



McCleary Regular City Council Meeting

Wednesday, September 11, 2024 – 6:30 PM

McCleary Community Center and Zoom Virtual Meeting

Agenda

Join Zoom Meeting

https://us06web.zoom.us/webinar/register/WN_kkuYO8EiRPqPfxSty-U94w

Meeting ID: **817 9207 7978**

Passcode: **144764**

(253) 215-8782

Call to Order/Flag Salute/Roll Call

Agenda Modifications/Acceptance

Special Presentations

Public Comment - Agenda Items Only

Consent Agenda

1. Accounts Payable Aug 16-31 Ck Numbers 53681-53712 Including EFT's Totaling \$71,851.46
2. Meeting Minutes - August 28, 2024

Updates

3. Staff Reports - Light & Power, Finance, Fire, Police, Water & Wastewater, Public Works Director

New Business

Old Business

4. Fraternal Order of Police – Memorandum of Understanding for the 2024-2026 Collective Bargaining Agreement
5. Washington Department of Enterprise Services Energy Services Authorization/Agreement
6. McCleary Civic Renewal Council regarding City Partnership

Ordinances and Resolutions

Public Comment - City Business Only

Executive Session

Council Comments

Mayor Comments

Adjourn

Please turn off Cell Phones- Thank you

Americans with Disabilities Act (ADA) Accommodation is Provided Upon Request.

The City of McCleary is an equal opportunity provider and employer.

La ciudad de McCleary es un proveedor de igualdad de oportunidades y el empleador.



McCleary Regular City Council Meeting

Wednesday, August 28, 2024 – 6:30 PM
McCleary City Hall & Zoom Virtual Meeting

Minutes

Call to Order/Flag Salute/Roll Call

Meeting called to order at 6:30pm

PRESENT

Councilmember Brycen Huff
Councilmember Max Ross
Councilmember Andrea Dahl
Councilmember Keith Klimek

ABSENT

Councilmember Jacob Simmons
Mayor Chris Miller

Motion made by Councilmember Huff, Seconded by Councilmember Dahl to excuse Councilmember Simmons.
Voting Yea: Councilmember Huff, Councilmember Ross, Councilmember Dahl, Councilmember Klimek

Agenda Modifications/Acceptance

Motion made by Councilmember Dahl, Seconded by Councilmember Klimek to accept the agenda.
Voting Yea: Councilmember Huff, Councilmember Ross, Councilmember Dahl, Councilmember Klimek

Special Presentations

1. FCS Group - Rate Review Update:

Sergey Tarasov, FCS Consultant, provided an overview of the process used to provide estimates on utility rate needs for the next cycle. He stated the figures have been fine-tuned with 2023 actual budgetary yearend figures and new capital project plans. He presented each utility rate structure and increases needed to sustain the capital program. There were changes to the residential water rate design to include a model of paying for all consumption, with no built-in usage, currently there is a 5ccu built in usage. This allowed the base rate to be decreased and then the customer would pay for the amount of usage each month based off of ccu's. This model will reward customers with low usage and increase bills to high consumption users. Examples of low user, high user and moderate user bills for all utilities were provided as a review if the rates were approved as presented. The model showed estimated increases to the total bill in 2025 to be between 5% and 12% depending on consumption level. 5% for low users, 8.85% for average users and 11.69% for high users. The increase decreases in years following. Mr. Tarasov stated the need for higher increases upfront is to provide the revenue needed to complete the capital facilities plans that are needed in the coming years and retain the needed reserves.

The Council asked questions regarding the projects, timelines, and customer messaging. Councilmember Huff stated he read there was an 8% maximum on rate increases and would like that reviewed.

2. McCleary Civic Renewal Council regarding City Partnership:

Carri Comer spoke on behalf of the McCleary Civic Renewal Council. They were formed when the Chamber left McCleary and they bring organized events to the City of McCleary. They would like to partner with the City on some of the events. She stated they also provide welcome bags for all new residents that move here.

Ms. Comer stated the Renewal Council is applying for a grant to assist with some of their events. She stated they do not have much in the way of funds, as they are all volunteer and provide low cost events to the public. There was discussion on the Christmas events in particular.

Councilmember Klimek asked what the Renewal Council needed from the City. Ms. Comer stated they need a letter of support for the grant and they would like an MOU with the City for events. The Renewal Council wants to work together. She stated insurance for placing the banners up in the city is too expensive for the organization to provide and would like that to be handled by the City.

Chris Coker spoke about liability for the City. He stated the City would not be covered by the City Insurance Pool if they are not city ran events. There was further discussion on events permitting and insurance needs. This topic will be further reviewed and discussed at the next meeting.

Public Comment - Agenda Items Only

No Public Comment

Consent Agenda

Motion made by Councilmember Dahl, Seconded by Councilmember Ross to accept the consent agenda.
Voting Yea: Councilmember Huff, Councilmember Ross, Councilmember Dahl, Councilmember Klimek

3. Accounts Payable Ck Numbers 53619, 53629-53680 including EFT's Totaling \$262,690.74
4. Minutes - Council Meeting July 24, 2024
5. Minutes - Council Meeting August 14, 2024

Updates - No Updates

New Business - None

Councilmember Ross asked to move item number 7 in front of number 6 so that the Conservation District Director did not need to stay on the meeting any longer.

Old Business

7. City of McCleary - Conservation District Annexation:

David Marcell, Executive Director of the Conservation District, stated the Conservation District provides opportunities for property owners and local governments to partner and use funding resources the District has been awarded. For example the District currently has funding specifically for the Cloquallum basin area, of which the Wildcat Creek Basin is a part of. This means that property within the city limits could be eligible for cleanup of knotweed. He provided other examples of partnerships that are available free of charge. No one is forced to do the projects, it is all voluntary. There is only a \$5 fee to join the District and open up the funding opportunities.

Motion made by Councilmember Huff, Seconded by Councilmember Klimek to approve the annexation of the City into the Conservation District boundaries.

Voting Yea: Councilmember Huff, Councilmember Dahl, Councilmember Klimek
Councilmember Ross recused himself from voting.

6. Washington Department of Enterprise Services Energy Services Authorization/Agreement:

Chad Bedlington said he provided answers to questions from Councilmember Dahl and stated he was open for questions. Joel Hansen from Ameresco was present to answer questions as well.

Councilmember Dahl stated she is still confused and has concerns on the long-term effect of solar, in regard to cost and maintenance. There was discussion on output and lifespan along with degradation of the panels. Councilmember Huff asked about a microgrid and if the project would include the ability for the city to be self-sufficient in case of emergency. Mr. Hansen stated the project scoping of the Energy Audit will provide details on what can be achieved within the grant funding. He stated there are also other funding opportunities that the City can apply for to enhance the system. He stated there are tax credits that could be used for more expansion of the system and back up power capabilities.

Councilmember Huff stated he wants to wait until all Councilmembers are present to take action on this. Councilmember Ross stated he is ready to vote. The item was tabled to the next meeting by consensus.

8. Freedom Heating & Air Conditioning - Construction Agreement for WWTP

Chad Bedlington stated the Treatment Plant needs to replace their HVAC system as it has reached end of life.

Motion made by Councilmember Dahl, Seconded by Councilmember Klimek to approve the agreement with Freedom Heating and Air Conditioning.

Voting Yea: Councilmember Huff, Councilmember Ross, Councilmember Dahl, Councilmember Klimek

9. Dogs Allowed in Park Discussion

Chad Bedlington stated in the current Ordinance there is allowance for park rules to be amended to allow dogs in the park. Councilmembers discussed the rules they would like to see are dogs need to be on a leash, they need to be picked up after and restricted from the courts and playground. There was discussion on this going into effect in 30 days to provide time to have dog stations and signs put up in the park. There was consensus to make this a temporary approval to be reviewed in six months.

Motion made by Councilmember Ross, Seconded by Councilmember Huff to allow dogs in the park for a trial period of six-months and to authorize signage and waste stations to be placed in the park.

Voting Yea: Councilmember Huff, Councilmember Ross, Councilmember Dahl, Councilmember Klimek

Ordinances and Resolutions

10. Resolution to Amend Financial Policies to allow Interest to be deposited into the Current Expense Fund:

Council will discuss this further at the upcoming budget workshop. No action was taken.

Public Comment - City Business Only

Dan Baskins spoke about bringing business to the City and the potential for revenue. He stated the Stormwater system is living on borrowed time and needs to be enhanced.

Closed Session

11. Closed Session for Collective Bargaining under RCW 42.30.140

Closed session started at 9:02pm not to exceed 10 minutes. It was extended an additional 5 minutes. Closed session ended at 9:18pm and no decisions were made in the session.

Motion made by Councilmember Ross, Seconded by Councilmember Klimek to approve the Fraternal Order of Police Collective Bargaining Agreement for 2024-2026.

Voting Yea: Councilmember Huff, Councilmember Ross, Councilmember Dahl, Councilmember Klimek

Council Comments - None

Mayor Comments - None

Adjourn

Motion made by Councilmember Ross and Seconded by Councilmember Dahl to adjourn the meeting at 9:19pm.

Voting Yea: Councilmember Huff, Councilmember Ross, Councilmember Dahl, Councilmember Klimek



City of McCleary **STAFF REPORT**

To:	Council
From:	Paul Nott
Date:	9/4/2024
Department:	Light and Power

Hello All,

Since our last report we have completed the well road project and are back on Pine Street working on the cutover. We've had a couple new customer services and one outage that was specific to only one customer. The crew did have to clear an alleyway located between Hemlock and Oak Street that had become overgrown to the point that the vegetation was almost into our primary lines and we were not able to get our equipment in the alley for any type of repairs.

As always, we are also working on customer service requests and maintenance issues as they arise.

If anyone has any questions or concerns, feel free to contact us...

Paul



City of McCleary

STAFF REPORT

To:	Mayor and Council
From:	Jenna Amsbury, Clerk-Treasurer
Date:	September 4, 2024
Department:	Finance & Administration

Finance:

In August I worked the 2025 Budget set up, contract negotiations, union meetings and HR items. I also worked on Springbrook updates, L&I hearing, minutes and setting up outlook calendars for rentals and leave authorizations.

Lindsay continued work on AP's, payroll, agendas/minutes and customer service for office coverage.

Lori Ann has been finalizing the Department of Commerce Energy Grant for utility customers, customer service, accounts receivables and purchasing for city departments.

Public Records:

There is currently one (1) open public records requests and 34 closed requests for 2024 for a total of 35 received. These are administrative records only, as police requests are separate and handled by the PD Clerk.

Policies:

<u>Policy</u>	<u>Policy Committee Status</u>	<u>Current Status</u>
Camera Policy	Reviewed Sent to Council	Approved on 7-24-24
Public Records Ord. Update	Reviewed Sent to Council	Not approved by Council – needs revisions or comments
Social Media Policy	Draft and research emailed	Needs committee review and recommendation
Dog Ordinance	Updates and staff comments emailed	Needs committee review and recommendation
Asset Management Policy		Needs drafted
Fee Schedule Resolution		Needs updated
Employee Handbook		Review for updates and law changes needed
Employee Technology Use Policy/ Cell Phone Use		Needs drafted
Purchasing Policy		Needs reviewed and new draft created
Small works roster		May need updates due to new RCW



City of McCleary STAFF REPORT

To:	Mayor Miller and Council
From:	Fire Chief Andrew Pittman
Date:	September 1, 2024
Department:	Fire Department

Hello all,

The National night out was a great success, it was great to see everyone attend and enjoy the festivities.

The McCleary Fire Department was awarded additional Naloxone dosages through the dept of health at no cost to the city though a state grant program. Thank you, AC Debakker, for your work on that.

The work on Highway 108 has come to an end for the year so we are no longer needed to provide coverage for our partners in Mason County

We have 3 new members that are going through the hiring process at the Fire Department, and we are hopeful to have them onboard in the next couple of months.

Our Partners at Grays Harbor Fire District #12 have agreed to purchase new wildland gear for all members of the department. This will be a great help with working on wildland fires because of the lightweight properties, Thank you GHFD#12 commissioners for your ongoing partnership with the city

August numbers are as follows:

Public assists = 3 Fires =1 Mutual aid fires=1 Accidents =2 Vehicle fires= 3 Fire alarms=3 Rescues=1
Total= 14

Just a reminder we are still in a full burn ban, for more information on this you can check ORCCA, DNR, or the grays harbor county fire marshal's websites for up to date burn restrictions.

Thank you for the opportunity and Stay Safe,

Fire Chief Andrew Pittman



City of McCleary STAFF REPORT

To:	City Council
From:	Chief Sam Patrick
Date:	September 2024
Department:	Police Department

Activity Report Provided with this report.

The new portable radios have been delivered and are currently being programmed at day wireless. They will be issued our up completion of programming.

The new Tasers have arrived and reserve officer Tovar is a Taser instructor and will be holding training with each member of the department prior to issuance.

One of the charger's is still in the shop having repair work completed in Shelton. Upon placing back in to service it will become the spare/reserve vehicle. It is the second highest mileage vehicle and developed a cooling system issue.

The Explorer has been pulled out of service and is waiting council to decide the disposition of it. (Reminder the vehicle is quoted to need about \$2,000 worth of maintenance work regardless of option 1 or 2 below) There is not an accurate way to predict how much the vehicle would sell for in either option.

Option #1 place it out to bid for any law enforcement agency which would not require McCleary to spend money to have all the police equipment removed.

Option #2 spend the money to have the police equipment removed from it and place it out for general public to purchase.

Now that school has started for the 2024-2025 year officers have been instructed to show a present when available during drop off and pick up times unless otherwise unavailable.

With some hard work from Mackenzie (our police clerk) worked with the court system and the tribal jail for video court appearances. What this means is officers will no longer need to transport inmates booked in on McCleary warrants, or misdemeanor arrests made by our officers. This will prevent officers to be out of the city from 1 to 3 hours. Great work Mackenzie.

Chief S. Patrick

**McCleary Police Department
Monthly Call Activity Report**



Aug-24

#	Calls		
			Malicious Mischief
			Message
		1	Motorist Assist
			Noise Problem or Complaint
			Non Blocking Accident
1	911 Hangup		Non Blocking Vehicle
2	911 Open line		Overdose Accident
4	Abandoned/Disabled Vehicles		Order Issued/ Violation
	Abuse	1	Open
1	Accident Unknown	1	Paper Service
2	Accidents non blocking/unk		Parking Problem
	Accidents with injuries/Rollover	23	Police Information/phone message
14	Agency Assist		Property/Lost/Found/Recovered
1	Alarm	1	Prowler
13	Animal Problem	3	Reckless
1	Assault		Railroad Crossing Blocked
	Assault in Progress	1	Runaway
6	Assists- Cittzen		Service
	ATC (Attempt to Contact)		Sex Offense/ Rape
	ATL (Attempt to Locate)		Shooting/Weapons/Explosives/ Hazards
	Bite		Shoplifting
	Burglary		Structure fire/Threatened
3	Code Enforcement Viol.	1	Subject Stop
	Civil/Public		Suicide
	CPS/ APS Referral		Suicide/Threats/ Attempts
	Controlled Substance	1	Suspicious Person
	Death / Report of dead body	3	Suspicious Vehicle
2	Disabled Vehicle	8	Suspicious/Unknown Circumstances
2	Disorderly conduct		Thefts In Progress
	Display (unlawful)		Thefts/ Larceny
1	DUI		Threats
1	DVA in Progress/Act	1	Traffic/ Infractions/Offenses
1	Extra Patrols Request	43	Traffic Stops
1	Fight	3	Traffic- Other/Hazzard/Patrol
35	Fire or Aid Responding	1	Traffic Pursuit
	Firearm		Test Incident Type
2	Forgery/ Fraud-Blackmail		Trespassing
	Found Person / Child	2	Unknown Problem
1	Found Property	1	Vehicle Theft
	Hazardous	3	Verbal
	Harassment		Violation Controlled Substance
1	Hit & Run		Voided incident
	Illegal Burn	3	Warrants Service or Confirm
	Intoxicated in Public		Welfare check
	Lost/Missing/Found Person		Wire down
95		101	

Tickets: 19 YTD: 264

Total : 196 Year To Date: 1513



City of McCleary

STAFF REPORT

To:	Mayor Miller and City Council
From:	Kevin Trehwella
Date:	September, 2024
Department:	Water and Wastewater

Wastewater:

In a survey of WWTP with flows ranging greater than 10,000,000gpd to less than 100,000gpd which was Published by Industrial WaterWorld Magazine. In 2011 it was predicted that Annual Wastewater Treatment costs were expected to rise at a moderate pace of 5% over the next five years, and that facilities would have an average spending of \$2.06 (ranging from \$1.23 to \$3.42) per 1000 gallons of water discharged. Also, they were able to determine that treatment cost per 1000 gallons was nearly 15 times greater for plants with flows less than 100,000 gpd, than those incurred by the largest facilities.

In 2023 WaterSense published a report based on the same criteria that the treatment of residential wastewater has increased to \$8.57 per 1,000 gallons.

100,000gpd cost of treatment = \$ 857.00

700,000gpd cost of treatment = \$5,999.00

Recently, I was going through archived files. In those files was a complaint regarding the I&I. That letter, from 1966, was addressed to the city council. What it tells me is that different City council's and City managers have known about this problem for 58 years. I am sure that since it was brought up in 1966, there have been investigations into the causes of the I&I. The last time there was an investigation was in 2013(11years ago), yet very little money has been spent on this problem. Out on Summit one pipe and two manholes were relined.

In the August staff report, problems associated with High I&I flows were highlighted and how they can affect the quality of our City's Wastewater Treatment Plant (WWTP) Effluent. The problems associated with High flows, caused by a large volume of I&I, start with increased hydraulic pressure on the overall processes of the WWTP. The High flows sweep in

dirt and other inert materials. When the flow volume becomes too great the system will switch over to what is termed as "Storm Mode". What this means is treatment process is shortened and of lower quality with more Suspended Solids and Settleable Solids are leaving the SBR and going through the UV disinfection system. This Settleable Solids material along with the increased suspended solids increases the chance that we will have a higher risk of Fecal Coliform in our Effluent going out to Wild cat creek.

It is imperative that we direct funding to resolve the largest portions of the City's I&I problems.

Kevin Trehwella



City of McCleary STAFF REPORT

To:	Mayor Miller and City Councilmembers
From:	Chad Bedlington, Director of Public Works
Date:	September 11, 2024
Department:	Public Works Administration

Updates:

Opening Beerbower Park to Allow On-leash Dogs:

Signage for the park has been ordered and we will work to get signs and waste stations installed before the end of September.

IT Update

Currently we are working on getting the proper domain and licensing in place for the necessary IT improvements for the Police department. This is taking longer than expected due to delays in getting our contractor approved to work on the police side of the IT system. That has subsequently been resolved and we are working on a deployment schedule for the necessary server and support upgrades in the coming weeks.

We have also released a Request for Proposals (RFP's) to several IT managed service providers in the area as of August 29,2024. The RFP's close on September 19, 2024. It is also noteworthy that we received some feedback on the process and the necessity to outsource services from one of the prospective vendors. The LinkedIn article that was published regarding the need for services is below:

https://www.linkedin.com/posts/fifonetworks_callmeifyouneedme-fifonetworks-staffing-activity-7235315307739799552-qjgM?utm_source=share&utm_medium=member_desktop

We continue to work on finding the lowest and most responsive alternative available to provide IT services for the City.

Update: Grant Pursuits

Below is a list of current grants that have either been submitted or are being pursued this year by City staff. This list will be updated monthly to keep the community and Council informed of progress. It is not to be considered comprehensive as additional opportunities may materialize and will be added to the list:

Grant Type	Description	Proposed Purpose	Status
Private	Elison Foundation	Food Bank Expansion	Submitted
State	Department of Natural Resources	Acquisition of Fire Dept. command vehicle and additional equipment needs	Submitted, will know in December
Private	Quadra Tech	ROW beautification	Submitted, closes Oct 30 th
Private	City Foundation, Community progress makers	Food Bank new construction and downtown infrastructure	Not awarded
State	Dept of Ecology	On-going aquifer monitoring	Submitted, will know in October/November
State	Dept of Ecology	Inflow and Infiltration monitoring of the sewer system and determining sources of I and I	In progress
State	Recreation & Conservation Office (RCO), Youth Athletic Facilities	New Playground Improvements near Summit Place	Presentations completed to RCO, waiting on potential award notification
State	Recreation & Conservation Office (RCO), Youth Athletic Facilities	Upgrades to Beerbower park athletic facilities	Presentations completed to RCO, waiting on potential award notification
State	Department of Commerce – Decarbonization Grant	Solar grant to support power independence and resiliency, and potentially offset operating costs	Awarded
State	WSDOT Safe Routes to Schools	Pursuit of sidewalk and ADA crossing improvements around McCleary Elementary School	Submitted, will know in November
State	Transportation Improvement Board (TIB)	Involves several potential street segments. Pursuing chip seal program funding.	Submitted, will know in October

State	Department of Commerce -Paper to Digital Grant	Funding to pursue replacement and more efficiency in our data management, permitting, and financial software.	Submitted, will know in September
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West Maple Street Sidewalk Project

This project is currently at 60% design with an anticipated construction started date in the Fall of 2024.



CITY COUNCIL AGENDA ITEM COVER SHEET

FROM: Jenna Amsbury
DATE: September 4, 2024
AGENDA ITEM TITLE: Fraternal Order of Police – Memorandum of Understanding for the 2024-2026 Collective Bargaining Agreement

SUMMARY

When reviewing the approved 2024-2025 Collective Bargaining Agreement and retroactive payments, it was determined that it is not practical to review all the shift differential payments back to January 1, 2024. Also shifts have now changed to a differential time frame and we would like the contract to reflect the full shift.

RECOMMENDATION/ACTION REQUESTED

Approve the MOU.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF MCCLEARY, WA
AND THE
OLYMPIC MOUNTAIN FOP LODGE #23 -
MCCLEARY LABOR COMMITTEE**

This Memorandum of Understanding is entered into between the City of McCleary, Washington and the Olympic Mountain FOP Lodge #23 – McCleary Labor Committee with the intent to allow proper communication between the parties listed above.

BACKGROUND:

On 8/22/2024 both parties met with a mediator and were able to reach a “Tentative Agreement” on a 2024-2026 Collective Bargaining Agreement. On 8/28/2024 both parties respectively certified this Agreement.

AGREEMENT:

It is mutually agreed by all parties that the 2024-2026 Collective Bargaining Agreement shall be retroactive to January 1, 2024, with the exception of Article 21.5 which shall be modified as follows:

- 21.5 Being made effective ~~January~~ September 1, 2024, officers working hours between ~~6-7~~ PM and ~~6-7~~ AM shall receive a shift differential of seventy-five cents (\$.75) per hour.

Be it further agreed that this Memorandum of Understanding shall be pursuant to the terms of Article 24 - Grievance Procedure should there be any dispute regarding the interpretation and/or application of this memorandum.

This Memorandum of Understanding is effective upon signature and will become current contract language.

THIS AGREEMENT IS EXECUTIED THIS _____ DAY OF _____, 2024

Chris Miller, Mayor
City of McCleary, WA

Randy Bunch, Chief Steward
McCleary Labor Committee
Olympic Mountain FOP Lodge #23



CITY COUNCIL AGENDA ITEM COVER SHEET

FROM: Chad Bedlington, Director of Public Works

DATE: September 11, 2024

**AGENDA ITEM
TITLE:** Washington Department of Enterprise Services
Energy Services Authorization/Agreement

SUMMARY

The City submitted a Community Decarbonization Grant (CDG) Application earlier this year and was awarded grant funds for a solar array project in June of 2024. A presentation on the project and contracting delivery method(s) was given to City Council on July 10, 2024 and additional information was provided at the July 24th, August 14th, and August 28th meetings by staff and Ameresco (Energy Savings Company) contractor on the project. Council showed interest in the project, but required further time to consider several questions. Detailed information and Frequently Asked Questions (FAQ) about the project can be found on the City Website at:

<https://www.cityofmccleary.com/buildingplanning/page/mccleary-solar-array-project>.

The next step in the process of developing the project is to complete an Investment Grade Audit (IGA) and generate an Energy Services Proposal (ESP). The IGA is completed to determine cost savings through independent power generation (solar), and the ESP will refine costs for delivery of the project and includes development of 30% project design. In addition to moving forward with the IGA/ESP, Ameresco is also offering to provide a 25-year maintenance agreement as part of the proposed project.

Administration of the IGA and ESP is overseen through direct contracting with the State of Washington Department of Enterprise Services. State funding authorization forms for the IGA and ESP are attached for consideration. Concurrent with the IGA and ESP creation will be the drafting of an Agreement with the State Department of Commerce to secure the grant funding for the project.

FISCAL IMPACT

The cost to complete the IGA and ESP is \$47,978.00, and is 100% reimbursable through the Department of Commerce CDG Agreement upon execution. The initial cost of the IGA and ESP will be borne by the City and paid for from the Light and Power fund 401.

RECOMMENDATION/ACTION REQUESTED

Approve signing of the Agreement with the Department of Enterprise Services.



STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

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

ENERGY SERVICES AUTHORIZATION NO. 2025-088 A (1)
Detailed Investment Grade Energy Audit & Energy Services Proposal Agreement
City of McCleary
McCleary Solar PV System
July 16, 2024
MAIN ENERGY SERVICES AGREEMENT NO. 2023-185 A (1)

The Owner and the Energy Services Company (ESCO) named below do hereby enter into this Authorization under terms described in the following sections:

- Authorization to Proceed
Compensation for Energy Services
Project Conditions
Scope of Work
Schedule for Completion
Civil Rights
Non-Discrimination

I. AUTHORIZATION TO PROCEED:

Energy Services Company: Ameresco, Inc.
222 Williams Ave. South, Suite 100
Renton, WA 98057
Telephone No. (206) 708-2830
Fax No.(425) 687-3173
E-Mail AmerescoWADES@ameresco.com
Owner: City of McCleary
acting through the
Department of Enterprise Services
Energy Program
PO Box 41476
Olympia, WA 98504

By Name Title Date
By Name Kirsten G. Wilson, PE
Title Energy Program Manager
Date

State of Washington Contractor's License No. AMEREI*004PZ
State of Washington Revenue Registration No. 602 062 980

II. COMPENSATION FOR ENERGY SERVICES:

Table with 2 columns: Basic Services, COMPENSATION. Rows include Energy Audit and Energy Services Proposal (\$ 47,978.00) and Grand Total (plus WSST as applicable) (\$ 47,978.00).

III. PROJECT CONDITIONS:

The Project Conditions contained in the Main Energy Services Agreement will be used unless specifically changed herein. The cost effectiveness criteria for this project are per the Ameresco, Inc. proposal dated July 10, 2024.

IV. SCOPE OF WORK:

Per the ESCO proposal dated July 10, 2024 conduct a Detailed Investment Grade Energy Audit of City of McCleary, to identify cost effective energy conservation measures and present a written Energy Services Proposal, including all energy audit documentation. The ESCO shall prepare the final Energy Services Proposal, detailing the actual energy services and ESCO equipment to be provided, energy savings and cost guarantees, measurement and verification plans, and commissioning plans for the proposed measures. Measures will include items that save energy, water and other resources. The Cost Effectiveness Criteria for this project shall be as established in the Main Energy Services Agreement or as modified in Section III above.

V. SCHEDULE FOR COMPLETION

Final completion of the Energy Audit and Energy Services Proposal within 120 calendar days after Authorization to Proceed.

VI. CIVIL RIGHTS

Contractor represents and warrants that Contractor complies with all applicable requirements regarding civil rights. Such requirements prohibit discrimination against individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin.

VII. NON-DISCRIMINATION

1. Nondiscrimination Requirement. During the term of this Contract, Contractor, including any subcontractor, shall not discriminate on the bases enumerated at RCW 49.60.530(3). In addition, Contractor, including any subcontractor, shall give written notice of this nondiscrimination requirement to any labor organizations with which Contractor, or subcontractor, has a collective bargaining or other agreement.
2. Obligation to Cooperate. Contractor, including any subcontractor, shall cooperate and comply with any Washington state agency investigation regarding any allegation that Contractor, including any subcontractor, has engaged in discrimination prohibited by this Contract pursuant to RCW 49.60.530(3).

3. Default. Notwithstanding any provision to the contrary, Agency may suspend Contractor, including any subcontractor, upon notice of a failure to participate and cooperate with any state agency investigation into alleged discrimination prohibited by this Contract, pursuant to RCW 49.60.530(3). Any such suspension will remain in place until Agency receives notification that Contractor, including any subcontractor, is cooperating with the investigating state agency. In the event Contractor, or subcontractor, is determined to have engaged in discrimination identified at RCW 49.60.530(3), Agency may terminate this Contract in whole or in part, and Contractor, subcontractor, or both, may be referred for debarment as provided in RCW 39.26.200. Contractor or subcontractor may be given a reasonable time in which to cure this noncompliance, including implementing conditions consistent with any court-ordered injunctive relief or settlement agreement.

4. Remedies for Breach. Notwithstanding any provision to the contrary, in the event of Contract termination or suspension for engaging in discrimination, Contractor, subcontractor, or both, shall be liable for contract damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, which damages are distinct from any penalties imposed under Chapter 49.60, RCW. Agency shall have the right to deduct from any monies due to Contractor or subcontractor, or that thereafter become due, an amount for damages Contractor or subcontractor will owe Agency for default under this provision.

2025088Aagrko



222 Williams Avenue South, Suite 100
Renton, WA 98057
P: 206 522 4270
F: 425 687 3171
ameresco.com

July 10th, 2024

Chad A. Bedlington
City of McCleary
100 S 3rd Street
McCleary, WA 98557

Attn: Sarah Thomasson
Department of Enterprise Services
1500 Jefferson Street SE
PO Box 41476
Olympia, WA 98504-1401

SUBJECT: City of McCleary - Investment Grade Audit Fee Proposal
City of McCleary Solar PV System

Dear Chad:

We are pleased to submit this amendment for the audit phase of the City of McCleary Solar PV System. The facility which has been identified by City of McCleary is Parcel # 618051114039 (herein referred to as the Site). Ameresco will provide development services for the subject project in accordance with the following:

Development Services

A. Audit Phase Services will include:

Ameresco will undertake a targeted Investment Grade Audit (IGA) of the Site. The Investment Grade Audit will identify cost effective Energy Conservation Measures (ECMs). Ameresco will present to the Owner a written Investment Grade Audit (IGA) Report and an Energy Services Proposal (ESP). Audit activities will include: site walks with client and subcontractors, preliminary system sizing and schematic design, and interconnection discussion with Bonneville Power Administration and the City of McCleary.

Ameresco will require collaboration with the City of McCleary Light and Power including: utility rate data, access to staff and Site, current energy management practices, input regarding interconnection with the utility, and future plans the City may have for the Site.

The **Investment Grade Audit Report** will set forth at least the following:

1. Executive summary of the audit findings;
2. A description of the Site including type of use, square footage, and location;
3. Utility rate schedules for production value estimating;



4. Detailed energy analysis calculations. Energy model is performed using Helioscope software, baseline modeling assumptions, and summary of results;
5. A list of applicable building, mechanical, energy, or other pertinent state and local codes that may impact the project costs;
6. Description of energy efficiency measures recommended;
7. Description of energy efficiency measures considered and not recommended or not financially viable;
8. Measurement and verification (M&V) plan proposed for verifying energy savings consistent with the International Performance Measurement and Verification Protocol (IPMVP);
9. Financial analysis of EEMs;
10. Summary table with measure name, installed cost, and energy production by utility;
11. The audit will incorporate a 30% design incorporating the following: Site layout with solar panel layout and potential interconnection point and Electrical single line with interconnection voltage identified

The **Energy Services Proposal** will set forth at least the following:

1. The selected ESCO Equipment to be installed and ESCO Services; to be provided
2. The Cost Effective EEMs to be installed or caused to be installed by ESCO under the cost-effectiveness criteria.
3. The Benefits including the Energy Cost Savings, the decreased carbon production, operations and maintenance savings, and other non-energy cost savings.
4. The services that ESCO will perform or cause to be performed on or in the Facility, including but not limited to engineering, construction management, self-performed work, the operations and maintenance procedures for use on ESCO Equipment, training for Facility personnel, providing warranty service, and equipment maintenance;
5. The Guaranteed Maximum Project Cost, itemized in detail (including but not limited to direct labor, material and equipment, Construction Contingency, performance bond, design, construction management, and overhead and profit), which may be amended to represent actual costs;
6. The calculated and Guaranteed Energy Savings and estimated Energy Cost Savings that are expected to result from the installation of ESCO Equipment and from ESCO Service.
7. The method by which Energy Savings and Energy Cost Savings will be calculated during the term of the Energy Services Authorization;
8. A description of how ESCO will finance its acquisition of ESCO Equipment and when title to ESCO Equipment will pass to the Owner;
9. A description of how Energy Savings will be guaranteed by ESCO;
10. A description of how ESCO proposes to be compensated;
11. The term of the Energy Services Authorization;
12. The Termination Value for each year during the term of the Energy Services Authorization;
13. The schedule for project completion;
14. The nature and extent of the Work and equipment that ESCO anticipates it will receive from other firms under subcontract;
15. A project-specific Diverse Business Inclusion Plan (Inclusion Plan), when applicable and where constraints or other factors prevent ESCO from applying its pre-submitted Diverse Business Inclusion Plan to the Work.

16. ESCO's Measurement and Verification (M&V) Plan for documenting energy savings, including specifying utility rates to be used, methodology, post-construction equipment adjustment and any recommendation to continue or discontinue M&V reporting beyond the first 12-months post-installation, consistent with the International Performance Measurement and Verification Protocol (IPMVP), specifying how the cost of M&V was determined if they exceed 10% of cost savings;
17. A list of applicable building, mechanical, energy or other pertinent state and local codes for selected EEMS that may impact the project costs.

Conservation measures will include items that save energy, water, or other resources (including various cost savings measures). Measures to be studied under this audit agreement are outlined in the Conservation Measure List attachment. *Should additional measures be requested, an amendment to this proposal may be submitted and associated costs evaluated as applicable. Additional measures requiring supplemental fees will not be studied until the Audit Amendment is approved and processed.*

Cost Effectiveness Criteria

It is understood that the cost effectiveness criteria for this project include measures that are paid for through a capital contribution of \$50,000, a grant contribution of \$2,750,000, and/or potential utility cost savings and Federal Tax Credits. Ameresco will present to the Owner a project that meets the requirements of the awarded WA Dept. of Commerce Decarbonization Grant.

- If Ameresco is NOT able to develop a project that meets the above cost effectiveness criteria and City of McCleary chooses not to proceed with a construction contract, the associated audit fee will be waived.
- If Ameresco develops a project that meets the cost effectiveness criteria, City of McCleary is responsible for the full amount of the audit; the audit fee can either be rolled into the construction contract or be paid in full by City of McCleary.

Fee for Development Services:

A. Basis and amount:

Fixed Fee for Services

Audit & Development: \$22,358

Engineering Services (30% Design Set): \$25,620

Total: \$47,978

It is understood by Ameresco that payment and terms are contingent upon the requirements set forth in the Energy Services Proposal.

Schedule for Development Services:

The Investment Grade Audit Report will be completed within 90 days of the Notice to Proceed. The Energy Services Proposal will be completed within 120 days of the Notice to Proceed.

We at Ameresco, Inc. appreciate the opportunity to provide these services. If this proposal for Audit Services is satisfactory, please forward contract documents.

Sincerely,
Ameresco, Inc.

Matthew Bowser

Project Development Engineer

Attachments: Fee Proposal, Conservation Measure Lists

Hourly Summary:

TASK	Field Audit					Total Hours
	Project Developer	Project Engineer	Construction Manager	Technician / TAB / Cx	Admin. Assistant	
Field/Audit	8					8
Analysis/Calculations	20	16		2		38
Evaluation of ECMs	8	8	4	2		22
Report Write-up	32	16			4	52
Customer Presentation	8	4	4		4	20
Travel	8					8
Total Hours:	84	44	8	4	8	148
Hourly Rate:	\$ 148	\$ 128	\$ 145	\$ 114	\$ 78	
Estimated Fee for Services:	\$ 12,432	\$ 5,632	\$ 1,160	\$ 456	\$ 624	\$ 20,304
					Travel	\$ 2,054
					Engineering/Design	\$ 25,620
					Total Audit Fee:	\$ 47,978

McCleary Light and Power			M&V
Electric Conservation Measures		Rank	
MLP-E1	Solar PV - This measure will investigate installing a ground mount solar electricity generation system to reduce carbon emissions and lower energy costs.	3	IPMVP Option A

PAYBACK RANK NOTES:

- 1) Measures that are likely to pay for themselves through energy savings and utility incentives.
- 2) Measures that may pay for themselves, or may require some capital infusion
- 3) Measures that will require significant (>50%) capital infusion



STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

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

July 16, 2024

TO: Chad Bedlington, City of McCleary
FROM: Kim Obi, Contracts Specialist, (360) 972-5003
RE Agreement No. 2025-088 A (1)
IGA – McCleary Solar PV System
IAA No. K7925
Ameresco, Inc.

SUBJECT: Funding Approval

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

ESCO Audit	\$ 47,978.00
Total Funding	\$ 47,978.00

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

By _____
Name / Title Date

Please sign and return this form to the Energy Program. If you have any questions, please call me.

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