/6/23	5300000901	WELLNESS BY WISHLIST INC	\$38,566.06

Total: \$3,655,108.43



BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 4A

TITLE

Consideration of a Resolution Approving Increased Fees Payable by Licensees of Space on District Utility Poles

SUBMITTED FOR: Public Hearing and Action

Rates, Economics, and Energy Risk Mgmt	Peter Dauenhauer	1762
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing:	<u>October 2, 2023</u>	
Estimated Expenditure:	<u>N/A</u>	Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description, GP-3(4)(F)(1) a non-delegable statutorily assigned Board Duty to “[e]stablish and maintain rates and charges for electricity energy and water and various other services, facilities, and commodities sold, furnished, or supplied by the District.”

Since 2008, RCW 54.04.045 has prescribed the cost allocation methodologies that locally controlled utilities in the State of Washington, including Public Utility District No. 1 of Snohomish County (“District”), must use in developing fees for 3rd party wireline pole attachments. Per the statute, the District must develop non-discriminatory cost-based fees. Such fees are calculated by averaging the results of the Federal Communications Commission’s Telecom methodology and the American Public Power Association’s methodology.

District staff is proposing that the annual attachment fees for wholly-owned poles increase from \$29.39 to \$30.93 per attachment, and fees for jointly-owned poles increase from \$16.16 to \$17.01 per attachment. The prior rate adjustment was approved in 2022. A number of factors can be attributed to this rate increase, including but not limited to the District’s cost of poles, general and administrative expenses, and maintenance costs.

RECOMMENDATIONS/FUTURE ACTIONS:

Staff recommends that the District Board of Commissioners pass the attached resolution authorizing revision of the joint use fee schedule.

List Attachments:

Resolution

Exhibit A - Joint Use Fee Schedule – Redlined

Presentation – Presented October 2, 2023

RESOLUTION NO. _____

A RESOLUTION Approving Increased Fees Payable by Licensees of Space on District Utility Poles

WHEREAS, Public Utility District No. 1 of Snohomish County ("District") enters into license and permit agreements ("License Agreements") with cable television system operators and others ("Licensees") granting the Licensees the nonexclusive right to use space on poles owned by the District for the purpose of attaching to such pole facilities and equipment used by the Licensees in connection with their operations; and

WHEREAS, the Application Fees, Contact Fees and Unauthorized Contact Penalty Fees (collectively "Fees") that the District currently charges were established by Resolution Nos. 5336 and 5478; and

WHEREAS, RCW 54.04.045 defines the methodology for setting pole attachment fees by Public Utility Districts; and

WHEREAS, District staff proposed adjustment of said Fees in compliance with said state law for District-Owned and Jointly Owned poles; and

WHEREAS, on October 2, 2023, the Commission held a hearing to consider any oral and written comments made by Licensees and members of the public with respect to the Fee adjustments proposed by District staff; and

WHEREAS, the Commission has reviewed the types and amounts of proposed Fees to be paid by Licensees and has considered the recommendations of staff regarding the same.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Snohomish County that the Application Fees, Annual Contact Fees, and Unauthorized Contact Penalty Fees to be paid for space on District utility poles on and after January 1, 2024, as set forth in the attached Exhibit “A”, Joint Use Fee Schedule, are hereby adopted.

BE IT FURTHER RESOLVED that such Fees shall continue in effect unless and until modified by the Commission.

PASSED AND APPROVED this 17th day of October, 2023.

President

Vice-President

Secretary

Joint Use Fee Schedule
Effective January 1, 2023

Wireline Equipment Annual Contact Fees
(Formerly Known as ‘Exhibit “B”’)

Administrative & Engineering Review Fee: \$185.00 plus \$12.00 for each pole per application within the same Section, Township and Range.

Communication Cable (aerial rate)

Each contact fee provides six inches of vertical space on a pole and provides for a maximum of 2" cross section of cable/messenger diameter. Additional pole space required to provide minimum clearances per Exhibit "C" or cables of large diameter will result in additional contact fees.

Wholly-owned District Pole (a pole solely owned by the District):

\$29.39 per contact (effective through December 31, 2023)

\$30.93 per contact (effective January 1, 2024)

Jointly-owned Pole (a pole jointly owned by the District and another owner):

\$16.16 per contact (effective through December 31, 2023)

\$17.01 per contact (effective January 1, 2024)

Auxiliary Equipment (non-aerial rate)

Each contact fee provides one foot of vertical space on the pole. Equipment requiring more than one vertical foot of space on the pole will be charged additional contact fees. Power supplies, junction cabinets, and splice boxes are considered auxiliary equipment. Power supplies, for example, require an average of 2 feet of space per attachment.

Wholly-owned District Pole:

\$29.39 per contact/foot (effective through December 31, 2023)

\$30.93 per contact/foot (effective January 1, 2024)

Jointly-owned Pole:

\$16.16 per contact/foot (effective through December 31, 2023)

\$17.01 per contact/foot (effective January 1, 2024)

Unauthorized Contact Penalty (Bootleg)

\$370.00 bootleg application fee per pole and 5 (five) years back rent at current wholly-owned District pole rate.

Wireless Telecommunications Equipment Annual Contact Fees
(Formerly Known as ‘Exhibit “A”’)

The following sets forth the ranges of Annual Fees (unless otherwise specified) for the use of various types of District property and facilities for installation of wireless telecommunications equipment or facilities used for providing FCC-licensed frequencies, on a per-site basis.

Where a range of fees rather than a fee certain is provided, the actual fee for each site or other use of District facilities will be negotiated between the District and the Licensee or user based on the current and

projected values of the following factors, to the extent applicable at the time the applicable site license agreement is executed by the District and the Licensee: location and other site-specific factors; height requirements for proposed Licensee equipment; amount of space used, or rendered unusable by others; the length of the proposed license term, in light of the then-current market conditions; the aggregate number of sites proposed to be licensed by the Licensee; and any other factors affecting the interests of the District, in the sole discretion of the District.

1. Use of unimproved space on District property for construction and/or installation of Licensee antennae support structures, antennae and related facilities:

- (a) \$8,000 to \$12,000 per initial 1,000 square feet (or portion thereof); and
- (b) Prorated amount of base fee for square footage in excess of 1,000 square feet used or rendered unusable to others.

2. Attachment of Licensee equipment or facilities to existing District facilities:

- (a) Macro antennas on distribution poles above the electrical space: \$4,000 to \$8,000 per pole.
- (b) Small cell (5G) antennas within the communication space or on Street Light standards: One-time application fee of \$100 dollars plus ongoing annual contact fee of \$148.50 or \$270 per pole, depending on whether the pole is wholly or jointly owned and what arrangements for revenue-sharing have been made among the owners.
- (c) Equipment on District poles in the Electrical Space or on Street Lights: \$60 to \$125 per installation.
- (d) Rack space in District communications shelters: \$235 to \$500 per vertical unit.
- (e) Other facilities: \$4,000 to \$14,000 plus a fee for usable square footage of \$100 to \$500 per square foot.
- (f) Unimproved ground space for use for equipment shelters and other facilities serving installations described in subsections 2(a) and (c) above: \$25 to \$75 per square foot.

2024 Pole Attachment Rates

Felicienne Ng, Data Scientist

Beth Haskin, Joint Use and Permits Administrator

October 2, 2023

Previous Presentation: November 1, 2022



Purpose and Expectations

- This presentation is to update the Commission on the new pole attachment rates that will go into effect January 1, 2024
- Seeking Commission approval of the new pole attachment rates on October 17, 2023



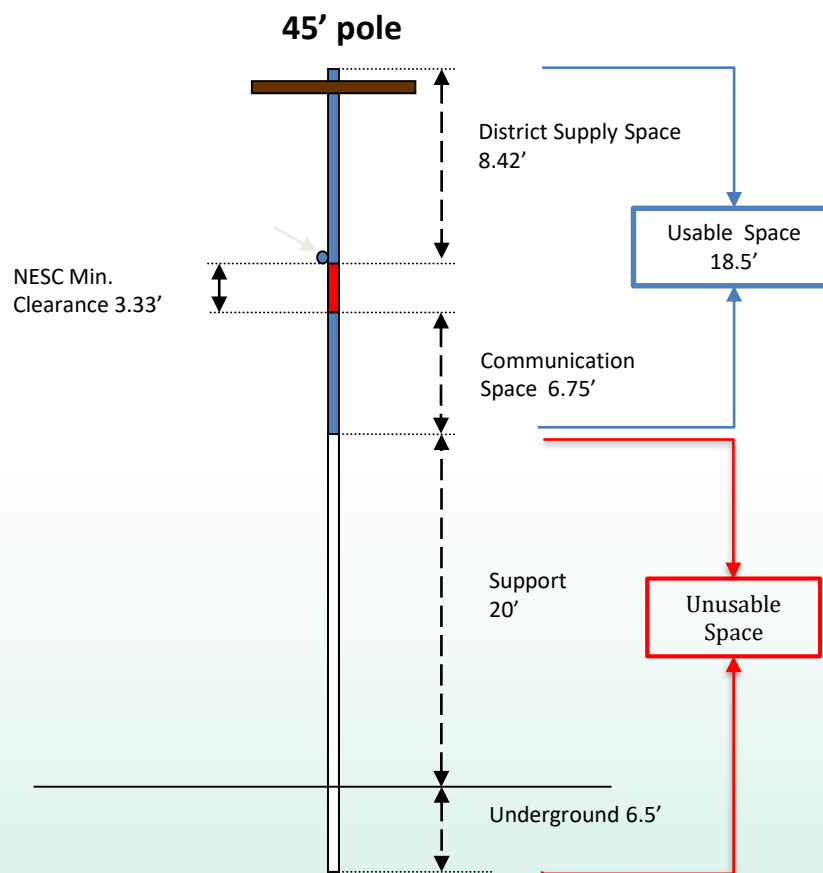
Background

- The District currently has 87,015 attachments
 - 27,620 on District owned poles
 - 59,395 on Jointly owned poles (District's share: 55%)
 - Approx. \$2M of revenue in total
- 2022 Rate increase was 5%
 - \$1.41 (District Owned) and \$0.78 (Jointly Owned)
- Pole attachment rates have been reviewed annually since 2018



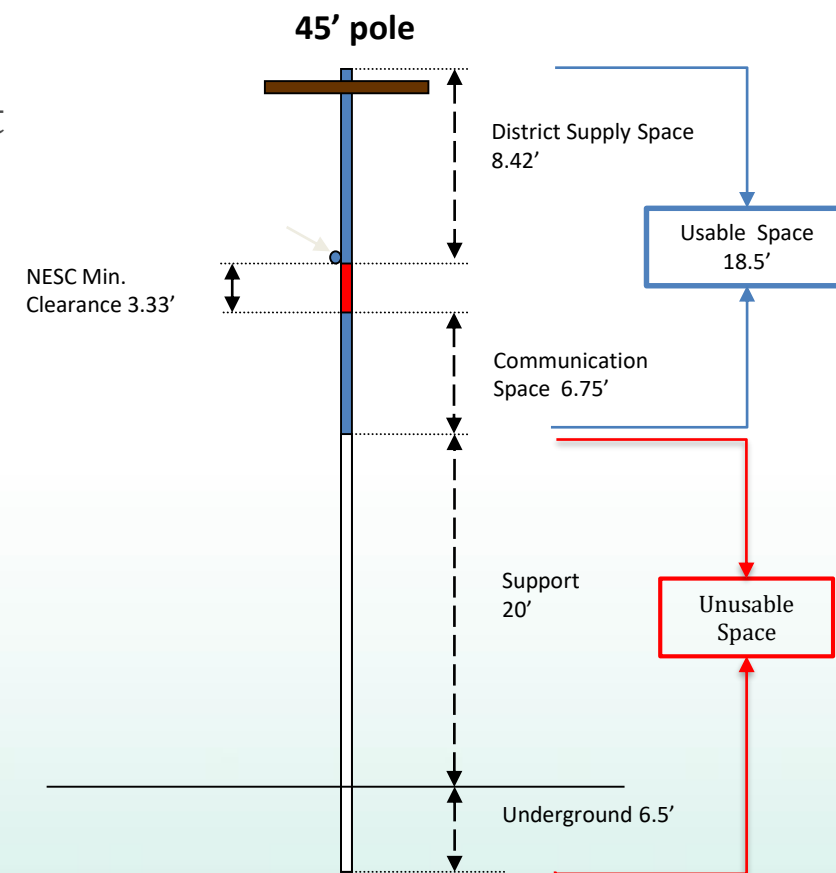
Rate Methodology

- Washington State Method - RCW 54.04.045
 - Enacted June 2008
 - 50% FCC (Federal Communications Commission) Telecom Method
 - Formula only considers usable space of the pole
 - Intended to provide subsidies for cable attachments to foster growth
 - 50% APPA (American Public Power Association) Shared Cost Method
 - Equal allocation of common space



Snohomish Assumptions

- **Space Occupied**
 - Standard FCC & APPA assumptions use 1 linear foot per attachment
 - District and attachers have agreed to use ½ linear foot to allow for more attachments
 - This reduces the attachment rate
- **Pole Size**
 - Standard FCC & APPA assumptions use 37.5ft
 - District uses 45ft
 - This reduces the attachment rate
- **Safety Space**
 - District did not factor the NESC (National Electrical Safety Code) Safety Space of 3.33ft as 'Unusable Space' - prior agreement with customers
 - This reduces the attachment rate



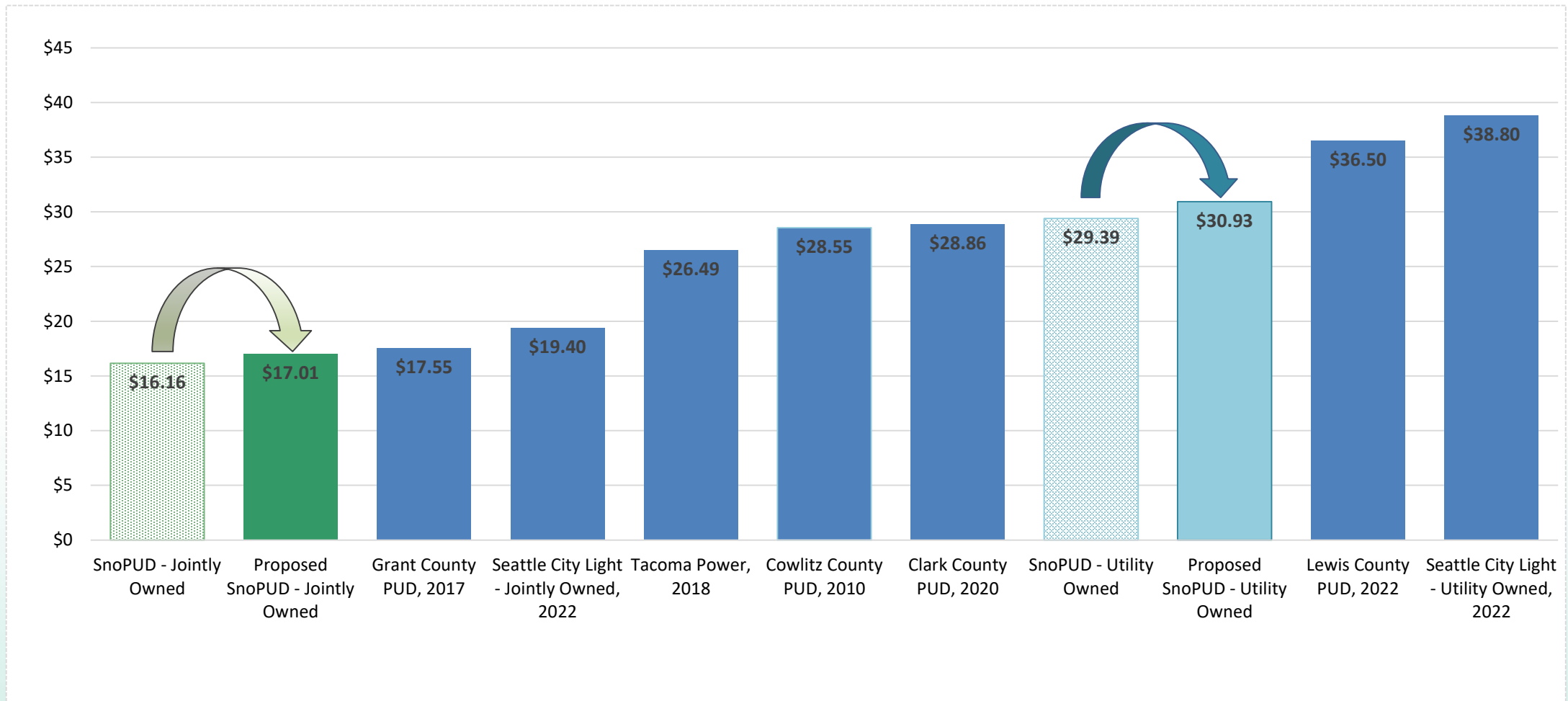
New Rates

	DISTRICT OWNED POLES	JOINTLY OWNED POLES
Current Rate	\$29.39	\$16.16
Proposed Rate	\$30.93	\$17.01
% Change	5%	5%

- Expected annual revenue increase: \$115k
- Attachers were notified of rate increase on July 1, 2023



Rate Comparison



Next Steps

- Public Hearing and Action: October 17, 2023
- Rates Effective: January 1, 2024



Staff continues to support its October 2, 2023, recommendations and proposes the following determinations for the Commission’s consideration in the attached proposed Resolution:

1. Demand-Response Practices: The District has already adopted programs and is in the process of adopting future programs that promote demand response and demand flexibility practices by commercial, residential, and industrial customers to reduce electricity consumption during periods of unusually high demand. As the technology is available through advanced metering infrastructure, the District will consider additional programs that will promote demand response and demand flexibility practices; and
2. Electric Vehicle Charging Programs: The existing District rate schedules, impact studies, public outreach and engagement are already enabling electric vehicle charging infrastructure. As the technology is available through advanced metering infrastructure, the District will consider additional programs that will further promote electric vehicle charging programs.

List Attachments:
Resolution

RESOLUTION NO. _____

A RESOLUTION Setting Forth the Commission’s Conclusions Regarding Adoption of Demand-Response Practices and Electric Vehicle Charging Programs Standards Under Subsections (20) and (21) of Section 111(d) of the Public Utility Regulatory Policies Act, as Amended

WHEREAS, on November 15, 2021, the Infrastructure Investment and Jobs Act of 2021 (“IIJA”) was enacted into law, amending the Public Utility Regulatory Policies Act of 1978 (“PURPA”) to require both state-regulated electric utilities and non-regulated electric utilities (as defined by PURPA in 16 U.S.C. §2602) to either consider or to establish a date to hold a hearing after public notice, within one year from the date of enactment (i.e., by November 15, 2022), to consider two new standards, 16 U.S.C. §2621(d)(20), and 16 U.S.C. §2621(d)(21), which the Commission may accept or reject in whole or in part; and

WHEREAS, on November 1, 2022, the District initiated its consideration of the two new standards; and

WHEREAS, the amendments to PURPA require the District to consider and make a final determination as to whether it is appropriate to implement standards related to Demand-Response Practices and Electric Vehicle Charging Programs to fulfill the purposes of PURPA, which are to encourage the conservation of energy supplied by the District; to optimize efficiency of electric utility facilities and resources; and to facilitate equitable rate for electric customers; and

WHEREAS, District staff held an open house on September 5, 2023, to provide the public with information on the two new PURPA standards; and

WHEREAS, District staff provided the Commission with a briefing on the two new PURPA standards on September 19, 2023; and

WHEREAS, as part of its consideration, the District is required to hold a public hearing and issue a final determination, in writing, based upon the evidence presented at the hearing and upon findings specifically included in its written determination, and thereafter make a final determination available to the public; and

WHEREAS, following a public notice as advertised in *The Herald* on September 20, 2023, and as posted on the District's website, announcing the process the public should follow to submit written comments and that a public hearing on the matter would be held on October 2, 2023, the Commission held the public hearing on such date, which included a District staff recommendation; and

WHEREAS, no written comments were submitted on or before the public hearing; and

WHEREAS, the Commission is of the opinion that all pre-hearing and hearing proceedings were conducted and notice provided in full compliance with PURPA; and

WHEREAS, in considering each of the two new PURPA standards the District must make a determination "whether or not it is appropriate to implement such standards to carry out the purpose of this chapter" pursuant to 16 U.S.C. §2621(a); and

WHEREAS, based on information and advice presented by District staff, the Commission concludes that the District's current pilot time of day rates and expected future adoption of time dynamic rates support demand response as a method for mitigating times of high electricity demand; and

WHEREAS, based on information and advice presented by District staff, the Commission concludes that existing District rate schedules, impact studies, public outreach and engagement are already enabling electric vehicle charging infrastructure; and

WHEREAS, based on the recommendation of District staff and any comments received during the public hearing, the Commission concludes that adopting the new PURPA standards identified in the IJA is not in the best interest of the District and its customer-owners at this time.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Public Utility District No. 1 of Snohomish County, hereby concludes, and directs as follows:

1. Demand-Response Practices: The District has already adopted programs and is in the process of adopting future programs that promote demand response and demand flexibility practices by commercial, residential, and industrial customers to reduce electricity consumption during periods of unusually high demand. As the technology is available through advanced metering infrastructure, the District will consider additional programs that will promote demand response and demand flexibility practices; and

2. Electric Vehicle Charging Programs: The existing District rate schedules, impact studies, public outreach and engagement are already enabling electric vehicle charging infrastructure. As the technology is available through advanced metering infrastructure, the District will consider additional programs that will further promote electric vehicle charging programs.

PASSED AND APPROVED this 17th day of October, 2023.

President

Vice-President

Secretary



BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 4C

TITLE

Consideration of a Resolution Declaring Certain Real Property and Other Property Interests of the District Situated in Stanwood, Washington, to be Surplus and Authorizing Transfer of Said Real Property to the City of Stanwood, Washington, and Granting of a Slope Easement in Favor of the City of Stanwood, Washington

SUBMITTED FOR: Public Hearing and Action

<u>Real Estate Services</u>	<u>Maureen Barnes</u>	<u>4373</u>
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing:	<u>10/2/2023</u>	
Estimated Expenditure:	<u>N/A</u>	Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description, GP-3(4)(F)(1) a non-delegable statutorily assigned Board Duty to authorize acquisition . . . and the disposition of certain properties and payment, therefore.

The District is the owner of certain lands and premises located at 9124 271st Street NW, Stanwood, State of Washington (“District Property”). The City of Stanwood (“City”) desires to acquire a portion of the District Property (said portion referred to herein as “Property”), a slope easement over a small portion of the District Property (“Slope Easement”) and a temporary construction easement in order construct roadway to extend Viking Way near 90th Avenue NW to 92nd Avenue NW.

The Property was previously used for storage of District utility poles, material, and equipment. The District has now completed construction of the Twin City Substation in Stanwood and said facility includes an area for storage of District utility poles, material, and equipment.

Consequently, the District is no longer utilizing the Property for storage of District poles, material, and equipment, and has no future plans to use the Property for District purposes and operations.

The City has offered the District a total of Two Hundred Eighteen Thousand Seven Hundred Dollars (US \$218,700.00) for the purchase of the Property (US \$217,200.00) and Slope Easement (US \$1,500.00). As further consideration, the City is willing to install at its cost and expense both a curb cut/driveway approach from Viking Way to the District Property in a design and manner acceptable to the District, and a fence between the District Property and the Property in a design, manner, and type acceptable to the District.

RECOMMENDATIONS/FUTURE ACTIONS:

District staff recommends that the that the Commission pass a resolution declaring the Property and the property interests represented by the Slope Easement surplus to the needs of the District and authorizing transfer of the Property to the City and granting of the Slope Easement in favor of the City for the offered consideration.

List Attachments:

- Resolution
- Attachment 1
- Attachment 2
- Attachment 3

RESOLUTION NO. _____

A RESOLUTION Declaring Certain Real Property and Other Property Interests of the District Situated in Stanwood, Washington, to be Surplus and Authorizing Transfer of Said Real Property to the City of Stanwood, Washington, and Granting of a Slope Easement in Favor of the City of Stanwood, Washington

WHEREAS, the District is the owner of certain lands and premises located at 9124 271st Street NW, Stanwood, State of Washington, and legally described on Attachment 1 (“District Property”); and

WHEREAS, the City of Stanwood (“City”) desires to acquire a portion of the District Property (said portion to be referred herein as “Property” and legally described on Attachment 2), a slope easement over a small portion of the District Property (“Slope Easement”) (Attachment 3) and a temporary construction easement (“Temporary Construction Easement”) in order construct roadway to extend Viking Way near 90th Avenue NW to 92nd Avenue NW; and

WHEREAS, the Property was previously used for storage of District utility poles, material and equipment; and

WHEREAS, the District has now completed construction of the Twin City Substation in Stanwood and said facility includes an area for storage of District utility poles, material and equipment; and

WHEREAS, consequently the District is no longer utilizing the Property for storage of District poles, material and equipment, and has no future plans to use the Property for District purposes and operations; and

WHEREAS, the City has offered the District a total of Two Hundred Forty Seven Thousand Dollars (US \$218,700.00) for the purchase of the Property (US \$217,200.00) and Slope Easement (US \$1,500.00); and

WHEREAS, as further consideration, the City is willing to install at its cost and expense both a curb cut/driveway approach from Viking Way to the District Property in a design and manner acceptable to the District, and a fence between the District Property and the Property in a design, manner, and type acceptable to the District; and

WHEREAS, District staff recommends that the Property and the property interests represented by the Slope Easement be declared surplus to the needs of the District and authorize the transfer of the Property to the City and granting of the Slope Easement in favor of the City for the offered consideration; and

WHEREAS, the Commission held a public hearing to consider declaring the Property and the property interests represented by the Slope Easement surplus to the needs of the District and to consider authorizing transfer of the Property to the City and authorizing the granting of the Slope Easement in favor of the City for the offered consideration; and

WHEREAS, based upon the information presented and recommendation of staff, the Commission of Public Utility District No. 1 of Snohomish County finds that the Property (Attachment 2) and District's property interests in the Slope Easement (Attachment 3):

1. Are no longer necessary, material to, and useful in the District's operations; and
2. Are not required for continued public utility service.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Snohomish County that:

1. The District’s property interests in the Property (Attachment 2) and the Slope Easement (Attachment 3) are surplus to the District’s needs; and

2. The Manager of the District’s Real Estate Services, or her designee, is authorized to execute a Quit Claim Deed and all documents necessary to transfer the Property (Attachment 2) to the City of Stanwood and to execute the Slope Easement (Attachment 3) in favor of the City of Stanwood for the above referenced consideration and take all other reasonable and necessary actions to complete the transactions; provided that the final form of Deed and Slope Easement and all other documents related to the transactions shall be subject to the review and approval of the District’s General Counsel or his designee.

PASSED AND APPROVED this 17th day of October, 2023.

President

Vice-President

Secretary

Attachment 1
District Property

Legal Description –

That portion of Government Lot 4, Section 19, Township 32 North, Range 4 East, W.M., more particularly described as follows:

Commencing at the Southwest corner of said Section 19;

Thence North 01°24'53" East along the West line of said Government Lot 4 a distance of 939.95 feet, more or less, to the intersection with the Southerly margin of 271st Street NW, said margin lying 39.00 feet South of the centerline thereof;

Thence South 89°07'39" East along said margin a distance of 35.76 feet to the Easterly margin of 92nd Avenue N.W. as conveyed to the Town of East Stanwood by instrument recorded under Auditor's file no. 1396445, records of Snohomish County, said point being the True Point of Beginning for this description;

Thence continuing South 89°07'39" East along said margin a distance of 171.95 feet to a point on a line that lies 207.70 feet East of said Government Lot 4;

Thence South 01°24'53" West parallel with said Government Lot 4 a distance of 431.51 feet;

Thence North 88°42'36" West a distance of 166.95 feet to the Easterly margin of said 92nd Avenue NW;

Thence North 00°44'57" East along said margin a distance of 430.27 feet to the Point of Beginning.

ALSO KNOWN AS Revised Parcel A of City of Stanwood LBLA #2014-0276, recorded at Snohomish County Auditor's file no. 201409305001.

Situated in the City of Stanwood, Snohomish County, Washington State

Attachment 2

DESCRIPTION OF RIGHT-OF-WAY ACQUISITION AREA

A TRACT WITHIN THE FOLLOWING DESCRIBED PARCEL;

PARCEL A OF CITY OF STANWOOD BOUNDARY LINE ADJUSTMENT NO. 2014-0276 RECORDED UNDER AUDITOR'S FILE NO. 201409305001, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, BEING A PORTION OF GOVERNMENT LOT 4 OF SECTION 19, TOWNSHIP 32 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON

SAID TRACT DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL A;
THENCE NORTH 00°45'15" EAST, ALONG THE WEST LINE OF SAID PARCEL A DISTANCE OF 117.07 FEET;
THENCE SOUTH 52°05'57" EAST, A DISTANCE OF 15.56 FEET;
THENCE SOUTH 88°37'23" EAST, A DISTANCE OF 136.91 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 211.00 FEET;
THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 5°07'42", AND AN ARC DISTANCE OF 18.89 FEET TO THE EAST LINE OF SAID PARCEL;
THENCE SOUTH 01°25'16" WEST, ALONG SAID EAST LINE, A DISTANCE OF 106.72 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL;
THENCE NORTH 88°42'17" WEST, ALONG THE SOUTH LINE OF SAID PARCEL, A DISTANCE OF 166.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 18,094 SQUARE FEET, MORE OR LESS.



5/01/2023

Page 4 of (5) Pages

After recording, recorded return document to:

**City of Stanwood
Public Works Department
10220 270th Street NW
Stanwood, WA 98292**

SLOPE EASEMENT

Grantor: Public Utility District No. 1 of Snohomish County, a Washington State Municipal Corporation

Grantee: City of Stanwood, a Washington State Municipal Corporation

Abbreviated Legal Description:

Assessor's Tax Parcel No(s): 32041900306000

THIS SLOPE EASEMENT ("Slope Easement" or "Easement") is made by and between Public Utility District No. 1 of Snohomish County, Washington, a Washington State municipal corporation ("Grantor"), and the City of Stanwood, a Washington State municipal corporation ("Grantee"). Grantor and Grantee are also referred to herein individually as "Party" and collectively as "Parties".

WHEREAS, the District is the owner of real property located at 9124 271st Street NW, Stanwood, Washington and legally described on attached and incorporated Exhibit "A" ("Property").

WHEREAS, Grantee is in the process of extending Viking Way roadway and desires to slope easement over a portion of the Property in conjunction with the roadway extension.

WHEREAS, the District is willing to grant a slope easement to Grantee in accordance with the terms and conditions provided herein.

AGREEMENT

1. Grant of Easement. The District, for and in consideration of the public good and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged by Grantor, hereby conveys to Grantee, its successors and assigns, a slope easement within, over, across, through, and upon the portion of the Property, as visually depicted on attached and incorporated Exhibit "B" and legally described on attached and incorporated Exhibit "C" ("Easement Area") for the purposes stated in Section 2.

2. Purpose of Easement.

a. Grantee, its employees, agents, and contractors may use the Easement Area for the purpose of constructing and maintaining slopes for cuts and fills in the excavation, embankments and/or contouring to provide lateral support to improvements and facilities that are part of Viking Way Phase 2 Public Project. Grantee shall at all times ensure that Grantee's exercise of its rights hereunder does not unreasonably interfere with the District's access to and use of the Property outside of the Easement Area.

b. Grantee shall apply for and obtain from public authorities having jurisdiction all permits necessary for Grantee's exercise of its rights hereunder. Grantee shall be responsible for all work performed under such permits, along with any and all fees which may accrue during review of Grantee's permit application and after issuance of such permits.

3. Grantor's Use of Easement Area.

a. Grantor retains the right to use the surface of the Easement Area as long as such use does not interfere with the rights granted to Grantee under this Easement. Grantor shall not: erect or maintain any building or structures within the Easement Area; plant trees, shrubs and/or vegetation having root patterns which may cause damage to or interfere with the stability of the slopes and/or cuts; and/or develop, landscape, or beautify the Easement Area in a manner that would unreasonably increase the cost to Grantee of restoring the Easement Area and any improvements therein.

b. In the event Grantor, its successors, and assigns excavates and/or places an embankment upon the Easement Area to the level of the grade of the Grantees' improvements or facilities abutting the Easement Area or shall otherwise provide and maintain adequate lateral support of said improvements and facilities, this Easement shall terminate and Grantee, at Grantor's request, shall record an instrument acknowledging said termination.

4. Restoration. In the event the District's improvements outside of the Easement Area are disturbed or damaged by Grantee's work and/or exercise of its rights hereunder, upon completion of such Work, Grantee shall restore said improvements to a condition that is as good as or better than that which existed prior to the use.

5. Compliance with Law. Grantee will exercise its rights granted in this Easement in accordance with the requirements of all applicable statutes, orders, rules and regulations of any public authority having jurisdiction.

6. General Indemnification and Hold Harmless.

a. To the fullest extent permitted by law (including RCW 4.24.115), Grantee will indemnify, defend, and hold harmless the District, and its elected officials, officers, agents and employees from and against any and all claims, costs (including but not limited to reasonable attorneys' fees and costs), liabilities, and damages that arise from the exercise of the rights granted in this Easement by Grantee, its employees, agents, and/or contractors to the extent such claims, costs, liabilities and damages are caused by an act or omission of Grantee, its agents, contractors and permittees.

b. Grantee's obligations under this indemnity shall not apply to the extent that any such claims, costs, liabilities and damages arise from the negligence of the District, or the District's employees, agents and contractors.

c. Solely and expressly for purposes of its duties to indemnify and hold harmless the District as set forth above, Grantee specifically waives any immunity it might have under the State Industrial Insurance law, RCW Title 51, or any similar worker's compensation act, in the event that a claim is made against the District for an injury to any employee of Grantee. THE GRANTEE ACKNOWLEDGES THAT THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

d. The provisions of this Section shall survive the expiration, termination and/or abandonment of this Easement with respect to any event occurring prior to such expiration or termination.

e. In the event that Grantee contracts with another party to perform work and/or services within the Easement Area, the Grantee shall require and ensure that any such contract contains indemnification and hold harmless provisions substantially similar to the indemnification and hold harmless provisions contained in this Section.

f. Nothing contained in this Section of this Easement shall be construed to create a liability or a right of indemnification in any third party.

7. Hazardous Substance Indemnification and Hold Harmless.

a. To the fullest extent permitted by law, the Grantee agrees to defend, indemnify and hold harmless the District and its elected officials, officers, agents and employees from and against any and all claims, costs (including but not limited to reasonable attorney's fees and costs), liabilities, and damages (collectively, "Damages") associated with the removal or remediation of any Hazardous Substances that have come to be located on the Property and/or Easement Area as a result of the Grantee's activities on the Property and/or Easement Area; provided however, that the Grantee shall in no way be obligated to defend, indemnify and hold the District harmless for Damages related to and/or removal and remediation of Hazardous Substances that are already located on the Property and/or Easement Area or have come to be located on the Property and/or Easement Area through no act or omission of the Grantee and/or its consultants, agents, employees, contractors, subcontractors or invitees.

b. Any and all spills and leaks of Hazardous Substances upon the Property, Easement Area and/or adjacent District property by Grantee and/or its contractor(s), shall be contained by Grantee and/or its contractor(s) within one (1) hour of discovery, and shall be reported to the Washington State Department of Ecology and the District. Grantee shall initiate cleanup within twelve (12) hours of discovery. Such spills and leaks shall be cleaned up to not less than the levels required by applicable law and no residual contaminants shall remain that require use of "institutional controls".

c. For the purposes of this Section and this Easement, "Hazardous Substances," means any and all substances, chemicals, wastes, sewage or other materials that are now or hereafter regulated, controlled or prohibited by any Environmental Laws, including, without limitation, any (a) substance defined as a "hazardous substance", "extremely hazardous substance", "hazardous material", "hazardous chemical", "hazardous waste", "toxic substance" or "air pollutant" by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq.; the Clean Air Act, 42 U.S.C. Section 7401, et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Section 11001, et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; or the Occupational Safety and Health Standards, 25 C.F.R. 1910-1000 et seq.; the Model Toxics Control Act, RCW chapter 70A.305, and regulations promulgated thereunder, all as amended to date and as amended hereafter; (b) hazardous substance, hazardous waste, toxic substance, toxic waste or hazardous material, waste, chemical or compound described in any other Environmental Laws; and (c) asbestos, polychlorinated biphenyls, urea formaldehyde insulation, flammable or explosive or radioactive materials, gasoline, oil, motor oil, waste oil, petroleum (including, without limitation, crude oil or any component thereof), petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, and other regulated chemical products.

d. For the purposes of this Section and this Easement, "Environmental Laws" means any and all federal, state and local laws, regulations, ordinances, codes and policies, and any and all judicial or administrative interpretations thereof by governmental authorities, as now in effect or hereinafter amended or enacted, relating to (i) pollution or protection of the environment, natural resources or health and safety; including, without limitation, those regulating, relating to, or imposing liability for emissions, discharges, releases or threatened releases of Hazardous Materials into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, release, transport or handling of Hazardous Materials; and (ii) the use of chemical, electrical, radiological or nuclear processes, radiation, sophisticated electrical and/or mechanical equipment, sonar and sound equipment, lasers, and laboratory analysis and materials.

e. The provisions of this Section shall survive the expiration, termination and/or abandonment of this Easement with respect to any event occurring prior to such expiration or termination.

f. In the event that Grantee contracts with another party to perform work and/or services within the Easement Area, the Grantee shall require and ensure that any such contract contains indemnification and hold harmless provisions substantially similar to the indemnification and hold harmless provisions contained in this Section.

g. Nothing contained in this Section of this Easement shall be construed to create a liability or a right of indemnification in any third party.

8. Binding Effect. This Easement is solely for the benefit of Grantee, and is personal to Grantee, its successors in interest and assigns. Grantee may permit third parties to enter the Easement Area to accomplish the purposes described herein, provided that all such parties abide by the terms of this Easement. This Easement, and the duties, restrictions, limitations and obligations herein created, run with the land, burden the Property and are binding upon the Grantee and its successors and assigns.

9. Insurance. During the Term of this Easement, Grantee must maintain commercial general liability insurance with reasonable limits of liability covering Grantee, its agents, contractors and permittees as to the exercise of Grantee's rights under this Easement within the Easement Area. Grantee shall include the District as an additional insured on such liability policies. Grantee must provide the District, on request, certificates of insurance and additional insured endorsement(s) evidencing such coverage. Grantee may provide the coverage required herein under blanket policies provided that the coverage is not diminished as a result. In the event that Grantee contracts with another party to perform work and/or services within the Easement Area, the Grantee shall require and ensure that any such contract contains insurance provisions and requirements substantially similar to the insurance provisions and requirements contained in this Section.

10. Nonwaiver. The failure of either Party to insist upon or enforce strict performance by the other Party of any provision of this Easement, or to exercise any right under this Easement, shall not be construed as a waiver or relinquishment to any extent of the first Party's right to assert or rely upon any such provision or right in that or any other instance; rather, the same shall be and remain in full force and effect.

11. Notices. Any notice required herein or permitted to be given or served by either Party hereto upon the other shall be: (i) hand-delivered (deemed delivered on receipt); (ii) overnight mail (deemed delivered one business day after deposit is made with an national courier, such as USPS, FedEx and UPS); or (iii) by electronic mail with confirmation of receipt, to the following persons and addresses:

If to the District:	Attention –	Manager, Real Estate Services 1802 75th St. SW Everett, WA 98203 mlbarnes@snopud.com
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If to the Grantee:	Attention –	Public Works, City of Stanwood 10220 270 th Street NW Stanwood, WA 98292 Alan.Lytton@ci.stanwood.wa.us
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The employees and/or addresses to which notices are to be mailed to either Party hereto may be changed by such Party by giving written notice thereof to the other Party in the manner above provided.

12. Entire Agreement. The District and the Grantee understand and agree that this document constitutes the whole agreement between them and supersedes all other prior agreements and understandings, whether oral or written, with regard to the subject matter of this Easement. This Easement shall not be modified or amended except by written amendment executed by the parties.

13. Interpretation. This Easement and each of the terms and provisions of it are deemed to have been explicitly negotiated by the Parties, and the language in all parts of this Easement shall, in all cases, be construed according to its fair meaning and not strictly for or against either of the Parties hereto. The captions and headings in this Easement are used only for convenience and are not intended to affect the interpretation of the provisions of this Easement. This Easement shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.

14. Severability.

a. If a court of competent jurisdiction holds any part, term or provision of this Easement to be illegal, or invalid in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Easement did not contain the particular provision held to be invalid.

b. If any provision of this Easement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

15. Governing Law and Venue. This Easement shall be governed by and construed in accordance with the laws of the State of Washington. The venue for any action to enforce or interpret this Easement shall lie in the Superior Court of Washington for Snohomish County, Washington.

16. Authority. The undersigned represent that they have full authority to execute this Easement for and on behalf of the legal entities set forth below.

17. Recording. Grantee will record this Easement in the real property records of Snohomish County, Washington

(Signatures on the following pages)

Grantor: **Public Utility District No. 1 of Snohomish County, Washington**

By: _____
Maureen L Barnes,
Manager, Real Estate Services

Date: _____

STATE OF WASHINGTON }
 } SS.
COUNTY OF _____ }

I certify that I know or have satisfactory evidence that Maureen L. Barnes is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she is authorized to execute the instrument and acknowledged it as the Manager of Real Estate Services of Public Utility District No. 1 Of Snohomish County to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: _____

Signature: _____

Notary Public in and for the State of Washington

Notary (print name): _____

Residing at: _____

My appointment expires: _____

Grantee: City of Stanwood

By: _____
Sid Roberts, Mayor

STATE OF WASHINGTON }
 } SS.
COUNTY OF SNOHOMISH }

I certify that I know or have satisfactory evidence that Sid Roberts is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Mayor of City of Stanwood to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: _____

Signature: _____

Notary Public in and for the State of Washington

Notary (print name): _____

Exhibit "A"
District Property

Legal Description –

That portion of Government Lot 4, Section 19, Township 32 North, Range 4 East, W.M., more particularly described as follows:
Commencing at the Southwest corner of said Section 19;
Thence North 01°24'53" East along the West line of said Government Lot 4 a distance of 939.95 feet, more or less, to the intersection with the Southerly margin of 271st Street NW, said margin lying 39.00 feet South of the centerline thereof;
Thence South 89°07'39" East along said margin a distance of 35.76 feet to the Easterly margin of 92nd Avenue N.W. as conveyed to the Town of East Stanwood by instrument recorded under Auditor's file no. 1396445, records of Snohomish County, said point being the True Point of Beginning for this description;
Thence continuing South 89°07'39" East along said margin a distance of 171.95 feet to a point on a line that lies 207.70 feet East of said Government Lot 4;
Thence South 01°24'53" West parallel with said Government Lot 4 a distance of 431.51 feet;
Thence North 88°42'36" West a distance of 166.95 feet to the Easterly margin of said 92nd Avenue NW;
Thence North 00°44'57" East along said margin a distance of 430.27 feet to the Point of Beginning.

ALSO KNOWN AS Revised Parcel A of City of Stanwood LBLA #2014-0276, recorded at Snohomish County Auditor's file no. 201409305001.

Situated in the City of Stanwood, Snohomish County, Washington State

Exhibit "B"

DESCRIPTION OF SLOPE EASEMENT AREA

A TRACT WITHIN THE FOLLOWING DESCRIBED PARCEL;

PARCEL A OF CITY OF STANWOOD BOUNDARY LINE ADJUSTMENT NO. 2014-0276 RECORDED UNDER AUDITOR'S FILE NO. 201409305001, RECORDS OF SNOHOMISH COUNTY, WASHINGTON, BEING A PORTION OF GOVERNMENT LOT 4 OF SECTION 19, TOWNSHIP 32 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON

SAID TRACT DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID PARCEL A;
THENCE NORTH 00°45'15" EAST, ALONG THE WEST LINE OF SAID PARCEL, A DISTANCE OF 117.07 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID WEST LINE, NORTH 00°45'15" EAST, A DISTANCE OF 57.75 FEET;

THENCE SOUTH 89°14'45" EAST A DISTANCE OF 3.50 FEET;

THENCE SOUTH 00°45'15" WEST, A DISTANCE OF 48.20 FEET;

THENCE SOUTH 14°17'36" EAST, A DISTANCE OF 10.92 FEET;

THENCE SOUTH 61°47'29" EAST, A DISTANCE OF 11.82 FEET;

THENCE SOUTH 88°37'23" EAST, A DISTANCE OF 73.46 FEET;

THENCE SOUTH 01°22'37" WEST, A DISTANCE OF 3.00 FEET;

THENCE NORTH 88°37'23" WEST, A DISTANCE OF 77.85 FEET;

THENCE NORTH 52°05'57" WEST, A DISTANCE OF 15.56 FEET TO THE POINT OF BEGINNING.

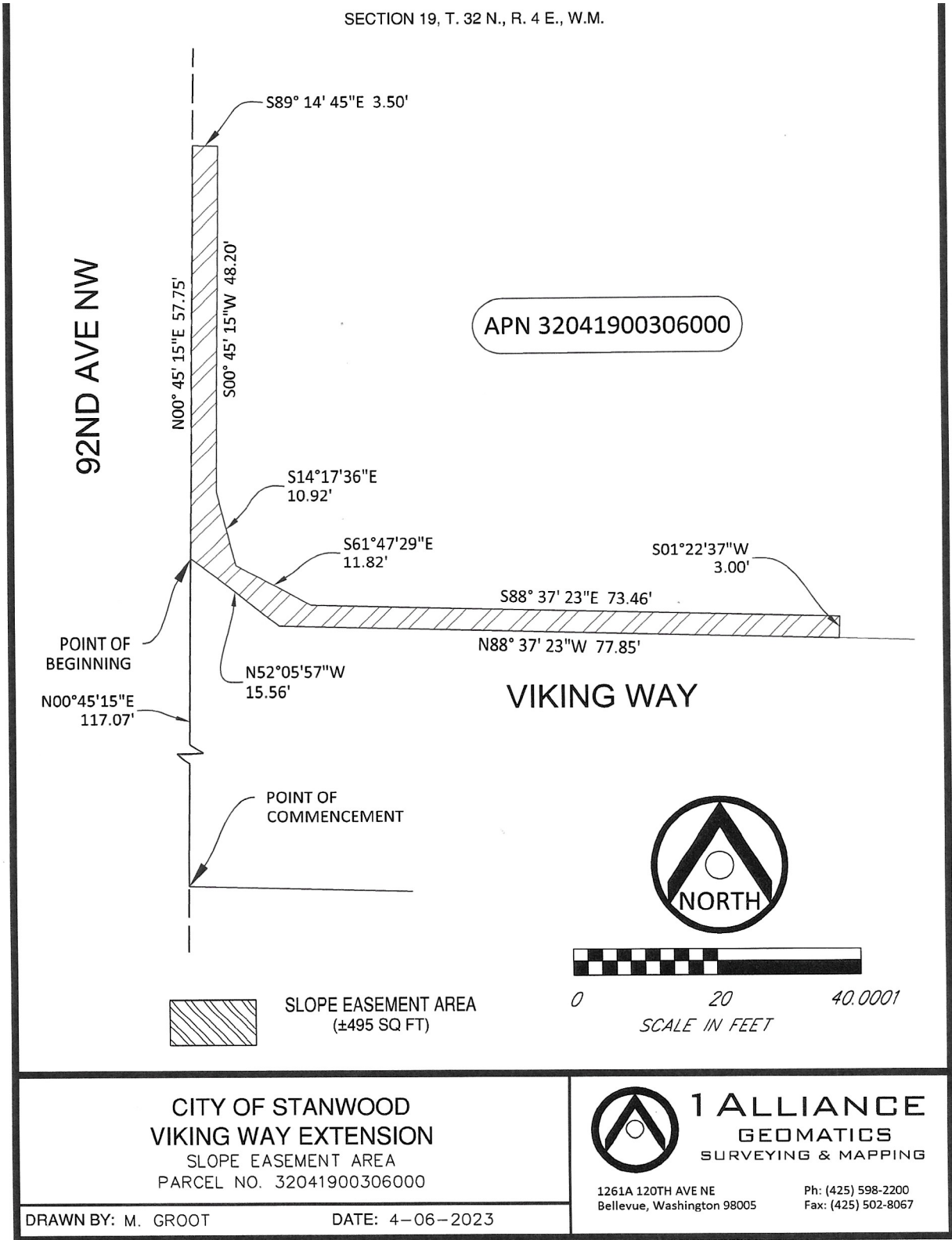
CONTAINING 495 SQUARE FEET, MORE OR LESS.



5/01/2023
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Exhibit "C"

SECTION 19, T. 32 N., R. 4 E., W.M.





BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 5A

TITLE

Consideration of a Resolution Approving a Lease Agreement With Roger Bell Real Estate Holdings, LLC., to Lease Vacant Property Located at 1450 80th SW, Everett, Washington, and Authorizing the District Manager, Real Estate Services, to Execute Said Lease Agreement

SUBMITTED FOR: Items for Individual Consideration

Real Estate Services	<u>Maureen Barnes</u>	<u>4373</u>
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing:	<u>10/02/2023</u>	
Estimated Expenditure:	<u>\$222,540</u>	Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Board Job Description, GP-3(4)(F)(1) a non-delegable statutorily assigned Board Duty to authorize acquisition . . . and the disposition of certain properties and payment, therefore.

The District is in need of additional space to store utility poles and other material. The District has long-term plans to increase storage capacity but needs additional storage space now. District staff have identified a vacant parcel located at 1450 80th SW, Everett, Washington (close to the District Operation Center) that is available for rent and that will provide a suitable site to store utility poles and other material. The property owner (Roger Bell Real Estate Holdings, LLC.) is willing to lease the site to the District for a three-year period in accordance with the terms and conditions of a proposed lease agreement.

RECOMMENDATIONS/FUTURE ACTIONS:

District staff recommend the District Board of Commissioners approve the Lease Agreement and authorize execution of said Lease Agreement with the property owner.

List Attachments:

Resolution
Attachment 1

RESOLUTION NO. _____

A RESOLUTION Approving a Lease Agreement With Roger Bell Real Estate Holdings, LLC., to Lease Vacant Property Located at 1450 80th SW, Everett, Washington, and Authorizing the District Manager, Real Estate Services, to Execute Said Lease Agreement

WHEREAS, Public Utility District No. 1 of Snohomish County (“District”) is in need of additional space to store utility poles and other material; and

WHEREAS, the District has long-term plans to increase storage capacity but needs additional storage space now; and

WHEREAS, District staff have identified a vacant parcel located at 1450 80th SW, Everett, Washington (close to the District Operation Center) that is available for rent and that will provide a suitable site to store utility poles and other material; and

WHEREAS, the property owner is willing to lease the site to the District for a three-year period in accordance with the terms and condition of the proposed lease agreement (“Lease Agreement”) (Attachment 1); and

WHEREAS, District staff recommend the District Board of Commissioners approve the Lease Agreement and authorize execution of said Lease Agreement with the property owner.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, that the proposed Lease Agreement (Attachment 1) for the vacant property located at 1450 80th SW, Everett, Washington, is hereby approved and the District Manager, Real Estate Services, or her designee, is authorized to execute the Lease Agreement with Roger Bell Real Estate Holdings LLC., in substantially the form set forth in the attached Attachment 1, subject to the final version of said Lease Agreement being reviewed and approved by the District’s General Counsel or his designee.

PASSED AND APPROVED this 17th day of October, 2023.

President

Vice-President

Secretary



Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058

Attachment 1

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LEASE AGREEMENT
 (Multi-Tenant Gross Lease)

THIS LEASE AGREEMENT (the "Lease") is entered into and effective as of this 23rd day of October, 2023, between Linda Bell of Roger Bell Real Estate Holdings, LLC, a(n) Limited Liability Company ("Landlord"), and Public Utility District No. 1 of Snohomish County, a(n) a Municipal Corporation ("Tenant"). Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

- a. **Leased Premises.** The leased commercial real estate (the "Premises") i) consists of an agreed area of ±48,000 rentable square feet OF LAND AREA and is outlined on the ~~floor~~site plan attached as Exhibit A; ii) is located on the land legally described on attached Exhibit B; and iii) is commonly known as THE SOUTHERN PORTIONS OF _____ 1450 80th Street SW Everett, WA 98203 (suite number and address). The Premises do not include, and Landlord reserves, the exterior walls and roof of the Building in which the Premises are located (the "Building"); the land beneath the Building; the pipes and ducts, conduits, wires, fixtures, and equipment above the suspended ceiling; and the structural elements of the Building. The Building, the land upon which it is situated, all other improvements located on such land, and all Common Areas appurtenant to the Building are referred to as the "Property." The Building and all other buildings on the Property as of the date of this Lease contain an agreed total area of _____ rentable square feet.
- b. **Lease Commencement Date.** The term of this Lease shall commence upon (check one):
- Substantial completion of (choose one) Landlord's Work, or Tenant's Work as further described in the attached Exhibit C ("Work Letter"), but in no event later than _____, 20__
- November 1, 2023
- (the "Commencement Date").
- c. **Lease Termination Date.** The term of this Lease shall terminate at midnight on the last day of the October 31, 2026 full month following the Commencement Date, or such earlier or later date as otherwise provided in this Lease (the "Termination Date"). Tenant shall have no right or option to extend this Lease, unless otherwise set forth in a rider attached to this Lease (e.g., Option to Extend Rider, CBA Form OR).
- d. **Base Rent.** The monthly base rent shall be (check one): \$ _____, or according to the Rent Rider attached hereto ("Base Rent"). Rent shall be payable by wire transfer or at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.
- e. **Prepaid Rent.** Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$ 6,000.00 as prepaid Rent, to be applied to Base Rent due for ~~months~~ MONTH one (1) through _____ of the Lease.
- f. **Security Deposit.** Upon execution of this Lease, Tenant shall deliver to Landlord the sum of \$ 6,000.00 to be held as a security deposit pursuant to Section 5 below. The security deposit shall be in the form of (check one): cash, check or wire transfer, or letter of credit according to the Letter of Credit Rider (CBA Form LCR) attached hereto.
- g. **Permitted Use.** The Premises shall be used only for Lay down yard, parking, storage and related to Tenant business, subject to applicable zoning and other laws, and for no other purpose without the prior written consent of Landlord (the "Permitted Use").
- h. **Notice and Payment Addresses.**
- Landlord:
DJ Keene
1450 80th Street SW
Everett, WA 98203

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058

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LEASE AGREEMENT
 (Multi-Tenant Gross Lease)

Email: dj@morganaero.com


Tenant:
Public Utility No. 1 of Snohomish County
PO BOX 1107
Everett, WA 98206
 Email: MLBarnes@Snopud.com

2. PREMISES.

- a. **Lease of Premises.** Landlord leases to Tenant, and Tenant leases from Landlord the Premises upon the terms specified in this Lease.
- b. **Acceptance of Premises.** Except as specified elsewhere in this Lease, Landlord makes no representations or warranties to Tenant regarding the Premises, including the structural condition of the Premises or the condition of all mechanical, electrical, and other systems on the Premises. ~~Except for any tenant improvements to be completed by Landlord as described in the Work Letter attached as Exhibit C (“Landlord’s Work”),~~ Tenant shall accept the Premises and its improvements in their respective AS-IS, WHERE-IS condition, and shall further be responsible for performing any work necessary to bring the Premises into a condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that it has had adequate opportunity to investigate the Premises; acknowledges responsibility for making any corrections, alterations and repairs to the Premises ~~(other than Landlord’s Work)~~; and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.
- c. **Tenant Improvements.** The Work Letter attached as Exhibit C sets forth all Landlord’s Work, if any, and all tenant improvements to be completed by Tenant (“Tenant’s Work”), if any, that will be performed on the Premises. Responsibility for design, payment and performance of all such work shall be as set forth in the Work Letter.

3. TERM. The term of this Lease shall commence on the Commencement Date and shall end on the Termination Date, subject to any option to extend the term of this Lease set forth in a rider attached hereto (the “Term”).

- a. **Early Possession.** Tenant shall have reasonable access to the Premises during the 0 days ((0) days if not filled in) preceding the Commencement Date for the sole purpose of installing Tenant’s furniture, telecommunications, fixtures, telephone systems and computer cabling and the performance of Tenant’s Work, if any. Such access shall be fully coordinated with Landlord in advance and Tenant shall not interfere with Landlord’s Work. All of the terms and conditions of this Lease, including Tenant’s insurance and indemnification obligations, shall apply during such time, except for payment of Base Rent. If Landlord permits Tenant to possess or occupy the Premises prior to the Commencement Date specified in Section 1, then such early occupancy shall not advance the Commencement Date or the Termination Date set forth in Section 1.
- b. **Delayed Possession.** ~~Landlord shall act diligently to make the Premises available to Tenant; provided, however, neither Landlord nor any agent or employee of Landlord shall be liable for any damage or loss due to Landlord’s inability or failure to deliver possession of the Premises to Tenant as provided in this Lease. If possession is delayed, the Commencement Date set forth in Section 1 shall also be delayed. If Landlord does not deliver possession of the Premises to Tenant within _____ days ((60) days if not filled in) after the Commencement Date specified in Section 1 (check one):~~ Tenant may elect to cancel this Lease by giving written notice to Landlord no later than _____ ((10) days if not filled in) after such time period ends, or then all Base Rent and Additional Rent shall be abated for each one (1) day after the Commencement Date during which possession of the Premises has not been delivered to Tenant. If Tenant gives such notice of cancellation, as Tenant’s sole and exclusive remedy, the Lease shall be cancelled, all prepaid Rent and security deposits shall be refunded to Tenant, and neither Landlord nor

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058

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~~Tenant shall have any further obligations to the other.~~ POSSESSION AND DELAYED POSSESSION. TENANT SHALL BE ENTITLED TO POSSESSION OF THE PREMISES UPON THE COMMENCEMENT DATE OF THIS LEASE. IF LANDLORD DOES NOT DELIVER POSSESSION OF THE PREMISES TO TENANT ON THE COMMENCEMENT DATE SPECIFIED IN SECTION 1, TENANT MAY ELECT TO CANCEL THIS LEASE BY GIVING WRITTEN NOTICE TO LANDLORD NO LATER THAN THIRTY (30) DAYS AFTER THE COMMENCEMENT DATE. IF TENANT ELECTS NOT TO CANCEL LEASE, THEN ALL BASE RENT AND ADDITIONAL RENT SHALL BE ABATED FOR EACH ONE (1) DAY AFTER THE COMMENCEMENT DATE DURING WHICH POSSESSION OF THE PREMISES HAS NOT BEEN DELIVERED TO TENANT. IF TENANT GIVES SUCH NOTICE OF CANCELLATION, AS TENANT'S SOLE AND EXCLUSIVE REMEDY, THE LEASE SHALL BE CANCELLED, ALL PREPAID RENT AND SECURITY DEPOSITS SHALL BE REFUNDED TO TENANT, AND NEITHER LANDLORD NOR TENANT SHALL HAVE ANY FURTHER OBLIGATIONS TO EACH OTHER.

Notwithstanding anything in this Section 3(b) to the contrary, to the extent that any portions of the ~~Landlord's Work~~ or Tenant's Work have not been sufficiently completed in time for the Tenant to occupy or take possession of the Premises on the Commencement Date due to the failure of Tenant to fulfill any of its obligations under this Lease (the "Tenant Delays"), the Term and Tenant's obligation to pay Base Rent and Additional Rent shall nevertheless commence on the Commencement Date set forth in Section 1, or upon the date that the Commencement Date would have occurred but for the Tenant Delays. The first "Lease Year" shall commence on the Commencement Date and shall end on the date which is twelve (12) months from the end of the month in which the Commencement Date occurs. Each successive Lease Year during the Term shall be twelve (12) months, commencing on the first day following the end of the preceding Lease Year.

4. RENT.

- a. **Payment of Rent.** Tenant shall pay Landlord without notice, demand, deduction or offset, in lawful money of the United States, the monthly Base Rent stated in Section 1 in advance on or before the first day of each month during the Term beginning on (check one): the Commencement Date, or _____ (if no date specified, then on the Commencement Date), and shall also pay any other additional payments due to Landlord ("Additional Rent", and together with Base Rent, the "Rent") when required under this Lease. Payments for any partial month during the Term shall be prorated. All payments due to Landlord under this Lease, including late fees and interest, shall also constitute Additional Rent, and upon Tenant's failure to pay any such costs, charges or expenses, Landlord shall have the same rights and remedies as otherwise provided in this Lease for the failure of Tenant to pay Rent.
- b. **Late Charges; Default Interest.** If any sums payable by Tenant to Landlord under this Lease are not received within five (5) business days after their due date, Tenant shall pay Landlord an amount equal to the greater of \$100 or (5%) of the delinquent amount for the cost of collecting and handling such late payment in addition to the amount due and as Additional Rent. All delinquent sums payable by Tenant to Landlord and not paid within five (5) business days after their due date shall, at Landlord's option, bear interest at the rate of (15%) per annum, or the highest rate of interest allowable by law, whichever is less (the "Default Rate"). Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.
- c. **Less Than Full Payment.** Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims. Any portion that remains to be paid by Tenant shall be subject to the late charges and default interest provisions of this Section.

5. **SECURITY DEPOSIT.** Upon execution of this Lease, Tenant shall deliver to Landlord the security deposit specified in Section 1 above. Landlord's obligations with respect to the security deposit are those of a debtor and not of a trustee, and Landlord may commingle the security deposit with its other funds. If Tenant defaults in the performance of any covenant or condition of this Lease, Landlord shall have the right, but not the obligation, to use or retain all or any portion of the security deposit for the payment of: (i) Base Rent, Additional

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058

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Rent, or any other sum as to which Tenant is in default; or (ii) the amount Landlord spends or may become obligated to spend, or to compensate Landlord for any losses incurred by reason of Tenant's default. Tenant acknowledges, however, that the security deposit shall not be considered as a measure of Tenant's damages in case of default by Tenant, and any payment to Landlord from the security deposit shall not be construed as a payment of liquidated damages for Tenant's default. If at any time during the Term of the Lease the security deposit delivered by Tenant becomes insufficient to cover the amounts required under this Section 5, whether or not due to Landlord's application of all or a portion of the security deposit as contemplated by this Section, Tenant shall, within five (5) days after written demand therefor by Landlord, deposit with Landlord an amount sufficient to replenish the security deposit to the amount required in Section 1 above. If Tenant is not in default of any covenant or condition of this Lease at the end of the Term, Landlord shall return any unused portion of the security deposit without interest within 30 days after the surrender of the Premises by Tenant in the condition required by Section 12 of this Lease.

6. **USES.** The Premises shall be used only for the Permitted Use, and for no other business or purpose without the prior written consent of Landlord. Tenant shall not do or permit any act to be done on or around the Premises that violates any law, ordinance, governmental regulation or order ~~or that will increase the existing rate of insurance on the Premises, the Building, or the Property,~~ or cause the cancellation of any insurance on the Premises, the Building, or the Property. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance. Tenant shall not do or permit anything to be done on the Premises, the Building, or the Property which will obstruct or interfere with the rights of other tenants or occupants of the Property, or their employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, or to injure or annoy such persons.
7. **COMPLIANCE WITH LAWS.** Landlord represents to Tenant that as of the Commencement Date, to Landlord's actual knowledge but without duty of investigation, and with the exception of any Tenant's Work, the Premises comply with all applicable laws, rules, regulations, and orders, including without limitation, the Americans With Disabilities Act, and Landlord shall be responsible to promptly cure at its sole cost any noncompliance which existed on the Commencement Date. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of the Permitted Use, and Tenant shall be responsible for making any changes or alterations as may be required by law, rule, regulation, or order for the Permitted Use at its sole cost and expense. Otherwise, if changes or alterations are required by law, rule, regulation, or order unrelated to the Permitted Use, Landlord shall make such changes and alterations at its expense.
8. **UTILITIES AND SERVICES.** Landlord shall provide the following services for the Premises (7) days per week, (24) hours per day (check all that apply): water; electricity; sewer; trash and/or recycling removal; and HVAC from _____ a.m. to _____ p.m. Monday through Friday; _____ a.m. to _____ p.m. on Saturday; and _____ a.m. to _____ p.m. on Sunday; janitorial service in the Premises and Building _____ nights ((5) nights if not filled in) each week, exclusive of holidays. HVAC services will also be provided by Landlord to the Premises during additional hours on reasonable notice to Landlord, at Tenant's sole cost and expense, at an hourly rate reasonably established by Landlord from time to time and payable by Tenant, as and when billed, as Additional Rent. ~~If water and electricity services are not separately metered to the Premises, Tenant shall pay its proportionate share of all charges for any utilities that are jointly metered based on the ratio which the rentable square feet of the Premises bears to the total rentable square feet served by the joint meters. Notwithstanding the foregoing, if Tenant's use of the Premises incurs utility service charges which are above those usual and customary for the Permitted Use, Landlord reserves the right to require Tenant to pay a reasonable additional charge for such usage.~~

Tenant shall furnish all other utilities (including, but not limited to, telephone, internet, and cable service, if available) and other services which Tenant requires with respect to the Premises, and shall pay, at Tenant's sole expense, the cost of all utilities separately metered to the Premises, and of all other utilities and other services which Tenant requires with respect to the Premises, ~~except those to be provided by Landlord as described above.~~ Landlord shall not be liable for any loss, injury or damage to person or property caused by or resulting from any variation, interruption, or failure of utilities due to any cause whatsoever, and Rent shall not abate as a result thereof.

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058


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9. **TAXES AND ASSESSMENTS.** Tenant shall pay all taxes, assessments, liens and license fees (“Taxes”) levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, related to or required by Tenant’s use of the Premises as well as all Taxes on Tenant’s personal property located on the Premises. Landlord shall pay all Taxes with respect to the ~~Building and the Property.~~
10. **COMMON AREAS.**
- a. **Definition.** The term “Common Areas” means all areas, facilities and building systems that are provided and designated from time to time by Landlord for the general non-exclusive use and convenience of Tenant and other tenants of the Property and which are not leased or held for the exclusive use of a particular tenant. To the extent that such areas and facilities exist within the Property, Common Areas include hallways, entryways, stairs, elevators, driveways, walkways, terraces, docks, loading areas, restrooms, trash facilities, parking areas and garages, roadways, pedestrian sidewalks, landscaped areas, security areas, lobby or mall areas, common HVAC systems, common electrical service, equipment and facilities, and common mechanical systems, equipment and facilities. Tenant shall comply with, and shall use commercially reasonable efforts to cause its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees to comply with, reasonable rules and regulations concerning the use of the Common Areas adopted by Landlord from time to time, and shall not interfere with the use of Common Areas by others. Without advance notice to Tenant and without any liability to Tenant, Landlord may change the size, use, or nature of any Common Areas, erect improvements on the Common Areas or convert any portion of the Common Areas to the exclusive use of Landlord or selected tenants, so long as Tenant is not thereby deprived of the substantial benefit of the Premises. Landlord reserves the use of exterior walls and the roof of the Building and other improvements at the Property, and the right to install, maintain, use, repair and replace pipes, ducts, conduits, and wires leading through the Premises in areas which will not materially interfere with Tenant’s use thereof.
- b. **Use of the Common Areas.** Tenant shall have the non-exclusive right, in common with such other tenants to whom Landlord has granted or may grant such rights, to use the Common Areas.
- c. **Maintenance of Common Areas.** Landlord shall maintain the Common Areas in good order, condition and repair. In performing such maintenance, Landlord shall use commercially reasonable efforts to minimize interference with Tenant’s use and enjoyment of the Premises.
11. **ALTERATIONS.** Tenant may make alterations, additions or improvements to the Premises (the “Alterations”), only with the prior written consent of Landlord, which consent, with respect to Alterations not affecting the structural components of the Premises or utility systems therein or for which the aggregate cost and expense does not exceed ~~\$40,000~~150,000.00, shall not be unreasonably withheld, conditioned, or delayed. Landlord shall have ~~30~~10 days following Tenant’s request for Landlord’s consent to any Alterations to respond to such request, provided that Tenant’s request includes the names of Tenant’s contractors and reasonably detailed plans and specifications therefor. The term “Alterations” shall not include: (i) any of Tenant’s Work approved by Landlord pursuant to Exhibit C, (ii) Tenant’s Signage (as further provided in Section 14), or (iii) the installation of shelves, movable partitions, Tenant’s equipment and trade fixtures that may be installed and removed without damaging existing improvements or the structural integrity of the Premises, ~~the Building,~~ or the Property. Tenant shall perform all work at Tenant’s expense and in compliance with all applicable laws and shall complete all Alterations in accordance with plans and specifications approved by Landlord, ~~using contractors approved by Landlord,~~ and in a manner so as not to unreasonably interfere with other tenants. Tenant shall pay when due, or furnish a bond for payment of (as set forth in Section 19), all claims for labor or materials furnished to or for Tenant at, or for use in, the Premises, which claims are or may be secured by any mechanics’ or materialmen’s liens against the Premises or the Property or any interest therein. ~~Except as otherwise provided in the Work Letter attached as Exhibit C with respect to Tenant’s Work, any~~ ANY improvements installed as part of Tenant Work’s or Alterations performed or caused

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058

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to be performed by Tenant (check one): shall become the property of Landlord, or shall be removed by Tenant at its sole cost and expense upon the expiration or earlier termination of the Term (unless Landlord conditioned its consent in writing upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration, and it shall become Landlord's property). Tenant shall immediately repair any damage to the Premises caused by removal of improvements performed as part of Tenant's Work and/or Alterations.

12. **REPAIRS AND MAINTENANCE; SURRENDER.** Tenant shall, at its sole cost and expense, maintain the entire Premises in good condition and promptly make all non-structural repairs and replacements necessary to keep the Premises safe and in good condition, including all HVAC components and other utilities and systems to the extent exclusively serving the Premises. ~~Landlord shall maintain and repair the Building structure, foundation, subfloor, exterior walls, roof structure and surface, and HVAC components and other utilities and systems to the extent serving more than just the Premises, and the Common Areas. Tenant shall not damage any demising wall or disturb the structural integrity of the Premises, the Building, or the Property and shall promptly repair any damage or injury done to any such demising walls or structural elements caused by Tenant or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees.~~ Notwithstanding anything in this Section to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the negligence or willful misconduct of Landlord or its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees therein. If Tenant fails to perform Tenant's obligations under this Section, Landlord may at Landlord's option enter upon the Premises after 10 days' prior notice to Tenant and put the same in good order, condition and repair and the cost thereof together with interest thereon at the Default Rate set forth in Section 4 shall be due and payable as Additional Rent to Landlord together with Tenant's next installment of Base Rent. Upon expiration or earlier termination of the Term, Tenant shall promptly and peacefully surrender the Premises to Landlord, together with all keys, in materially as good condition as when received by Tenant from Landlord or as thereafter improved (but subject to any obligations to remove any Tenant's Work and Alterations and/or restore the same as further provided in this Lease), reasonable wear and tear and insured casualty excepted.
13. **ACCESS AND RIGHT OF ENTRY .** After twenty-four (24) hours' notice from Landlord (except in cases of emergency, when no notice shall be required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, inspections, alterations or improvements, provided that Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After reasonable notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of (a) showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within 180 days prior to the expiration or sooner termination of the Term, and (b) posting "for lease" signs within 180 days prior to the expiration or sooner termination of the Term.
14. **SIGNAGE.** Tenant shall obtain Landlord's written consent as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install and maintain any approved signage ("Signage") at Tenant's sole expense and in compliance with all applicable laws. ~~Unless as otherwise provided in Exhibit C with respect to any of Tenant's Work, any Signage installed by Tenant shall be removed from the Premises, Building and Property.~~ ANY SIGNAGE INSTALLED BY TENANT SHALL BE REMOVED FROM THE PREMISES, at Tenant's expense upon the expiration or earlier termination of the Term. Tenant shall not damage or deface the Premises in installing or removing Signage and shall repair any injury or damage to the Premises caused by such installation or removal.
15. **DESTRUCTION OR CONDEMNATION**
- a. ~~DAMAGE AND REPAIR. IF THE PREMISES OR THE PORTION OF THE BUILDING OR THE PROPERTY~~ **IF THE PREMISES necessary for Tenant's occupancy are partially damaged by fire or other insured casualty but not rendered untenable, then Landlord shall diligently restore the Premises and**

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058

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the portion of the Property necessary for Tenant's occupancy to the extent required below and this Lease shall not terminate. Tenant may, however, AS SOLELY DETERMINED BY TENANT, terminate the Lease if Landlord is unable to restore the Premises within six (6) months of the casualty event by giving 20 days' written notice of termination.


The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenable if 25% or less of each of those areas are damaged. If insurance proceeds are not available or are not sufficient to pay the entire cost of restoring the Premises, or if Landlord's lender does not permit all or any part of the insurance proceeds to be applied toward restoration, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within 60 days of the date of such casualty.

If the Premises, the portion of the Building or the Property necessary for Tenant's occupancy, or 50% or more of the rentable area of the Property are entirely destroyed, or partially damaged and rendered untenable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises and the portion of the Property necessary for Tenant's occupancy to their previous condition to the extent required below; provided, however, if such casualty event occurs during the last six (6) months of the Term (after considering any option to extend the term timely exercised by Tenant) then either Tenant or Landlord may elect to terminate the Lease. If, within 60 days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises or the portion of the Property necessary for Tenant's occupancy untenable, Landlord fails to notify Tenant of its election to restore these areas, or if Landlord is unable to restore those areas within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease upon 20 days' notice to Landlord unless Landlord, within such 20 day period, notifies Tenant that it will in fact restore the Premises or actually completes such restoration work to the extent required below, as applicable.

If Landlord restores the Premises or the Property under this Section, Landlord shall proceed with reasonable diligence to complete the work, and the Base Rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a Base Rent abatement only if the damage or destruction of the Premises or the Property did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises or the Property. Landlord shall have no obligation to carry insurance of any kind for the protection of Tenant; any Alterations or other improvements paid for by Tenant; any of Tenant's Work identified in Exhibit C (regardless of who may have completed them); Signage; Tenant's furniture; or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord's restoration obligations hereunder shall not include any obligation to repair any damage thereto or replace the same.

- b. **Condemnation.** ~~If the Premises, the portion of the Building or the Property~~EXCEPT AS OTHERWISE PROVIDED HEREIN, IF ANY PORTION OF THE PREMISES necessary for Tenant's occupancy, ~~or 50% or more of the rentable area of the Property are~~ IS made untenable by eminent domain, or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or ~~the~~ANY portion of the Property taken by the condemning authority. All Rents and other payments shall be paid to that date.

If the condemning authority takes a portion of the Premises ~~or of the Building or the Property~~ necessary for Tenant's occupancy, AS SOLELY DETERMINED BY TENANT, that does not render them untenable, then this Lease shall continue in full force and effect and the Base Rent shall be equitably reduced based on the proportion by which the floor area of any structures is reduced. The reduction in Base Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title

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Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
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vests in the condemning authority. ~~The Premises or the portion of the Building or the Property necessary for Tenant's occupancy shall not be deemed untenable if 25% or less of each of these areas are condemned.~~ Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises, the Building or the Property and Tenant shall make no claim for the value of its leasehold estate, Tenant's Work or Alterations. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses, provided that in no event shall Tenant's claim reduce Landlord's award.

16. INSURANCE.

TENANT IS SELF-INSURED AND WILL SUPPLY A LETTER OF SELF INSURANCE TO THE LANDLORD.

- a. **Tenant's Liability Insurance.** ~~During the Term, Tenant shall pay for and maintain commercial general liability insurance with broad form property damage and contractual liability endorsements. This policy shall (i) contain an endorsement identifying Landlord, its property manager (if any), and other parties designated by Landlord as additional insureds using an endorsement form acceptable to Landlord, (ii) insure Tenant's activities and those of Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees with respect to the Premises against loss, damage or liability for personal injury or bodily injury (including death) or loss or damage to property with a combined single limit of not less than \$2,000,000 per occurrence, and a deductible of not more than \$10,000, and (iii) contain a provision requiring the insurer to deliver or mail written notice of cancellation to the named insureds at least 45 days before the effective date of the cancellation. Tenant's insurance will be primary and noncontributory with any liability insurance carried by Landlord. Landlord may also require Tenant to obtain and maintain at Tenant's sole cost business income coverage for at least six (6) months, business auto liability coverage, and, if applicable to Tenant's Permitted Use, liquor liability insurance and/or warehouseman's coverage.~~
- b. **Tenant's Property Insurance.** ~~During the Term, Tenant shall pay for and maintain special form clauses of loss coverage property insurance (with coverage for earthquake if required by Landlord's lender and, if the Premises are situated in a flood plain, flood damage) for all of Tenant's personal property, fixtures and equipment, Tenant's Work, and Alterations in the amount of their full replacement value, with a deductible of not more than \$10,000.~~
- c. **Miscellaneous.** ~~Tenant's insurance required under this Section shall be with companies rated A-/VII or better in Best's Insurance Guide, and which are admitted in the State of Washington. No insurance policy shall be cancelled or reduced in coverage and each such policy shall provide that it is not subject to cancellation or a reduction in coverage except after 30 days prior notice to Landlord. Tenant shall deliver to Landlord prior to Tenant's first taking possession of or occupying the Premises, and from time to time thereafter, copies of the insurance policies or evidence of insurance and copies of endorsements required by this Section. In no event shall the limits of such policies be considered as limiting the liability of Tenant under this Lease. If Tenant fails to acquire or maintain any insurance or provide any policy or evidence of insurance required by this Section, and such failure continues for three (3) days after notice from Landlord, Landlord may, but shall not be required to, obtain such insurance for Landlord's benefit and Tenant shall reimburse Landlord for the costs of such insurance upon demand. Such amounts shall be Additional Rent payable by Tenant hereunder and in the event of non-payment thereof, Landlord shall have the same rights and remedies with respect to such non-payment as it has with respect to any other non-payment of Rent hereunder.~~
- d. **Landlord's Insurance.** Landlord shall carry special form clauses of loss coverage property insurance of the Building shell and core in the amount of their full replacement value, liability insurance with respect to the Common Areas, and such other insurance of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate.
- e. **Waiver of Subrogation.** ~~Notwithstanding any other provision of this Lease to the contrary, Landlord and~~

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
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~~Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by insurance required to be carried or otherwise carried by each of them. Each party shall provide notice to the insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such policies or to the extent of liabilities exceeding the limits of such policies.~~


17. INDEMNIFICATION

- a. **Indemnification by Tenant.** Tenant shall defend, indemnify, and hold Landlord and its property manager (if any) harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Tenant or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises or the Property, or arising from any breach of this Lease by Tenant. ~~Tenant shall use legal counsel reasonably acceptable to Landlord in defense of any action within Tenant's defense obligation.~~
- b. **Indemnification by Landlord.** Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, for personal injury, bodily injury (including death) or property damage arising from any negligent or wrongful act or omission of Landlord or Landlord's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees on or around the Premises or the Property, or arising from any breach of this Lease by Landlord. Landlord shall use legal counsel reasonably acceptable to Tenant in defense of any action within Landlord's defense obligation.
- c. **Waiver of Immunity.** Landlord and Tenant each specifically and expressly waive any immunity that each may be granted under the Washington State Industrial Insurance Act, Title 51 RCW. Neither party's indemnity obligations under this Lease shall be limited by any limitation on the amount or type of damages, compensation, or benefits payable to or for any third party under the Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts.
- d. **Exemption of Landlord from Liability.** Except to the extent of claims arising out of Landlord's gross negligence or intentional misconduct, Landlord shall not be liable for injury to Tenant's business or assets or any loss of income therefrom or for damage to any property of Tenant or of its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, or any other person in or about the Premises or the Property.
- e. **Survival.** The provisions of this Section 17 shall survive expiration or termination of this Lease.

18. **ASSIGNMENT AND SUBLETTING.** Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer") or any part of the Premises, without first obtaining Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer. In connection with each request for consent to a Transfer, Tenant shall pay the reasonable cost of processing the same, including attorneys' fees, upon demand of Landlord, up to a maximum of \$1,250.

Any transfer of this Lease by merger, consolidation, redemption or liquidation of Tenant, or any change in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.

As a condition to Landlord's approval, if given, any potential assignee or sublessee otherwise approved by

 **Kidder Mathews**
Kidder Mathews
500 108th Ave NE, Ste 2400
Bellevue, WA 98004
Phone: 425-454-7040
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Landlord shall assume all obligations of Tenant under this Lease and shall be jointly and severally liable with Tenant and any guarantor for the payment of Rent and performance of all obligations of Tenant under this Lease. In connection with any Transfer, Tenant shall provide Landlord with copies of all assignments, subleases and assumption agreements and documents.

19. **LIENS.** Tenant is not authorized to subject the Landlord's estate to any liens or claims of lien. Tenant shall keep the Property and Premises free from any liens created by or through Tenant. Tenant shall indemnify, defend, and hold Landlord and the Property and Premises harmless from liability for any such liens including, without limitation, liens arising from any of Tenant's Work or Alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall have the right to contest the correctness or validity of the lien, provided, however, within 10 days after Landlord's demand, at Tenant's expense, Tenant shall either remove the lien, or shall procure and record a lien release bond issued by a surety satisfactory to Landlord in form and amount sufficient to satisfy statutory requirements for satisfaction and release of the subject lien(s) from the Premises and Property. Tenant shall indemnify Landlord, the Premises, and the Property from and against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien.
20. **DEFAULT.** Each of the following events shall constitute an "Event of Default" by Tenant under this Lease:
- a. **Failure To Pay.** Failure by Tenant to pay any sum, including Rent, due under this Lease following five (5) days' notice from Landlord of the failure to pay.
 - b. **Vacation/Abandonment.** Vacation by Tenant of the Premises (defined as an absence for at least 15 consecutive days without prior notice to Landlord), or abandonment by Tenant of the Premises (defined as an absence of five (5) days or more while Tenant is in breach of some other term of this Lease). Tenant's vacation or abandonment of the Premises shall not be subject to any notice or right to cure.
 - c. **Insolvency.** Tenant's insolvency or bankruptcy (whether voluntary or involuntary); or appointment of a receiver, assignee or other liquidating officer for Tenant's business; provided, however, that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within 60 days after its institution or commencement.
 - d. **Levy or Execution.** The taking of Tenant's interest in this Lease or the Premises, or any part thereof, by execution or other process of law directed against Tenant, or attachment of Tenant's interest in this Lease by any creditor of Tenant, if such attachment is not discharged within 15 days after being levied.
 - e. **Other Non-Monetary Defaults.** The breach by Tenant of any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of 30 days after notice by Landlord to Tenant of the breach, provided that, if the nature of such default is such that it cannot be cured within such 30 day period, no Event of Default shall occur so long as Tenant commences such cure within 30 days of notice by Landlord and diligently pursues such cure to completion, but in no event longer than 60 days from the date of Landlord's notice.
 - f. **Failure to Take Possession.** Failure by Tenant to take possession of the Premises on the Commencement Date following five (5) days' notice from Landlord of Tenant's failure to take possession.

Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within 30 days after notice by Tenant to Landlord, provided that, if the nature of such default is such that it cannot be cured within such 30 day period, Landlord shall not be in default if Landlord commences such cure within 30 days of notice by Tenant and diligently pursues such cure to completion. If Landlord fails to cure any such default within the allotted time, Tenant's sole remedy shall be to seek actual money damages (but not consequential or punitive damages) for loss arising from Landlord's failure to discharge its obligations under

 **Kidder Mathews**
Kidder Mathews
500 108th Ave NE, Ste 2400
Bellevue, WA 98004
Phone: 425-454-7040
Fax: 425-451-3058

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this Lease. Nothing herein contained shall relieve Landlord from its duty to perform any of its obligations to the standard prescribed in this Lease.

Any notice periods granted herein shall be deemed to run concurrently with and not in addition to any default notice periods required by law.

21. **REMEDIES.** Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease shall be cumulative and non-exclusive.
- a. **Termination of Lease.** Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than notice of termination from Landlord to Tenant shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Term, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's Reletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%); and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation Reletting Expenses described below.
- b. **Re-Entry and Reletting.** Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord all Reletting Expenses (defined below); second, to pay any indebtedness of Tenant to Landlord other than rent; third, to the rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises and after deducting Landlord's Reletting Expenses. "Reletting Expenses" are defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs of securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.
- c. **Waiver of Redemption Rights.** ~~Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Term, or any extension thereof.~~

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058


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- d. **Nonpayment of Additional Rent.** All costs which Tenant is obligated to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have the same rights it has with respect to nonpayment of Rent.
- e. **Failure to Remove Property.** If Tenant fails to remove any of its property from the Premises at Landlord's request following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law or to foreclose Landlord's lien for unpaid rent, if any.
22. **MORTGAGE SUBORDINATION AND ATTORNMENT.** This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"). Tenant shall attorn to the holder of any Landlord's Mortgage or any party acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided the acquiring party assumes the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than 15 days after request, execute, acknowledge and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section to subordinate in the future are conditioned on the holder of each Landlord's Mortgage and each party acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default by Tenant exists.
23. **NON-WAIVER.** ~~Landlord~~ EITHER PARTY'S waiver of any breach of any provision contained in this Lease shall not be deemed to be a waiver of the same provision for subsequent acts of ~~Tenant~~ EITHER PARTY. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any previous breach by Tenant.
24. **HOLDOVER.** If Tenant shall, without the written consent of Landlord, remain in possession of the Premises and fail to return them to Landlord after the expiration or termination of this Lease, the tenancy shall be a holdover tenancy at sufferance, which may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 150% of the rate of rental last payable under this Lease, unless a different rate is agreed upon by ~~Landlord~~ THE PARTIES. All other terms of the Lease shall remain in effect other than any options to extend the Term. Tenant acknowledges and agrees that this Section does not grant any right to Tenant to holdover, and that Tenant may also be liable to Landlord for any and all damages or expenses which Landlord may have to incur as a result of Tenant's holdover.
25. **NOTICES.** All notices under this Lease shall be in writing and effective (i) when delivered in person or via overnight courier to the other party, or (ii) three (3) days after being sent by registered or certified mail to the other party at the address set forth in Section 1. The addresses for notices and payment of rent set forth in Section 1 may be modified by either party only by written notice delivered in conformance with this Section.
26. **COSTS AND ATTORNEYS' FEES.** If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding.

 **Kidder Mathews**
Kidder Mathews
500 108th Ave NE, Ste 2400
Bellevue, WA 98004
Phone: 425-454-7040
Fax: 425-451-3058


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27. **ESTOPPEL CERTIFICATES.** Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the total rentable square footage of the Premises; (ii) the date the Term commenced and the date it expires; (iii) the amount of minimum monthly Rent and the date to which such Rent has been paid; (iv) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (v) that this Lease represents the entire agreement between the parties; (vi) that all obligations under this Lease to be performed by either party have been satisfied; (vii) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (viii) the amount of Rent, if any, that Tenant paid in advance; (ix) the amount of security that Tenant deposited with Landlord; (x) if Tenant has sublet all or a portion of the Premises or assigned its interest in the Lease and to whom; (xi) if Tenant has any option to extend the Term of the Lease or option to purchase the Premises; and (xii) such other factual matters concerning the Lease or the Premises as Landlord may reasonably request. Tenant acknowledges and agrees that any statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) days to Landlord's request for the statement required by this Section, Landlord may provide the statement and Tenant shall be deemed to have admitted the accuracy of the information provided by Landlord.
28. **TRANSFER OF LANDLORD'S INTEREST.** This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for collateral purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, including any liability for any retained security deposit or prepaid rent, for which the transferee shall be liable, and Tenant shall attorn to the transferee.
29. **LANDLORD'S LIABILITY.** Notwithstanding anything in this Lease to the contrary, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements for the purpose of binding Landlord personally or the assets of Landlord but are made and intended for the purpose of binding only the Landlord's interest in the Premises, as the same may from time to time be encumbered. In no event shall Landlord or its partners, shareholders, or members, as the case may be, ever be personally liable hereunder.
30. **RIGHT TO PERFORM.** If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any such other act on Tenant's behalf. Tenant shall, within 10 days of demand, reimburse Landlord for its expenses incurred in making such payment or performance. Landlord shall (in addition to any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.
31. **HAZARDOUS MATERIAL.** As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. Landlord represents and warrants to Tenant that, to Landlord's actual knowledge without duty of investigation, there is no Hazardous Material on, in, or under the Premises as of the Commencement Date in excess of reportable quantities except as may otherwise have been disclosed to Tenant in writing before the execution of this Lease. If there is any Hazardous Material on, in, or under the Premises as of the Commencement Date which has been or thereafter becomes unlawfully released in excess of reportable quantities through no fault of Tenant, then Landlord shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Tenant either during or after the Term as the result of such contamination.

 **Kidder Mathews**
Kidder Mathews
500 108th Ave NE, Ste 2400
Bellevue, WA 98004
Phone: 425-454-7040
Fax: 425-451-3058

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Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except with Landlord's prior consent (except in de minimis quantities typical of the Permitted Use, such as in office supplies and household cleansers), and then only upon strict compliance with all applicable federal, state and local laws, regulations, codes, ordinances, and product labels. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises or the Property; damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises or the Property, or elsewhere; damages arising from any adverse impact on marketing of space at the Premises or the Property; and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Term. These indemnifications by Landlord and Tenant include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any unlawful release of any Hazardous Material on the Premises or the Property or any adjacent property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises and the Property and any adjacent property to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion. The provisions of this Section shall survive expiration or earlier termination of this Lease.

32. **QUIET ENJOYMENT.** Provided Tenant pays Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord.
33. **MERGER.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.
34. **GENERAL.**
- a. **Heirs and Assigns.** This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.
- b. **Brokers' Fees.** Tenant represents and warrants to Landlord that except for Tenant's Broker, if any, described or disclosed in Section 36 of this Lease, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that except for Landlord's Broker, if any, described or disclosed in Section 36 of this Lease, it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord.

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058

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- c. **Entire Agreement.** This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended except in writing, signed by Landlord and Tenant.
- d. **Severability.** Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.
- e. **Force Majeure.** Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife; provided in no event shall any of the foregoing events operate to extend the Term of this Lease.
- f. **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of Washington.
- g. **Memorandum of Lease.** Neither this Lease nor any memorandum or "short form" thereof shall be recorded without Landlord's prior consent.
- h. **Submission of Lease Form Not an Offer.** One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully executed by both parties.
- i. **No Light, Air or View Easement.** Tenant has not been granted an easement or other right for light, air or view to or from the Premises. Any diminution or shutting off of light, air or view by any structure which may be erected on or adjacent to the ~~Building~~ PREMISES shall in no way affect this Lease or the obligations of Tenant hereunder or impose any liability on Landlord.
- j. **Authority of Parties.** Each party to this Lease represents and warrants to the other that the person executing this Lease on behalf of such party has the authority to enter into this Lease on behalf of such party, that the execution and delivery of this Lease has been duly authorized, and that upon such execution and delivery, this Lease shall be binding upon and enforceable against such party.
- k. **Time.** "Day" as used herein means a calendar day and "business day" means any day on which commercial banks are generally open for business in the state where the Premises are situated. Any period of time which would otherwise end on a non-business day shall be extended to the next following business day. Time is of the essence of this Lease.
35. **EXHIBITS AND RIDERS.** The following exhibits and riders are made a part of this Lease, and the terms thereof shall control over any inconsistent provision in the sections of this Lease:

Exhibit A: ~~Floor~~ SITE Plan/Outline of the Premises
 Exhibit B: Legal Description of the Property
 Exhibit C: ~~Work Letter~~

CHECK THE BOX FOR ANY OF THE FOLLOWING THAT WILL APPLY. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

- Rent Rider
 Arbitration Rider
 Letter of Credit Rider
 Guaranty of Tenant's Lease Obligations Rider

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058

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- Parking Rider
 Option to Extend Rider
 Rules and Regulations
 Addendum No. 1

36. **AGENCY DISCLOSURE.** At the signing of this Lease, Landlord is represented by Matthew P. Henn, agent of Kidder Mathews (insert both the name of the Broker and the Firm as licensed) (the "Landlord's Broker"); and Tenant is represented by NA (insert both the name of the Broker and the Firm as licensed) (the "Tenant's Broker").

This Agency Disclosure creates an agency relationship between Landlord, Landlord's Broker (if any such person is disclosed), and any managing brokers who supervise Landlord's Broker's performance (collectively the "Supervising Brokers"). In addition, this Agency Disclosure creates an agency relationship between Tenant, Tenant's Broker (if any such person is disclosed), and any managing brokers who supervise Tenant's Broker's performance (also collectively the "Supervising Brokers"). If Tenant's Broker and Landlord's Broker are different real estate licensees affiliated with the same Firm, then both Tenant and Landlord confirm their consent to that Firm and both Tenant's and Landlord's Supervising Brokers acting as dual agents. If Tenant's Broker and Landlord's Broker are the same real estate licensee who represents both parties, then both Landlord and Tenant acknowledge that the Broker, his or her Supervising Brokers, and his or her Firm are acting as dual agents and hereby consent to such dual agency. If Tenant's Broker, Landlord's Broker, their Supervising Brokers, or their Firm are dual agents, Landlord and Tenant consent to Tenant's Broker, Landlord's Broker and their Firm being compensated based on a percentage of the rent or as otherwise disclosed on an attached addendum. Neither Tenant's Broker, Landlord's Broker nor either of their Firms are receiving compensation from more than one party to this transaction unless otherwise disclosed on an attached addendum, in which case Landlord and Tenant consent to such compensation. Landlord and Tenant confirm receipt of the pamphlet entitled "The Law of Real Estate Agency."

37. **COMMISSION AGREEMENT.** If Landlord has not entered into a listing agreement (or other compensation agreement with Landlord's Broker), Landlord agrees to pay a commission to Landlord's Broker (as identified in the Agency Disclosure paragraph above) as follows:

- \$ _____
 _____% of the gross rent payable pursuant to the Lease
 \$ _____ per square foot of the Premises
 Other per listing agreement

Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon the extension by Tenant of the Term pursuant to any right reserved to Tenant under the Lease calculated as provided above or as follows _____ (if no box is checked, as provided above). Landlord's Broker shall shall not (shall not if not filled in) be entitled to a commission upon any expansion of the Premises pursuant to any right reserved to Tenant under the Lease, calculated as provided above or as follows _____ (if no box is checked, as provided above).

With respect to any commission earned upon execution of this Lease or pursuant to any expansion of the Premises, Landlord shall pay one-half upon execution of the Lease or any amendment/addenda thereto expanding the Premises, and one-half upon occupancy of the Premises by Tenant. With respect to any commission earned upon extension of the Term of this Lease, Landlord shall pay one-half upon execution of any amendment/addenda to the Lease extending the Term and one-half upon the commencement date of such extended term. Landlord's Broker shall pay to Tenant's Broker (as identified in the Agency Disclosure paragraph above) the amount stated in a separate agreement between them or, if there is no agreement, \$ _____ or _____% (complete only one) of any commission paid to Landlord's Broker, within five (5) days after receipt by Landlord's Broker.

If any other lease or sale is entered into between Landlord and Tenant pursuant to a right reserved to Tenant under the Lease, Landlord shall shall not (shall not if not filled in) pay an additional commission

**Kidder
Mathews****Kidder Mathews**

500 108th Ave NE, Ste 2400

Bellevue, WA 98004

Phone: 425-454-7040

Fax: 425-451-3058

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according to any commission agreement or, in the absence of one, according to the commission schedule of Landlord's Broker in effect as of the execution of this Lease. Landlord's successor shall be obligated to pay any unpaid commissions upon any transfer of this Lease and any such transfer shall not release the transferor from liability to pay such commissions.

38. BROKER PROVISIONS.

LANDLORD'S BROKER, TENANT'S BROKER AND THEIR FIRMS HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING THE PREMISES, THE MEANING OF THE TERMS AND CONDITIONS OF THIS LEASE, LANDLORD'S OR TENANT'S FINANCIAL STANDING, ZONING, COMPLIANCE OF THE PREMISES WITH APPLICABLE LAWS, SERVICE OR CAPACITY OF UTILITIES, OPERATING COSTS, OR HAZARDOUS MATERIALS. LANDLORD AND TENANT ARE EACH ADVISED TO SEEK INDEPENDENT LEGAL ADVICE ON THESE AND OTHER MATTERS ARISING UNDER THIS LEASE.



Kidder Mathews
500 108th Ave NE, Ste 2400
Bellevue, WA 98004
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Fax: 425-451-3058

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IN WITNESS WHEREOF this Lease has been executed the date and year first above written.

LANDLORD

TENANT

LANDLORD BY

TENANT BY

BY TITLE

BY TITLE

ITS DATE

ITS DATE



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500 108th Ave NE, Ste 2400
Bellevue, WA 98004
Phone: 425-454-7040
Fax: 425-451-3058

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STATE OF WASHINGTON

COUNTY OF _____

This record was acknowledged before me on _____, 20____, by _____
as _____ of _____.

Notary Public for the State of Washington

My commission expires: _____

STATE OF WASHINGTON

COUNTY OF _____

This record was acknowledged before me on _____, 20____, by _____
as _____ of _____.

Notary Public for the State of Washington

My commission expires: _____



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Bellevue, WA 98004
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STATE OF WASHINGTON

COUNTY OF _____

This record was acknowledged before me on _____, 20____, by _____
as _____ of _____.

Notary Public for the State of Washington

My commission expires: _____

STATE OF WASHINGTON

COUNTY OF _____

This record was acknowledged before me on _____, 20____, by _____
as _____ of _____.

Notary Public for the State of Washington

My commission expires: _____



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EXHIBIT A

[FloorSITE Plan/Outline of the Premises] OF THE PREMISES]



THE ABOVE SQUARE FEET AND DIMENSIONS OF THE LEASED PREMISES ARE APPROXIMATE.



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EXHIBIT B

[Legal Description of the Property]

Legal

Section 11 Township 28 Range 04 Quarter SE BEVERLY BERRY TRACTS DIV 2 BLK
000 D-02 TH PTN LOT 22 LY N SR 526 AS CONVDYD AUD FILE 2014508 & ALSO LESS
PTN PER QCD FROM ST WA REC UND AFN 8111190154 FOR RELINQUISHMENT TO
CITY OF EV, NOW AKA 80TH ST

MATTHEW P. HENN, AGENT OF KIDDER MATHEWS MAKES NO REPRESENTATION TO THE TRUE ACCURACY OF THE ABOVE
LEGAL DESCRIPTION. EACH PARTY SHOULD VERIFY THE LEGAL DESCRIPTION WITH A TITLE COMPANY OR COUNSEL.



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500 108th Ave NE, Ste 2400
Bellevue, WA 98004
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EXHIBIT G

{Work Letter}

~~CHECK IF APPLICABLE:~~

1. ~~Improvements to be Completed by Landlord~~

~~A. Performance of Improvements: Subject to the terms and conditions of this Lease and any Improvement Allowance provided herein, Landlord's obligations to improve the Premises shall be limited to the work ("Landlord's Work") described below. All other work shall be performed by Tenant at its sole expense or, if performed by Landlord, shall be promptly reimbursed by Tenant. Landlord's Work shall be deemed to be "substantially complete" on the date that Landlord's notifies Tenant that Landlord's Work is complete, except for punch list items that do not impair the use or operations thereof, would not prevent Tenant from occupancy and/or performing Tenant's Work, and except for that portion of Landlord's Work, if any, which cannot be feasibly performed before Tenant completes Tenant's Work, fixturing, or decorating.~~


~~The work to be done by Landlord in satisfying its obligation to complete Landlord's Work under the Lease shall be limited to the following (check one):~~

~~As identified below (check and describe all that apply):~~

- ~~FLOOR: _____~~
- ~~WALLS: _____~~
- ~~CEILING: _____~~
- ~~LIGHTING: _____~~
- ~~WASHROOM(S): _____~~
- ~~ELECTRICAL: _____~~
- ~~HVAC: _____~~
- ~~OTHER: _____~~

~~As mutually agreed upon between Landlord and Tenant as follows:~~

- ~~a. Within _____ days ((10) days if not filled in) after mutual acceptance of the Lease, Tenant shall prepare and submit for Landlord's review a preliminary sketch of the improvements to be performed by Landlord ("Preliminary Landlord Plan"). Landlord and Tenant shall cooperate in good faith to adopt a mutually acceptable Preliminary Landlord Plan.~~
- ~~b. Upon Landlord's approval of the Preliminary Landlord Plan, Landlord shall promptly prepare (or cause to be prepared) construction documents (i.e., those plans used for submittal to the appropriate governmental bodies for all necessary permits and approvals for Landlord's Work, if any) for Tenant's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. The construction documents, once approved, shall then constitute "Landlord's Improvement Plans."~~
- ~~c. Landlord shall submit the Landlord's Improvement Plans to the appropriate governmental body for plan checking and issuance of necessary permits and approvals, as applicable. Landlord and Tenant shall cooperate and use commercially reasonable efforts to cause to be made any changes in the Landlord's Improvement Plans necessary to obtain such permits and approvals; provided, however, any costs and expenses resulting from the foregoing changes to Landlord's Work that exceed the Improvement Allowance shall be borne at Tenant's sole cost and expense.~~

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
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~~B. Defects in Landlord's Work.~~ If Tenant fails to notify Landlord of any defects in the Landlord's Work within 30 days of delivery of possession of the Premises to Tenant, Tenant shall be deemed to have accepted the Premises in their then-existing condition. If Tenant discovers any major defects in the Landlord's Work during this 30-day period that would prevent Tenant from using the Premises for the Permitted Use, Tenant shall notify Landlord and the Commencement Date shall be delayed until after Landlord has notified Tenant that Landlord has corrected the major defects and Tenant has had five (5) days to inspect and approve the Premises. The Commencement Date shall not be delayed if Tenant's inspection reveals minor defects in the Landlord's Work that will not prevent Tenant from using the Premises for the Permitted Use. Tenant shall prepare a punch list of all minor defects in Landlord's Work and provide the punch list to Landlord, which Landlord shall promptly correct.

~~2. Improvements to be Completed by Tenant~~

~~A. Performance of Improvements.~~ Subject to the terms and conditions of the Lease and any Improvement Allowance provided herein, Tenant shall complete, at its sole cost and expense, the work identified in the Tenant Improvement Plans (as such term is defined below) adopted by Landlord and Tenant in accordance with the provisions below ("Tenant's Work"). Tenant's Work shall be performed lien free and in a workmanlike manner, without interference with other work, if any, being done in the Premises or Property, including any of Landlord's Work, and in compliance with all laws and reasonable rules promulgated from time to time by Landlord, its property manager, architect, and contractors.


The work to be done by Tenant in satisfying its obligation to complete Tenant's Work under the Lease shall be limited to the following (check one):

As identified below (check and describe all that apply):

- FLOOR: _____
- WALLS: _____
- CEILING: _____
- LIGHTING: _____
- WASHROOM(S): _____
- ELECTRICAL: _____
- HVAC: _____
- OTHER: _____

As mutually agreed upon between Landlord and Tenant as follows:

- a. Within _____ days ((10) days if not filled in) after mutual acceptance of the Lease, Tenant shall prepare and submit for Landlord's review a preliminary sketch of the Tenant Improvements ("Preliminary Tenant Plan"). Landlord and Tenant shall cooperate in good faith to adopt a mutually acceptable Preliminary Plan.
- b. Upon approval of the Preliminary Tenant Plan by Landlord, Tenant shall promptly prepare construction documents (i.e., those plans used for submittal to the appropriate governmental bodies for all necessary permits and approvals for the Tenant's Work, if any) for Landlord's review and approval. The construction documents, once approved, shall then constitute the "Tenant Improvements Plans."
- c. Upon approval by Landlord, Tenant shall submit the Tenant Improvements Plans to the appropriate governmental body for plan checking and issuance of necessary permits and approvals. Tenant, with Landlord's approval, shall cause to be made any changes in the Tenant Improvements Plans necessary to obtain such permits and approvals.
- d. Landlord makes no warranty or representation of any type or nature with respect to the adequacy or sufficiency of the Tenant Improvements Plans for any purpose. Landlord makes no warranty or

 **Kidder Mathews**
Kidder Mathews
 500 108th Ave NE, Ste 2400
 Bellevue, WA 98004
 Phone: 425-454-7040
 Fax: 425-451-3058

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~~representation of any type or nature with respect to the quality, suitability, or ability of contractor or the quality of the work or materials supplied or performed with respect to the Tenant Improvements by contractor, the subcontractors, Tenant's agents, or any other person or entity.~~

~~B. General Requirements. Tenant shall submit to Landlord, prior to the commencement of the construction of Tenant's Work, the following information for Landlord's review and approval (check all that apply):~~

- ~~The names, contact names, addresses, and license numbers of all general contractors and subcontractors Tenant intends to use in the construction of Tenant's Work.~~
- ~~A reasonably detailed schedule for Tenant's performance of Tenant's Work (including, without limitation, the date on which Tenant's Work will commence, the estimated date of completion of Tenant's Work, and the date on which Tenant expects to open for business in the Premises).~~
- ~~Evidence of insurance as required in the Lease and any other insurance usual and customary for performance of Tenant's Work and requested by Landlord.~~
- ~~Copies of all required governmental permits.~~

~~C. Contractor Qualifications. All contractors and subcontractors to perform Tenant's Work shall be licensed contractors, capable of performing quality workmanship and working in harmony with Landlord's general contractor in the Building, if any. Upon notice from Landlord, Tenant shall stop using (or cause contractor or any subcontractor to stop using) any person or entity disturbing labor harmony with any work force or trade engaged in performing Tenant's Work or other work, labor, or services in or about the Building. All work shall be coordinated with any on-going construction work on the Building. Landlord shall have the right to disapprove, in Landlord's reasonable discretion, any contractor or subcontractor which Tenant desires to engage for Tenant's Work.~~


~~3. **Improvement Allowance**~~

~~Provided there is no uncured Event of Default by Tenant under the Lease, upon completion of Landlord's Work or Tenant's Work, as applicable, Landlord shall provide an allowance ("Improvement Allowance") toward the costs and expenses associated with improvements to the Premises in accordance with the following (check one):~~

- ~~\$ _____ per rentable square foot of the Premises. The Improvement Allowance shall be used only for (choose one): Landlord's Work, or Tenant's Work, excepting: _____. If costs associated with completing Tenant's Work exceed the Improvement Allowance, or if any costs of Tenant's Work are not to be paid out of the Improvement Allowance, then the excess or excluded amount shall be paid directly by Tenant.~~
- ~~None; Tenant shall be obligated to pay all costs, expenses and fees associated with completing the Tenant's Work in accordance with the Tenant Improvement Plans.~~
- ~~None; Landlord shall be obligated to pay all costs, expenses and fees associated with completing the Landlord's Work in accordance with the Landlord Improvement Plans, however, excepting any costs related to Tenants' furniture, cabling, fixtures and equipment, Signage, design services, and _____, and in no event in an amount exceeding \$ _____.~~

~~4. **Removal of Improvements/Surrender.** The following scope of Tenant's Work (check one):~~

- ~~shall become the property of Landlord~~
- ~~shall be removed by Tenant at its sole cost and expense~~

 **Kidder Mathews**
Kidder Mathews
500 108th Ave NE, Ste 2400
Bellevue, WA 98004
Phone: 425-454-7040
Fax: 425-451-3058

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~~upon the expiration or earlier termination of the Lease Term: _____~~



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500 108th Ave NE, Ste 2400
Bellevue, WA 98004
Phone: 425-454-7040
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RENT RIDER

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This Rent Rider ("Rider") is a part of and incorporated by this reference into that certain Lease Agreement dated October 23, 2023 ("Lease") between Linda Bell of Roger Bell Real Estate Holdings, LLC, a(n) Limited Liability Company ("Landlord") and Public Utility District No. 1 of Snohomish County, a(n) a municipal corporation ("Tenant"), as the same may be amended, concerning the commercial space commonly known as ±48,000 square feet of land area ("Premises"), which Premises are part of the real property located at 1450 80th Street SW, _____, Everett, WA 98203 and commonly known as Morgan Aero Property ("Property").

1. BASE MONTHLY RENT SCHEDULE. Tenant shall pay to Landlord base monthly rent during the initial Lease Term according to the following schedule:

Lease Year (Stated in Years or Months)	Base Monthly Rent Amount
<u>11/1/2023-09/30/2024</u>	\$ <u>6,000.00, gross</u>
<u>11/1/2024-09/30/2025</u>	\$ <u>6,180.00, gross</u>
<u>11/1/2025-09/30/2026</u>	\$ <u>6,365.40, gross</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

~~**2. CONSUMER PRICE INDEX ADJUSTMENT ON BASE MONTHLY RENT.** The base monthly rent shall be increased on the first day of the second year of the Term, which shall occur on the first day of the calendar month after the calendar month in which the Commencement Date occurs and on the first day of each year of the Term thereafter (each, an "Adjustment Date") (but not during any extended or renewal term(s) unless specifically set forth elsewhere in the Lease or set forth in this Rent Rider below). The increase shall be determined in accordance with the increase in the United States Department of Labor, Bureau of Labor Statistics, Revised Consumer Price Index for All Urban Consumers (CPI-U): U.S. Cities Average, all items index (Reference Base 1982-84 equal 100)(the "Index"). The base monthly rent payable immediately prior to the applicable Adjustment Date shall be increased by the percentage that the Index published for the date nearest preceding the applicable Adjustment Date has increased over the Index published for the date nearest preceding the first day of the Lease Year from which the adjustment is being measured. Upon the calculation of each increase, Landlord shall notify Tenant of the new base monthly rent payable hereunder. Within twenty (20) days of the date of Landlord's notice, Tenant shall pay to Landlord the amount of any deficiency in base rent paid by Tenant for the period following the subject Adjustment Date, and shall thereafter pay the increased base rent until receiving the next notice of increase from Landlord. If the components of the Index are materially changed after the Commencement Date, or if the Index is discontinued during the Lease term, Landlord shall notify Tenant of a substitute published index which, in Landlord's reasonable discretion, approximates the Index, and shall use the substitute index to make subsequent adjustments in base monthly rent. In no event shall base monthly rent be decreased pursuant to this paragraph.~~

INITIALS: LANDLORD _____ DATE _____ TENANT _____ DATE _____
LANDLORD _____ DATE _____ TENANT _____ DATE _____



Kidder Mathews
500 108th Ave NE, Ste 2400
Bellevue, WA 98004
Phone: 425-454-7040
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RENT RIDER

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New text inserted by licensee indicated by small capital letters.

~~3. EXTENDED TERM BASE MONTHLY RENT SCHEDULE.~~ Tenant shall pay to Landlord base monthly rent during the Extended Term of the Lease commencing upon (check one): the date that is _____ months following the Commencement Date of the initial Term, or _____, 20__ , as follows (choose one):

As set forth in the Option to Extend Rider attached to the Lease

BASE MONTHLY RENT SCHEDULE. Tenant shall pay to Landlord base monthly rent during the Extended Term of the Lease according to the following schedule:

Lease Year (Stated in Years or Months)	Base Monthly Rent Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

~~CONSUMER PRICE INDEX ADJUSTMENT ON EXTENDED TERM BASE MONTHLY RENT.~~ The base monthly rent shall be increased on the first day of the first year of the Extended Term of the Lease and on the first day of each year of the Extended Term of the Lease thereafter (each, an "Adjustment Date"). The increase shall be determined in accordance with the increase in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U): U.S. Cities Average, all items index (Reference Base 1982-84 equal 100) (the "Index"). The base monthly rent payable immediately prior to the applicable Adjustment Date shall be increased by the percentage that the Index published for the date nearest preceding the applicable Adjustment Date has increased over the Index published for the date nearest preceding the first day of the Lease Year from which the adjustment is being measured. Upon the calculation of each increase, Landlord shall notify Tenant of the new base monthly rent payable hereunder. Within twenty (20) days of the date of Landlord's notice, Tenant shall pay to Landlord the amount of any deficiency in base rent paid by Tenant for the period following the subject Adjustment Date, and shall thereafter pay the increased base rent until receiving the next notice of increase from Landlord. If the components of the Index are materially changed after the Commencement Date of the Extended Term, or if the Index is discontinued during the Extended Term, Landlord shall notify Tenant of a substitute published index which, in Landlord's reasonable discretion, approximates the Index, and shall use the substitute index to make subsequent adjustments in base monthly rent. In no event shall base monthly rent for the Extended Term be decreased pursuant to this paragraph.

INITIALS: LANDLORD _____ DATE _____ TENANT _____ DATE _____
LANDLORD _____ DATE _____ TENANT _____ DATE _____



Kidder Mathews
500 108th Ave NE, Ste 2400
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**ADDENDUM NO. 1 TO
CBA LEASES**

CBA Text Disclaimer: Text deleted by licensee indicated by strike.

The following terms are made part of and incorporated by this reference into the Lease Agreement ("Agreement") dated October 23, 2023 between Linda Bell of Roger Bell Real Estate Holdings, LLC, a(n) Limited Liability Company ("Landlord") and Public Utility District No. 1 of Snohomish County, a(n) a Municipal Corporation ("Tenant") concerning the leased commercial premises commonly known as ±48,000 square feet of land area ("Premises"), which Premises are part of the real property located at 1450 80th Street SW _____, Everett, WA 98203 and commonly known as Morgan Aero Property ("Property").

LANDLORD AND TENANT AGREE AS FOLLOWS:

LANDLORD AND TENANT AGREE AS FOLLOWS:

Public Utility District No.1 of Snohomish County Board of Commissioners Approval

This Lease Agreement is expressly contingent upon the Public Utility District No. 1 of Snohomish County Board of Commissioners approving it and authorizing the Tenant to enter into the Lease Agreement. Tenant shall provide Landlord written confirmation of Commission approval. Upon written notice, this Lease Agreement will be in full force and effect.

All other terms and conditions of the Agreement remain unchanged and in full force and effect.

INITIALS:

Landlord/Lessor: _____ Date _____ Tenant/Lessee: _____ Date _____

Landlord/Lessor: _____ Date _____ Tenant/Lessee: _____ Date _____



BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 6

TITLE

CEO/General Manager’s Report

SUBMITTED FOR: CEO/General Manager Report

CEO/General Manager _____	John Haarlow _____	8473 _____
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing: _____		
Estimated Expenditure: _____		Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

The CEO/General Manager will report on District related items.

List Attachments:
None



BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 7A

TITLE

Commission Reports

SUBMITTED FOR: Commission Business

<u>Commission</u>	<u>Allison Morrison</u>	<u>8037</u>
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing:	_____	
Estimated Expenditure:	_____	Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

The Commissioners regularly attend and participate in meetings, seminars, and workshops and report on their activities.

List Attachments:
None



BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 7B

TITLE

Commissioner Event Calendar

SUBMITTED FOR: Commission Business

<u>Commission</u>	<u>Allison Morrison</u>	<u>8037</u>
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing:	_____	
Estimated Expenditure:	_____	Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

The Commissioner Event Calendar is enclosed for Board review.

List Attachments:

Commissioner Event Calendar

Commissioner Event Calendar – 2023

October 2023

October 4 - 5:

Public Power Council Meetings
Portland, OR
(Wolfe/Logan/Olson)

October 6:

PNUCC Meeting
Virtual
(Olson/Wolfe/Logan)

October 12:

New Employee Orientation Program
Virtual 8:45 a.m. – 10:00 a.m.
(Wolfe)

October 26-27:

Energy Northwest Board Meeting
Pasco, WA
(Wolfe/Logan)

October 2023

Commissioner Event Calendar – 2023

November 2023

November 1 - 3:

Public Power Council/PNUCC Meetings
Portland, OR
(Wolfe/Logan)

November 2023

Commissioner Event Calendar – 2023

December 2023

December 2023

****For Planning Purposes Only and Subject to Change at any Time****



BUSINESS OF THE COMMISSION

Meeting Date: October 17, 2023

Agenda Item: 8A

TITLE

Governance Planning Calendar

SUBMITTED FOR: Governance Planning

<u>Commission</u>	<u>Allison Morrison</u>	<u>8037</u>
<i>Department</i>	<i>Contact</i>	<i>Extension</i>
Date of Previous Briefing:	_____	
Estimated Expenditure:	_____	Presentation Planned <input type="checkbox"/>

ACTION REQUIRED:

- Decision Preparation
- Policy Discussion
- Policy Decision
- Statutory
- Incidental (Information)
- Monitoring Report

SUMMARY STATEMENT:

Identify the relevant Board policies and impacts:

Governance Process, Agenda Planning, GP-4: To accomplish its job products with a governance style consistent with Board policies, the Board will follow an annual agenda

The Planning Calendar is enclosed for Board review.

List Attachments:
Governance Planning Calendar

Governance Planning Calendar – 2023

October 2, 2023

Morning Session:

- Media
- Pole Attachment Rates
- IRP: Phase 4 and 5 Results
- Bell Land Lease for Storage Poles
- Energy Efficiency & Grid Harmonization Residential New Construction Program
- City of Stanwood Viking Way Surplus

Afternoon Session:

- Public Hearing:
 - Open 2024 Proposed Budget Hearing
 - Public Utility Regulatory Policies Act
- Public Hearing and Action:
 - Disposal of Surplus Property – 4th Quarter
 - BPA Rate Pass-Through
 - Interurban Trail Easement with Snohomish County
- Governance Planning Calendar

October 17, 2023

Morning Session:

- Community Engagement
- Legislative
- Energy Risk Management Report
- Water Supply Update
- ~~Beverly Station Easement with BPA (moved to November 7)~~
- ~~25MW Battery Project Briefing (moved to November 7)~~
- Energy Risk Management (ERM) Policy Statement Update

Afternoon Session:

- Public Hearing and Action:
 - Pole Attachment Rates
 - Public Utility Regulatory Policies Act
 - ~~Bell Land Lease for Storage Poles (moved to Items for Individual Consideration)~~
 - City of Stanwood Viking Way Surplus
- Governance Planning Calendar

Governance Planning Calendar – 2023

November 7, 2023

Morning Session:

- Media
- 2024 Load Forecast
- ~~Residential Time-of-Day Rates (to be rescheduled)~~
- 25MW Battery Project Briefing
- Authorize Option to Purchase Fish Habitat Property Located in Sultan, WA
- Beverly Station Easement with BPA

Afternoon Session:

- Public Hearing:
→Continue Public Hearing on the 2024 Proposed Budget
- Public Hearing and Action:
→Beverly Station Easement with BPA
- Monitoring Report:
→3rd Quarter Financial Conditions and Activities Monitoring Report
- Governance Planning Calendar

November 21, 2023

Morning Session:

- Community Engagement
- Legislative
- Final Briefing on 2023 IRP Update Document
- Woods Creek Sustainability Center Update
- Carbon Solutions Rate Change
- Schedule 83 - PUD Retail Electric Vehicle Charging Update for Level 2 Chargers
- Hat Island Surcharge Update
- Pilot Small Distributed Generation Rate Schedule Price Update for 2024
- Rate Schedule 81 Supplemental Rate for Voluntary Bundled Renewable or Non-Emitting Energy Price Update

Afternoon Session:

- Public Hearing:
→Continue Public Hearing on the 2024 Proposed Budget
- ~~Public Hearing and Action:~~
→~~Residential Time of Day Rates~~
- Adopt Regular Commission Meeting Dates for the Year 2024
- Governance Planning Calendar

Governance Planning Calendar – 2023

December 5, 2023

Morning Session:

- Media

Afternoon Session:

- **Public Hearing:**
 - Schedule 83 - PUD Retail Electric Vehicle Charging Update for Level 2 Chargers
 - Hat Island Surcharge Update
 - Pilot Small Distributed Generation Rate Schedule Price Update for 2024
 - Rate Schedule 81 Supplemental Rate for Voluntary Bundled Renewable or Non-Emitting Energy Price Update
- **Public Hearing and Action:**
 - Adopt 2024 Budget
 - Carbon Solutions Rate Change
- **Monitoring Report:**
 - Financial Planning and Budgeting Monitoring Report
- Elect Board Officers for the Year 2024
- Proposed 2024 Governance Planning Calendar

December 19, 2023

Morning Session:

- Community Engagement
- Legislative
- Connect Up Quarterly Update

Afternoon Session:

- **Public Hearing and Action:**
 - Disposal of Surplus Property - 1st Quarter
 - Confirm Final Assessment Roll for LUD No. 66
 - Schedule 83 - PUD Retail Electric Vehicle Charging Update for Level 2 Chargers
 - Hat Island Surcharge Update
 - Pilot Small Distributed Generation Rate Schedule Price Update for 2024
 - Rate Schedule 81 Supplemental Rate for Voluntary Bundled Renewable or Non-Emitting Energy Price Update
- Adopt 2024 Governance Planning Calendar

Governance Planning Calendar – 2023

2023 Year-at-a-Glance Calendar

January

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Holiday	#	Commission Meetings
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