

**PRE-AGENDA**  
FOR THE REGULAR MEETING OF  
PUBLIC UTILITY DISTRICT #1 OF CLALLAM COUNTY  
BOARD OF COMMISSIONERS  
**APRIL 24, 2023 AT 1:30 PM - THIS IS A HYBRID MEETING**

**Join Zoom Meeting:** <https://clallampud-net.zoom.us/j/84721624204?pwd=Q0pCaVRLWXFqeWpONVFYaFM0UFB2UT09>  
**Meeting ID:** 847 2162 4204 | **Passcode:** 718170

- **Consent Agenda Items**  
The Board will consider approving Consent Agenda items.
  
- **Recommendation to Solicit Bids for Bid No. 230804 for Liberty Station Construction**  
The Board will consider authorizing the District to solicit formal bids from qualified contractors for Bid No. 230804 for the Liberty Station construction. The engineer's estimate for the project is \$153,325.  

**Staff requests a motion, second, and a vote to:** authorize District staff to publish a notice in the Peninsula Daily News and other means as determined by staff to be prudent inviting sealed proposals from qualified contractors for Bid No. 230804 for the Liberty Station construction, a new greenfield 115KV switching station located at 1248 E. Lauridsen Avenue in Port Angeles, WA. The engineer's estimate for the project is \$153,325.
  
- **Acceptance Memo for Agreement Cost Increase to 220801 Clallam Bay-Sekiu Water Main Replacement**  
The Board will consider authorizing the District to accept Change Order No. 2 which is required to add four additional water main crossings under State Route 112 due to the abandonment of original scope of work plans for asbestos cement pipe blasting, which has been determined to be unacceptable by the Olympic Region Clean Air Agency. The amended cost for a not-to-exceed amount of \$179,434,89 for a total project cost not-to-exceed \$4,436,695.97.  

**Staff requests a motion, second, and a vote to:** authorize District staff to accept the Change Order No. 2 cost for Agreement No. 220801 for a not-to-exceed amount of \$179,434,89 for a total project cost not-to-exceed \$4,436,695.97.
  
- **EDC Office Space Lease**  
Commissioners and staff will discuss leasing office space to the Clallam County Economic Development Council.
  
- **BPA Post-2028 Contract Discussion**  
Board and staff will discuss recent BPA post-2028 contract negotiations.
  
- **EXECUTIVE SESSION**  
To evaluate the qualifications of applicants for public employment pursuant to RCW 42.30.110(1)(g).

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*The Commissioners will also consider the customary business matters associated with approval of payments, minutes of the previous meeting, reports from Commissioners and staff, comments from the public, and other items of information or general business. Items may be added to, or removed from, the agenda at the meeting.*

**AGENDA**  
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**1. CALL TO ORDER**

**2. PUBLIC COMMENT #1: AGENDA-SPECIFIC COMMENTS**

**3. AGENDA REVISIONS**

**4. APPROVAL OF CONSENT AGENDA**

- A. Minutes of the April 3, 2023 special meeting;
- B. Minutes of the April 10, 2023 regular meeting;
- C. Minutes of the April 17, 2023 special meeting;
- D. Claim vouchers for April 10 through April 17, 2023 for a total of \$4,221,011.52; and
- E. Payroll vouchers for the period of March 16 through April 15.

**5. BUSINESS ITEMS**

- A. Recommendation to Solicit Bids for Bid No. 230804 Liberty Station Ben Phillips
- B. Acceptance Memo for Agreement Cost Increase to 220801 Clallam Bay-Sekiu Water Main Replacement Bowen Kendrick
- C. EDC office space lease Sean Worthington
- D. BPA post-2028 contract Commissioners, Staff

**6. CORRESPONDENCE/COMMUNICATIONS**

- A. Resolution 2269-23 Supporting Breaching Lower Snake River Dams Sean Worthington

**7. COMMISSIONER REPORTS**

**8. STAFF REPORTS**

- A. Port Angeles Operations Center Terry Lind, Sean Worthington
- B. BPA Provider of Choice Roadshow John Purvis, Tyler King
- C. NoaNet Board Meeting Steve Schopfer
- D. NW Regional and WPUA Communicators Group Nicole Hartman
- E. Dungeness Water and WPUA Water Updates Bowen Kendrick

**9. BOARD ACTION ITEMS FOR STAFF**

**10. PUBLIC COMMENT #2: GENERAL COMMENTS**

**11. EXECUTIVE SESSION**

To evaluate the qualifications of applicants for public employment pursuant to RCW 42.30.110(1)(g).

**12. ADJOURN**

## **CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1**

Minutes of the Special Meeting of the Board of Commissioners

Main Office | 104 Hooker Road | Sequim, WA 98382

**April 3, 2023 at 1:00 PM** - This was a hybrid meeting

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### **Commissioners Present**

Jim Waddell, President

Ken Hays, Vice President, functioning also as Secretary

### **Staff Present** (in person or via Zoom):

Sean Worthington, General Manager

Lori Carter, Controller/Auditing Officer

Jamie Spence, HR Manager

Nicole Hartman, Communications Manager

Eric Jacobson, Business Analyst

Teresa Lyn, Executive Assistant

### **Others Present as Identified** (in person or via Zoom):

Jack Smith

Kenneth Reandeau

Ken Park

Nathan Adkisson

The meeting commenced at 1:00 PM. President Waddell immediately recessed the meeting to enter into an Executive Session for approximately 45 minutes. General Manager Sean Worthington advised that action is expected after the Executive Session. No other agenda items are planned after the Executive Session.

### **EXECUTIVE SESSION**

An executive session was held to evaluate the qualifications of applicants for public employment pursuant to RCW 42.30.110(1)(g). Those in attendance were: Commissioners Waddell and Hays, General Manager Sean Worthington, Controller/Auditing Officer Lori Carter, Human Resources Manager Jamie Spence, and Communications Manager Nicole Hartman. The Executive Session ended at 1:51 PM.

### **ANNOUNCEMENT**

The meeting reconvened at 1:52 PM. Commissioner Waddell made a motion to interview the following six candidates for the District 2 Commissioner position on either April 4<sup>th</sup> or April 5<sup>th</sup> from 9AM to approximately 1 PM:

Jack Smith

Jason Zizzo

John Purvis

Marc Sullivan

Nathan Adkisson

Troye Jarmuth

Commissioner Hays seconded and the motion passed. A hiring decision is expected to be made the week of April 10<sup>th</sup>.

**ADJOURN**

There being no further business to come before the Board, the meeting adjourned at 2:35 PM.

Submitted by Teresa Lyn, Executive Assistant.

**ATTEST:**

\_\_\_\_\_  
Secretary

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*A detailed transcript of this meeting via audio recording is available to the public on the Commission Meetings page of the PUD website here: <https://clallampud.net/commission-meetings/>.*

April 3, 2023

**CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1**

Minutes of the Regular Meeting of the Board of Commissioners

Main Office | 104 Hooker Road | Sequim, WA 98382

**April 10, 2023 at 1:30 PM** - This was a hybrid meeting

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**Commissioners Present**

Jim Waddell, President

Ken Hays, Vice President, functioning also as Secretary

**Staff Present** (in person or via Zoom):

Sean Worthington, General Manager

John Purvis, General Superintendent

Lori Carter, Controller/Auditing Officer

Ruth Kuch, Finance Manager/Treasurer

Colin Young, Distribution System

Supervisor

Eric Jacobson, Business Analyst

Teresa Lyn, Executive Assistant

Alan Plasch, Sr. Power Systems Project

Coordinator

Chanda Halverson, Customer Service

Supervisor

Chelsey Jung, Payroll Coordinator

Jamie Spence, HR Manager

Jason Siebel, Carlsborg Ops Superintendent

Julie Metzger, Power Systems Project

Coordinator

Kaylie Hunter, Procurement and Facilities

Supervisor

Mike Hill, Engineering Manager

Nicole Hartman, Communications Manager

Sarah Canepa, Financial Analyst II

Shanee Wimberly, Utility Services Advisor I

Shawn Delplain, Broadband Manager

Tyler King, Power Analyst

Xanthius Christianson, Engineer II

**Others Present as Identified** (in person or via Zoom):

Jack Smith

Kenneth Reandeau

Darlene Schanfald

Fred Mitchell

Janet Marx

Marc Sullivan

Ken Park

Patti Morris

Pippa Eastlake

The meeting commenced at 1:30 PM.

**AGENDA-SPECIFIC PUBLIC COMMENT**

Public comment was heard regarding Commissioner terms and a suggestion to actively recruit a female commissioner.

**AGENDA REVISIONS**

No revisions.

**APPROVAL OF CONSENT AGENDA**

Upon recommendation of staff, and upon motion of Commissioner Hays seconded by Commissioner Waddell and carried, the Board approved the following consent agenda items:

- A. Minutes of the March 13, 2023 regular meeting;
- B. Claim vouchers for March 13 through April 4, 2023 for a total of \$4,946,542.62;
- C. Payroll vouchers for the period of March 1 through March 15, 2023;
- D. Removal of delinquent accounts from April active accounts receivable in the amount of \$6339.37 including a 30% collection fee;

- E. Removal of invoices from active miscellaneous accounts receivable in the amount of \$30,919.36 including a 30% collection fee;
- F. Contractor prequalification for Burke Electric LLC., in the amount of \$10,000,000 for the upcoming calendar year; and
- G. Contractor prequalification for Tice Electric Company in the amount of \$5,000,000 for the upcoming calendar year.

## **BUSINESS ITEMS**

- A. Upon recommendation of staff, the Board considered approving Resolution 2267-23 amending the District's healthcare plan in order to conform the District's methodology to that utilized by all other PURMS utility participators. Commissioner Hays made a motion to approve the Resolution less the vision care increase on the attachment. Commissioner Waddell seconded the motion and the Board voted to approve Resolution 2267-23 Amending the District's Healthcare Plan without the provision for the vision care increase on the attachment.
- B. Upon recommendation of staff, and upon motion from Commissioner Hays, seconded by Commissioner Waddell and carried, the Board approved Resolution 2268-23 authorizing the disposal of surplus property consisting of one 2000KVA transformer and one 1500KVA transformer due to age and large areas of rust that are beyond repair that can be done in house. The combined items are valued at \$15,500.00 and both items will be sold to Maddox Industrial Transformer as is.
- C. Upon recommendation of staff, and upon motion from Commissioner Hays, seconded by Commissioner Waddell and carried, the Board approved Resolution 2270-23 Establishing Titles and Monthly Salary Ranges for Staff Employees in order to add a Grant Writer and Analyst job title.
- D. Commissioners and staff discussed open District's membership organization delegate assignments which resulted from the resignation of Commissioner Paschall. It was decided that upon appointment of a new Commissioner, some organization delegate assignments will be reviewed and possibly reassigned. Commissioner Hays requested that going forward, staff appear before the Board to report out on any significant updates from their attendance at member-organization meetings. Commissioner Waddell will act as the Delegate to the WPUDA Executive Committee in the interim
- E. The Commissioners discussed three Commissioner-proposed Resolutions 2265-23, 2266-23, and 2269-23 regarding the four lower Snake River dams (LSRD). The Board voted to dismiss two previously proposed LSRD resolutions, No. 2265-23 and No. 2266-23. Commissioner Hays made a motion to adopt Resolution 2269-23 with several amendments, which he read aloud. Commissioner Waddell seconded the motion and the amended Resolution with amendments was adopted.
- F. Commissioners and staff discussed recent BPA post-2028 contract negotiation updates. Commissioner Hays advised that he planned to attend the May 18<sup>th</sup> post-2028 road show Q& A at WPAG's Ryan Neal's urging.

## **CORRESPONDENCE/COMMUNICATIONS**

General Manager Sean Worthington shared that former Commissioner Will Purser was selected to receive the Northwest Public Power Association's (NWPPA) Life Membership Award in May 2023 to honor him for his many years of work with PUD No. 1 of Clallam County and in the industry and for making notable contributions to Public Power and NWPPA. The Board authorized Mr. Purser's travel to accept this award.

General Manager Sean Worthington presented the Board with the results from the March 2023 Employee Survey. Survey participation was up 30% over the previous year with significant morale improvements in several areas, most notably in safety and water. The Commissioners were pleased and congratulated GM Worthington on his great work to which he said kudos to all the department heads and supervisors for making it happen.

## **COMMISSIONER REPORTS**

Commissioner Waddell attended a Northwest Power and Conservation Council on resource adequacy.

Commissioner Hays attended meetings regarding the innovation cluster acceleration program and the Recompete Grant. He provided testimony and his personal opinion to a US Government listening session regarding the Lower Snake River dams. He attended a North Peninsula Building Association meeting at which supply chain issues, transformer prices, and the State Privilege Tax were discussed.

## **STAFF REPORTS**

General Manager Sean Worthington advised that a joint meeting between the Clallam County Board of Commissioner and the District would take place at the Port Angeles Courthouse on Monday, May 15 from 1 to 4PM. This meeting will be in lieu of the regular board meeting scheduled for May 22<sup>nd</sup>. Topics and agenda will be shared as they become available. The Commissioners are requested to provide theirs by the next board meeting on the 24<sup>th</sup> of April.

## **BOARD ACTION ITEMS FOR STAFF**

- A. Check with the Commissioners to ensure they are registered for any upcoming WPUDA meetings that they wish to attend.
- B. Obtain Commissioner topics for the joint BOCC-CCPUD1 mtg on May 15<sup>th</sup>.
- C. Incorporate Commissioner Hays approved amendments into the adopted 2269-23 LSRD Resolution.

## **GENERAL PUBLIC COMMENT**

Public comment was heard regarding the superintendent's potential transition from his current role to Commissioner; the recruitment process (the individual shared that he felt the recruitment process was appropriate and open to all genders and races); appreciation was expressed for the conversations today that took into consideration the impact to ratepayers specifically in regards to considering the abandonment of existing resources, building new resources, involvement in broadband, and whether the District was going to get into the electric charging station business.

### **EXECUTIVE SESSION**

At 2:40 PM the meeting recessed to enter into an Executive Session for approximately 30 to 45 minutes to evaluate the qualifications of applicants for public employment pursuant to RCW 42.30.110(1)(g). Those in attendance were: Commissioners Waddell and Hays, General Manager Sean Worthington, Controller/Auditing Officer Lori Carter, Human Resources Manager Jamie Spence, and Communications Manager Nicole Hartman. General Manager Sean Worthington advised that action may or may not occur after the Executive Session. No other agenda items are planned after the Executive Session.

### **ANNOUNCEMENT**

The meeting reconvened at 3:26 PM. Commissioner Waddell advised that staff had reviewed six candidates for the District 2 Commissioner position and had provided the Board with their rankings. He made a motion to, based on candidate availability, conduct a second round of interviews in a panel format for three candidates on Monday, April 17<sup>th</sup> at 1 PM. Commissioner Hays and seconded and the Board voted to approve the motion. General Manager Sean Worthington advised that a special meeting notice would be posted and shared with the media by the end of the day. The three candidates to be re-interviewed are Nathan Adkisson, John Purvis, and Marc Sullivan.

### **ADJOURN**

There being no further business to come before the Board, the meeting adjourned at 3:29 PM.

Submitted by Teresa Lyn, Executive Assistant.

### **ATTEST:**

\_\_\_\_\_  
Secretary

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*A detailed transcript of this meeting via audio recording is available to the public on the Commission Meetings page of the PUD website here: <https://clallampud.net/commission-meetings/>.*

April 10, 2023



**CLALLAM COUNTY PUBLIC UTILITY DISTRICT #1**

Minutes of the Special Meeting of the Board of Commissioners

Main Office | 104 Hooker Road | Sequim, WA 98382

**April 17, 2023 at 1:00 PM** - This was a hybrid meeting

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**Commissioners Present**

Jim Waddell, President

Ken Hays, Vice President, functioning also as Secretary

**Staff Present** (in person or via Zoom):

Sean Worthington, General Manager

Julie Metzger

Lori Carter, Controller/Auditing Officer

Kaylie Hunter

Jamie Spence, HR Manager

Mike Hill

Nicole Hartman, Communications Manager

Shanee Wimberly

Eric Jacobson, Business Analyst

Shawn Delplain

Chelsey Jung

Teresa Lyn, Executive Assistant

**Commissioner Candidates Present:**

Marc Sullivan

John Purvis

Nathan Adkisson

**Others Present as Identified** (in person or via Zoom):

Brian Grad

Kenneth Reandeau

Elizabeth Schilling

Pippa Eastlake

Janet Marx

Richard DeBusman

Ken Park

Solar Wind

The meeting commenced at 1:00 PM.

The board conducted a panel interview of three candidates: John Purvis, Nathan Adkisson, and Marc Sullivan.

At 2:44 PM the panel interview concluded. Commissioner Waddell recessed the meeting to enter into an Executive Session for approximately 30 minutes. General Manager Sean Worthington advised that there may or may not be action after the Executive Session.

**EXECUTIVE SESSION**

An executive session was held to evaluate the qualifications of applicants for public employment pursuant to RCW 42.30.110(1)(g). Those in attendance were: Commissioners Waddell and Hays, General Manager Sean Worthington, Controller/Auditing Officer Lori Carter, Human Resources Manager Jamie Spence, and Communications Manager Nicole Hartman. The Executive Session ended at 3:12 PM.

**ANNOUNCEMENT**

The meeting reconvened at 3:12 PM. At that time, Commissioner Waddell made a motion to continue the discussion at the April 24<sup>th</sup> regular board meeting. Commissioner Hays seconded and the motion passed.

**ADJOURN**

There being no further business to come before the Board, the meeting adjourned at 3:15 PM.

Submitted by Teresa Lyn, Executive Assistant.

**ATTEST:**

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Secretary

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April 17, 2023

**SUMMARY VOUCHER APPROVAL**  
**PUBLIC UTILITY DISTRICT #1 OF CLALLAM COUNTY**  
**OPERATING FUND**

We certify, under penalty of perjury, that the materials have been furnished, the services rendered, or the labor performed as described herein, and that the attached list of claims are a just, due and unpaid obligation against Public Utility District No. 1 of Clallam County, and that we are authorized to authenticate and certify said claims.

SIGNED  DATE 4/19/23  
AUDITING OFFICER

 DATE 4.19.23  
GENERAL MANAGER

Vouchers audited and certified by the Auditing Officer and the General Manager have been recorded on the attached list(s) which has been made available to the Board of Commissioners of Public Utility District No. 1 of Clallam County. We, the undersigned Board of Commissioners of Public Utility District No. 1 of Clallam County, approve for payment those vouchers included on the attached list(s):

Summary for Voucher Lists Dated 4/10/2023–4/17/2023

Checks	\$	1,690,842.32
Wire Transfers		2,478,760.45
E-Payment		51,408.75
Prepays		
Total	\$	4,221,011.52

\_\_\_\_\_  
COMMISSIONER

\_\_\_\_\_  
COMMISSIONER

\_\_\_\_\_  
COMMISSIONER

**Public Utility District No. 1 of Clallam County**  
**Treasurer's Report**

March 31, 2023

	2/28/23			Receipts			Disbursements			3/31/23	3/31/22
	Cash	Transfers	Investments	Cash	Transfers	Investments	Cash	Transfers	Investments		
<b>Electric Funds</b>											
Electric Operating Fund	13,715,168.41	9,457,277.44	598,879.02	6,440,847.89	755,779.18		16,572,727.80			17,255,081.79	8,397,701.03
Temporary Investments	17,184,276.09	70,805.70								5,124.37	20,987,068.07
Safekeeping Account	5,129.94	0.43					6.00			3,200.00	4,833.51
Working Funds	3,200.00									3,200.00	3,350.00
Escrow in Lieu of Bond Fund											
Rate Stabilization Fund	4,325,583.00									4,325,583.00	4,145,145.24
2022 Construction Fund											4,615,311.17
Rural Economic Dev. Fund											-
CETA Decarbonization Fund	7,692,952.72	4,363.30								7,697,316.02	577,282.34
Debt Service Funds	2,659,645.84		294,929.16							2,854,575.00	
Debt Service Reserve Fund	1,898,144.46									1,898,144.46	2,016,087.39
<b>Water Funds</b>	<b>47,484,130.46</b>	<b>9,532,446.87</b>	<b>891,808.18</b>	<b>6,440,853.89</b>	<b>755,779.18</b>		<b>60,711,762.44</b>			<b>40,746,578.75</b>	
Water Operating Fund	2,531,708.12	10,850.09	452,529.57				2,371,206.70			941,069.02	
Water Capital Fund	3,519,131.00	15,081.93	26,327.15				3,580,540.08			4,904,605.04	
Debt Service Fund - 2019 Loan	11,775.83		3,925.00				15,700.83			15,700.00	
<b>Sewer Funds</b>	<b>6,062,614.95</b>	<b>25,932.02</b>	<b>482,781.72</b>				<b>623,881.08</b>			<b>5,947,447.61</b>	<b>5,861,374.06</b>
Sewer Operating Fund	85,856.42	367.95	8,713.50				4,277.05			90,660.82	65,754.26
Sewer Capital Fund	152,459.30	653.38	633.91				153,746.59			143,046.16	
	<b>238,315.72</b>	<b>1,021.33</b>	<b>9,347.41</b>				<b>4,277.05</b>			<b>244,407.41</b>	<b>208,800.42</b>
<b>Totals</b>	<b>53,785,061.13</b>	<b>9,559,400.22</b>	<b>1,383,937.31</b>	<b>6,440,853.89</b>	<b>1,383,937.31</b>		<b>56,903,607.46</b>			<b>46,816,753.23</b>	

Interest	Current Month		2022
	2023		
Electric Funds	188,327.88	362,310.40	35,602.89
Water Funds	25,932.02	46,392.64	5,664.47
Sewer Funds	1,021.33	1,849.91	208.48
<b>Total</b>	<b>215,281.33</b>	<b>410,552.95</b>	<b>41,473.84</b>

Cash & Investments	3/31/23	3/31/22
	FF/Gesa/Sound Accounts	39,640,201.30
LGIP	-	-
Working Funds	3,200.00	3,350.00
Safekeeping	5,124.37	4,833.51
Investments	17,255,081.79	20,987,068.07
<b>Total</b>	<b>56,903,607.46</b>	<b>46,816,753.23</b>

**Cash & Investments**

March 31, 2023

Avg. Weighted Yield - Money Market	4.83%
Avg. Weighted Yield - Investments	5.13%
Avg. Days to Maturity	525

**Electric**

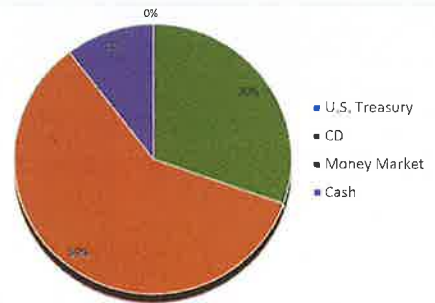
Investment Instrument	Yield/Rate	Term	Maturity Date	Balance
Gesa CU CD	5.20%	13 MO.	2/29/2024	3,064,509.50
Gesa CU CD	5.20%	13 MO.	2/29/2024	3,064,417.58
Gesa CU CD	5.00%	36 MO.	12/8/2025	5,076,784.78
Sound CD	5.20%	13 MO.	2/26/2024	6,049,369.93
<b>Subtotal</b>				<b>17,255,081.79</b>

**All Systems**

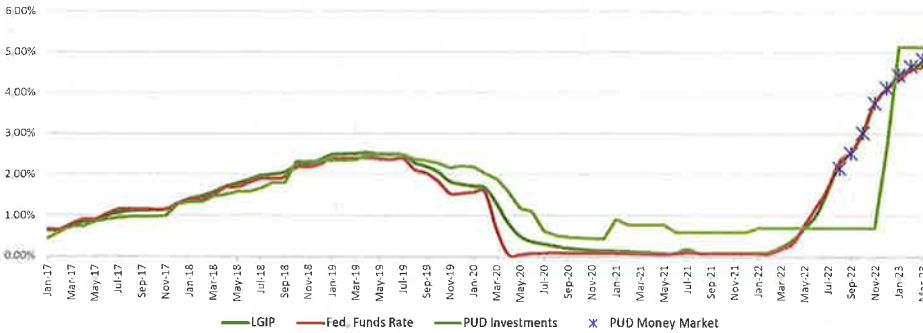
LGIP	N/A			-
FF Money Market	4.82%			30,341,691.09
Sound Money Market	4.87%			3,371,680.78
Cash**	Varied			5,935,153.80
<b>Subtotal</b>				<b>39,648,525.67</b>
<b>Total</b>				<b>\$ 56,903,607.46</b>

\*\*Cash held at FF, Sound, Gesa and US Bank (incl. Working Funds), excl. Money Market.

**Cash & Investment Portfolio**



**Rate History: LGIP, Fed Funds Rate, & PUD Investment Portfolio**



**Public Utility District No. 1 of Clallam County**  
**Treasurer's Report**      March 31, 2023

**Cash Receipts**

<b>Electric</b>	Collections	9,344,118.89	
	Allocated Interest	113,159.55	
	Subtotal	9,457,277.44	
Temp. Investments	Bond Income	-	
	CD Interest	70,805.70	
	Subtotal	70,805.70	
Safekeeping	Treasury Bond Interest	-	
	Safekeeping Interest	0.43	
	Subtotal	0.43	
CETA Decarbonization Fund	Allocated Interest	4,363.30	
Water	Collections	-	
	Allocated Interest	10,850.09	
	Subtotal	10,850.09	
Water Capital Fund	Allocated Interest	15,081.93	
Sewer	Collections	-	
	Allocated Interest	367.95	
	Subtotal	367.95	
Sewer Capital Fund	Allocated Interest	653.38	
	<b>Total</b>	<b>9,559,400.22</b>	

**Cash Disbursements**

<b>Electric</b>	Checks Iss'd/Fees	6,440,847.89	
	Subtotal	6,440,847.89	
Safekeeping Account	Fees	6.00	
Debt Service Fund - 2010	Principal & Interest	-	
Debt Service Fund - 2014	Principal & Interest	-	
Debt Service Fund - 2016	Principal & Interest	-	
Debt Service Fund - 2018	Principal & Interest	-	
Debt Service Fund - 2022	Principal & Interest	-	
	Subtotal	-	
Water	Debt Service Fund - 2019 Loan	-	
	<b>Total</b>	<b>6,440,853.89</b>	

**Transfers In**

<b>Electric</b>	From Water Op warehouse rent	1,990.00	
	From Water Op GIS Loan Payment	-	
	From Wat/Sew Op shared services	40,255.18	
	From Wat/Sew Op Current Month Payroll	156,308.46	
	Intercompany Trfs. - fleet, materials OH, etc. (WS)	4,170.56	
	From Wat/Sew Current Month Voucher & RnV	394,154.82	
	From Working Funds	-	
	Subtotal	596,879.02	
CETA Decarbonization Fund	From Elec Op	-	
Rate Stabilization Fund	From Elec Op	-	
Debt Service Funds	From Electric Op monthly debt service transfers	294,929.16	
Water	From Electric Op for Current Month Receipts	450,902.76	
	Intercompany Trfs. - fleet, materials OH, etc. (ES)	1,626.81	
	From Sewer Op promissory note pymt.	-	
	From Water Op	-	
	Subtotal	452,529.57	
Water Capital Fund	From Water Op for charges billed	26,327.15	
	From Water Op Transfer	-	
	Subtotal	26,327.15	
Debt Service Fund - 2019 Loan	From Water Op	3,925.00	
Sewer	From Electric Op for Current Month Receipts	8,713.50	
	Intercompany Trfs. - fleet, materials OH, etc. (EW)	-	
	Subtotal	8,713.50	
Sewer Capital Fund	From Sewer Op for charges billed	633.91	
	<b>Total</b>	<b>1,383,937.31</b>	

**Transfers Out**

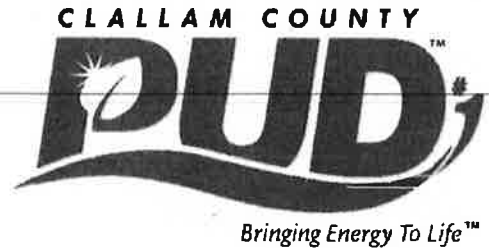
<b>Electric</b>	To 2010 Electric Debt Service Fund	73,120.85	
	To 2014 Electric Debt Service Fund	84,312.51	
	To 2016 Electric Debt Service Fund	75,054.15	
	To 2018 Electric Debt Service Fund	59,324.98	
	To 2022 Electric Debt Service Fund	23,116.67	
	To CETA Fund	-	
	To Rate Stabilization Fund	-	
	To Wat/Sew Op Current Month Receipts	459,618.26	
	Intercompany Trfs. - fleet, materials OH, etc. (S)	-	
	Intercompany Trfs. - fleet, materials OH, etc. (W)	1,233.76	
	Subtotal	755,779.18	
Debt Service Reserve Fund	To Electric Op	-	
Water	To Electric Op Current Month Payroll	153,808.79	
	To Electric Op warehouse rent	1,990.00	
	To Electric Oper shared services	39,889.11	
	To Electric Op Current Month Vouchers & RnV	393,770.47	
	To Electric Op GIS Loan Payment	-	
	Intercompany Trfs. - fleet, materials OH, etc. (E)	4,170.56	
	To Water Capital Fund charges billed	26,327.15	
	To Debt Service Fund - 2019 Loan	3,925.00	
	Subtotal	623,881.08	
Water Capital Fund	To Water Op	-	
Sewer	To Electric Op Current Month Payroll	2,499.67	
	To Elec Oper shared services	366.07	
	To Electric Op Current Month Vouchers & RnV	384.35	
	Intercompany Trfs. - fleet, materials OH, etc.	-	
	To Water Op promissory note pymt	-	
	Intercompany Trfs. - fleet, materials OH, etc. (W)	393.05	
	To Sewer Capital Fund charges billed	633.91	
	Subtotal	4,277.05	
	<b>Total</b>	<b>1,383,937.31</b>	

**Investments Matured/Purchased**

Operating Fund			
	Subtotal	-	
Safekeeping			
	Subtotal	-	
Temp. Investments			
	Subtotal	-	
	<b>Total</b>	<b>-</b>	

**Investments Matured/Purchased**

Operating Fund			
	Subtotal	-	
Safekeeping			
	Subtotal	-	
Temp. Investments			
	Subtotal	-	
	<b>Total</b>	<b>-</b>	



**MEMORANDUM**

**Date:** April 24, 2023

**To:** Sean Worthington, General Manager

**From:** John Purvis, General Superintendent  
Mike Hill, Engineering Manager  
Ben Phillips, Project Manager

**Re:** RECOMMEND SOLICITATION FOR BIDS  
LIBERTY STATION ELECTRICAL CONSTRUCTION  
BID 230804

Liberty Station is the new greenfield 115KV switching station, located at 1248 E. Lauridsen Blvd in Port Angeles WA, and is planned and budgeted for construction in 2023. Delays in the project plans and permitting plans have consumed four months of this year and the project is now pending the City of Port Angeles construction permit, which can be approved anytime from within the month or up to six months or longer from now. In order to minimize further time loss and delays on construction time, staff recommends the District authorize solicitation for formal bids to prequalified contractors for electrical construction work as soon as the construction permit with City of Port Angeles is approved.

Work consists of installation of conduit, ground grid, structural steel and electrical equipment and wire. Details are more fully set forth in the draft Invitation to Bid attached hereto, which may be slightly modified in the scope of work pending City of Port Angeles construction permit approval. The engineer's estimate for the project is \$153,325. If the engineer's estimate increases in any additional amount for any reason, staff will resubmit the request for Board approval to solicit for bids.

Staff requests a motion, second, and vote to authorize District staff to publish a notice in the Peninsula Daily News and by such other means as determined by staff to be prudent, inviting sealed proposals from prequalified contractors for the work immediately after receipt of the City of Port Angeles construction permit.

Accepted by Board of Commissioners at meeting of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Sean Worthington, General Manager



**INVITATION TO SUBMIT BID  
Bid Number 230804**

Prequalified contractors are invited to submit a sealed bid for Clallam County PUD No. 1, Liberty Station – Electrical Construction. The scope of work consists of installing conduit, ground grid, steel supporting beams, electrical equipment 795AAC conductors and fiber optic communications cable. The District shall provide materials and electrical equipment, as detailed in the specifications and drawings. All other material, as detailed in the specifications and drawings, shall be the responsibility of the successful bidder. The Engineer's estimate for the work under this contract is \$153,325.

Sealed bids will be received by Clallam County PUD No. 1, until 2:30 p.m. Pacific Time on *Month, Day, Year*. Bids may be submitted via USPS and sent to Clallam County PUD No. 1, Attn: Contracts Coordinator, P.O. Box 1000, Carlsborg, Washington 98324. If submitting a sealed bid via express delivery (i.e. FedEx, UPS), please deliver the sealed bid to Clallam County PUD No. 1, Attn: Contracts Coordinator, 100 Hooker Road Sequim, WA 98382. The bid must be in a sealed bid envelope with the name and address of the Bidder, the bid number, and title Liberty Station – Electrical Construction, on the sealed envelope and then placed inside the delivery envelope to be mailed. If hand-delivered, the sealed and labeled envelope should be brought to the main office at 104 Hooker Road, Sequim, WA 98382. Proposals must be filled out in ink or typewritten. No alterations or interlineations will be permitted, unless made before submission, initialed, and dated. At 3:00 p.m. Pacific Time, a public bid opening will take place in the Boardroom at the District's Main office at 104 Hooker Road, Sequim, WA.

A voluntary pre-bid meeting will be held on *day, Month date, year, at 10:00 a.m.* at the District's Engineering office at 110 Idea Place, Carlsborg, WA, in the Dungeness Conference room.

Each bid must be accompanied by a Bid Bond, Certified Check, or Cashier's Check in an amount equal to five percent (5%) of the Bid.

**All bidders must be prequalified in accordance with Washington State Regulations (RCW 54.04.085) prior to receiving bid proposals.** The bid packets and contract documents including plans and specifications may be viewed and downloaded from our website at no cost:

<https://www.clallampud.net/contractorsprojects/>.

PUBLIC UTILITY DISTRICT NO. 1  
OF CLALLAM COUNTY

Dated: \_\_\_\_\_

\_\_\_\_\_  
Appropriate commissioner

**SECTION I**  
**BID NUMBER 230804**  
**NOTICE AND INSTRUCTIONS TO BIDDERS**

**1. CALL FOR BIDS**

Sealed bids will be received by Clallam County PUD No. 1 until 2:30 p.m. Pacific Time, on *day, Month date, year*. At 3:00 p.m. Pacific Time, a public bid opening will take place at 104 Hooker Rd, Sequim, WA 98382 in the Lake Crescent Boardroom. Contractors who submit a bid must be prequalified in accordance with Washington State Regulations (RCW 54.04.085) prior to receiving bid proposals.

**2. SCOPE OF WORK**

The Liberty Station Electrical Construction project is for the electrical construction of a new greenfield 115KV switching station, located at 1248 East Lauridsen Boulevard, Port Angeles WA. The scope of work consists of installing conduit, ground grid, steel supporting beams, electrical equipment 795AAC conductors and fiber optic communications cable. The District shall provide materials and electrical equipment, as detailed in the specifications and drawings. All other material, as detailed in the specifications and drawings, shall be the responsibility of the successful bidder. The project construction work consists of:

1. Install conduit ONLY (**PUD will pull wire**) per DWG #E6-1-1, E6-1-2 & E4-6
2. Install fiber optic cables per DWG #E6-1-3
3. Install ground grid per DWG #E5-3-1, E5-3-2 & E5-3-3
4. Install twelve (12) 115KV insulator steel supports per DWG #E2-1, E3-1 & S1-5
5. Install two (2) High side V-Switch A-frame steel per DWG #E2-1, E3-1, S1-3-1 & S1-3-2
6. Install six (6) CMU steel supports per DWG #E2-1, S1-4 & S1-9
7. Install one (1) A-Frame East steel and make modifications to support legs per DWG #E2-1, E3-1, S1-1 & S1-7
8. Install one (1) A-Frame West per DWG #E2-1, E3-1, & S1-2-1 & S1-2-2
9. Install one (1) BPA Tie Beam steel per DWG #E2-1, E3-1 & S1-6
10. Install twelve (12) 115KV insulators per DWG #E2-1, & E3-1
11. Remove two (2) High Side V-Switches from steel beams; they are presently attached to (located at the District's Central Warehouse Facility, CWF, see #27 below)
12. Install two (2) High Side 115KV V-Switches per DWG #E2-1, E3-1, & E2-6 and EXHIBIT-D, Royal V-Switch installation instructions
13. Install six (6) CMU's per DWG #E2-1, E3-1, E2-4 & E2-5
14. Install two (2) circuit switchers per DWG #E2-1, E3-1, E2-2 & E2-3 and EXHIBIT-E, S&C Series 2000 Installation & Operation
15. Install two (2) 115KV V-Switches on A-Frames East & West per DWG #E2-1, E3-1, E2-7 & E2-8 and EXHIBIT-D, Royal V-Switch installation instructions
16. Install three (3) 115KV lightning arrestors on the BPA Tie Beam and connect to ground
17. Install one (1) Control House on control house pad (Transport to Liberty station, from CWF, see #27 below, lift & set on pad, silicone seal bottom edges to concrete)
18. Install one (1) 25KVA padmount transformer
19. Install a single phase primary tap, riser and 4/0UG primary feed from pole #3006-113164 to 25KVA padmount transformer near Electrical Control House
20. Install 1/0 UG secondary service from 25KVA padmount transformer to Electrical Control House AC Panel
21. Remove 795AAC Conductor from pole #3006-113169 and transfer to BPA Tie Beam with compression dead-ends



22. Install ~30ft of 3-Ph 795AAC Conductor with compression dead-ends between CS-1480 and switch 1481 on A-Frame East per DWG #E2-1
23. Install ~30ft of 3-Ph 795AAC Conductor with compression dead-ends between CS-1490 and switch 1491 on A-Frame West per DWG #E2-1
24. Install ~50ft of 3-Ph 795AAC conductor with compression deadends between switch 1481 on A-Frame East and pole #3006-113169
25. Install ~50ft of 3-Ph 795AAC conductor with compression deadends between switch 1491 on A-Frame West and pole #3006-113164
26. Install four (4) LED Yard Lights per DWG #E6-1
27. Transport all materials, equipment & steel structures from PUD Central Warehouse Facility (CWF) located at 100 Hooker Road, Sequim WA, to job site
28. PUD will supply material as indicated in drawing E3-1 – Equipment List. All steel mounting beams include nuts and bolts for equipment mounting. Any material missing or not supplied by the District must be supplied by the contractor

### **Work Near Energized Circuits**

Work will be performed underneath an energized 115KV Transmission line. A portion of the project will require de-energization of this 115KV Transmission line. The District will have to schedule this outage with Bonneville Power Administration (BPA) and it requires a least 2 weeks notification from the contractor in order to schedule the outage.

Material and electrical equipment shall be provided by the District, as detailed in the specifications and drawings. All other material, as detailed in the specifications and drawings, shall be the responsibility of the successful bidder. The Contractor shall, at its expense, be responsible for obtaining all permits required by governing authorities that affect its work, with the exception of the building permit.

**A preliminary Project Plan and Schedule shall be submitted with the bid and a final Project Plan and Schedule shall be provided after the contract is awarded and before the beginning of any work.** If the schedule moves, the Contractor shall update their Schedule and notify the District of any changes immediately.

### **3. AVAILABILITY OF CONTRACT DOCUMENTS**

The bid packets and contract documents including plans and specifications may be viewed and downloaded at no cost from our website: <https://www.clallampud.net/contractorsprojects/>. If you have further questions please contact the Project Manager, Ben Phillips by telephone (360) 565-3267 or by e-mail [bphillips@clallampud.net](mailto:bphillips@clallampud.net). If you need assistance with documents, please contact Contracts Coordinator at (360) 565-3243 or by e-mail [contracts@clallampud.net](mailto:contracts@clallampud.net).

### **4. CONTRACT**

The Project shall be performed by one general contractor, as detailed under Item 2 of this Notice and Instructions to Bidders. The Bidder may not elect to bid on only a portion of the Project, but may use necessary subcontractors to complete the work. All subcontractors must be listed in Section II, Proposal. **Any subcontractor not listed will not be allowed on the construction site. Such change or substitution must be approved in advance by the District and executed with a Change Order PRIOR TO WORK STARTING by the subcontractor.**

### **5. CONTRACTOR PREQUALIFICATION AND COMPLIANCE WITH LAWS**

All bidders must be a prequalified contractor in accordance with R.C.W. 54.04.085, prior to submitting a proposal.

By submitting a proposal, you are also certifying that your firm is not in a suspended status or on any State or Federal Debarment list.

By submitting a proposal, you are also certifying to comply with all applicable laws, statutes, ordinances, codes, rules and regulations applicable to work performed and services provided, including those pertaining to the licensing of contractors, and the so-called "Kickback Statute" (48 Stat. 948) and regulations issued pursuant thereto.

## 6. SUBMISSION OF PROPOSAL

The bid must be in a sealed bid envelope with the name and address of the Bidder, plainly marked "**SEALED BID**" with bid number and project title Liberty Station - Electrical Construction on the sealed envelope and then placed inside the delivery envelope to be delivered.

Bids may be submitted **via USPS** and sent to Clallam County PUD No. 1, Attn: Contracts Coordinator, P.O. Box 1000, Carlsborg, Washington 98324.

If submitting a sealed bid **via express delivery** (i.e. FedEx, UPS), please deliver the sealed bid to Clallam County PUD No. 1, Attn: Contracts Coordinator, 100 Hooker Road Sequim, WA 98382.

If **hand-delivered**, the sealed and labeled envelope should be brought to the main office at 104 Hooker Road, Sequim, WA 98382.

Proposals must be filled out in ink or typewritten. No alterations or interlineations will be permitted, unless made before submission, initialed, and dated. Sealed bids will be received by Clallam County PUD No. 1 until 2:30 p.m. Pacific time *on day, Month date, Year*. At 3:00 p.m. Pacific Time, *Month date, Year*, a public bid opening will take place at 104 Hooker Road, Sequim, WA 98382, in the Lake Crescent boardroom.

## 7. BID SECURITY

Each proposal shall be accompanied by a Certified Check or Cashier's Check payable to the order of the District for a sum not less than five percent (5%) of the amount of the bid, or accompanied by a Bid Bond in an amount not less than five percent (5%) of the total bid with a Corporate Surety licensed to do business in the State of Washington, conditioned that the Bidder will pay to the District as liquidated damages the total amount specified in the Bond unless entering into a contract in accordance with the bid and furnishing a Performance and Payment Bond(s) for not less than One Hundred percent (100%) of the contract price within ten (10) days of being notified as being the successful bidder, as required by Section 54.04.080 R.W.C.

If a proposal is not accepted, the Certified Check, Cashier's Check, or Bid Bond will be returned within 90 days to the Bidder furnishing same, except that of the successful Bidder shall be retained until a contract is entered into and a Performance and Payment Bond(s) furnished as mentioned above.

If the Bidder fails to enter into a contract and furnish the Bond(s) within ten (10) days of the date of being notified as being the successful Bidder, the check or Bid Bond and the amount

thereof shall be forfeited to the District. No Bidder shall be permitted to withdraw a bid within a period of 45 days after the actual date on which the bids were opened.

## **8. EXAMINATION OF SITE AND CONDITIONS**

Prior to the submission of the Proposal, the Bidder shall make and shall be deemed to have made a careful examination of the site(s) of the Project and of the Contract Documents on file with the District, and shall become informed as to the location and nature of the proposed construction, the transportation facilities, the kind and character of the soil and terrain to be encountered, the kind of facilities required before and during the course of the Project, general local conditions, and all other matters that may affect the cost and the time of completion of the

A voluntary pre-bid meeting has been scheduled for bidders interested in reviewing the project and asking questions. The meeting will be at **10:00 a.m., day, Month date, Year, at 110 Idea Place, Carlsborg, Washington, in the Dungeness Conference room**. Interested bidders may contact Ben Phillips, Project Manager at 360.565.3267 or via e-mail at [bphillips@clallampud.net](mailto:bphillips@clallampud.net) to advise the District of your attendance or if you have questions.

## **9. HOURS OF WORK**

Normal working hours are from 6:30 a.m. to 5:00 p.m., Monday through Thursday, unless otherwise authorized by the District. The lunch period shall be observed from 11:30 a.m. to 12:00 p.m. unless unusual circumstances prevail.

Upon request, the District may authorize the Contractor to terminate this four-day workweek schedule and revert to a five-day workweek. Under such an arrangement, work outside of the District's normal working hours may be restricted to activities that do not require the immediate presence or availability of District Inspector or staff.

The Contractor shall comply with all provisions of WAC 296-127-022, "Overtime According to RCW 49.28.065." The Contractor shall comply with Chapter 49.28 RCW and applicable regulations pertaining to overtime pay.

### **Holidays**

The Contractor shall observe holidays that correspond with District holidays on the same day as observed by the District. The Contractor shall conform to a five day work week for any week the District observes a holiday.

## **10. EXECUTION OF CONTRACT**

The Contract, when executed, shall be deemed to include the entire agreement and all modifications incorporated in these documents before their execution, or any portion thereof, between the parties thereto, and the Contractor shall not claim any modification thereof resulting from any representation or promise made at any time by any officer, agent, or employee of the District or by any other person.

## **11. PROPOSAL IRREGULARITIES OR ERRORS**

The District reserves the right to waive non-material irregularities or minor errors in any Proposal, if it appears to the District that such irregularities or errors were made through inadvertence. Any such irregularities or errors so waived must be corrected on the Proposal in

which they may occur prior to the execution of any contract that may be awarded thereon.

**12. REJECTION OF PROPOSAL**

The District reserves the right to reject any or all Proposals, or any portion of any Proposal.

**13. STARTING / COMPLETION DATES**

The starting and completion dates shall be as follows:

- Work may commence Month date, Year
- Work must be complete no later than Month date, Year

**14. LIQUIDATED DAMAGES**

Time is of the essence of this Contract. Construction of the Project shall be completed before *Month date, year*. As liquidated damages, and not as a penalty, the District will deduct \$200.00 from the quoted cost for each calendar day after *Month date, year*, that Project completion is delayed.

The District shall have the right to deduct from and retain out of such monies which may then be due, or which may become due and payable to the Contractor, if the amount due and to become due from the District to the Contractor is insufficient to pay in full any such liquidated damages, the Contractor shall pay to the District the amount necessary to effect such payment in full. Provided, however, that the District shall promptly notify the Contractor in writing of the manner in which the amount retained, deducted, or claimed as liquidated damages was computed

**15. EMPLOYER'S IDENTIFICATION NUMBER**

In carrying out the requirements of Presidential Executive Order 10936, the Bidder must furnish with the Bid, the firm's Employer's Identification Number. This is the number which is used by companies when filing their "Employer's Quarterly Federal Tax Return," U.S. Treasury Department Form 941.

**16. SALES TAXES**

The cost of any county, city, or metropolitan municipal sales taxes (R.C.W 82.14) that may be applicable to this transaction will be considered by the Board in evaluation of bids. In the event that a county, city, or metropolitan municipal sales tax is applicable to the proposed purchase, the Board will award the contract to the lowest Bidder, on the basis of the relative amount of the stated bid price plus the amount of county, city, or metropolitan municipal sales and use tax imposed pursuant to Chapter 82.14, Revised Code of Washington (1970 1st Ex. Sess., Chapter 94).

**17. INSURANCE**

The Contractor shall, at his own expense and cost, carry in an insurance company or companies and under policies of insurance, acceptable to and approved by the District, the following insurance with limits not less than shown on the respective items:

- a. Worker's Compensation

To the limit required by the laws of the State of Washington.

b. Comprehensive General Liability and Property Damage Insurance

This insurance shall include coverage for Contractor's Contingency Liability Insurance covering Subcontractor's Liability, Contractual Liability Insurance, Completed Operations Liability Insurance, and Automobile Liability Insurance covering owned, non-owned, and hired units.

Minimum Coverage Limits:

Bodily Injury	\$1,000,000 each person
Property Damage	\$1,000,000 each occurrence \$2,000,000 aggregate
Umbrella Coverage	\$2,000,000

- c. All policies of insurance providing coverage's required under paragraph "b" above shall name the Public Utility District No. 1 of Clallam County as additional named insured with a cross liability clause and provide that no cancellation or material changes in the policies shall become effective unless thirty (30) days prior written notice of such cancellation or change shall be furnished the District by registered mail.

Prior to commencement of any work hereunder, the Contractor shall provide the District with evidence of Worker's Compensation Insurance and with a Certificate of Insurance showing the District named as additional insured.

18. PAYMENT OF PREVAILING WAGES

The Contractor will be required to pay prevailing wages on this project as indicated in Section IV, CONTRACT, Article V and **Exhibit "A"**. Please note that those rates included for Occupations listed in **Exhibit "A"** are as furnished by the State of Washington (March 3, 2022), but it shall be the Contractor's responsibility to verify current rates.

PUBLIC UTILITY DISTRICT NO. 1  
OF CLALLAM COUNTY



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

By: \_\_\_\_\_  
John Purvis  
General Superintendent

MEMORANDUM

Date: April 20, 2023

To: Sean Worthington, General Manager

From: John Purvis, General Superintendent   
Bowen Kendrick, Water & Waste Water Systems Manager 

Re: ACCEPTANCE MEMO FOR AGREEMENT COST INCREASE  
INTERWEST CONSTRUCTION INC  
CLALLAM BAY LOWER SEKIU WATER MAIN REPLACEMENT  
AGREEMENT NUMBER 220801

This contract is for water main replacement in Clallam Bay Lower Sekiu originally contracted at \$4,009,180.00. The original scope of work included asbestos cement pipe bursting which is a work practice that has been determined to be unacceptable by the Olympic Region Clean Air Agency. As a result, two design and scope of work changes were required during construction. The first, Design Change #1 resulted in Change Order No. 1 which modified the scope of work from pipe bursting to an open trench pipe replacement method for 1,800 linear feet of water main in downtown Sekiu. Change Order 1 was previously approved by the General Manager for an additional contract cost not-to-exceed \$248,081.08 with a total project cost not-to-exceed \$4,278,347.97.

The second change, Design Change #2, is required to add four additional water main crossings under SR 112 between mileposts 15.2 and 15.4 and abandon 1,264 linear feet of asbestos cement pipe. The cost to perform this work in lieu of asbestos cement pipe bursting is \$179,434.89, increasing the contract budget not-to-exceed \$4,436,695.97. Change Order #1 in addition to Change Order #2 is 10.7% of the total original contract cost, therefore approval from the Board is required.

It is recommended to accept the Change Order 2 agreement cost of not-to-exceed amount of \$179,434.89 for a total project cost not-to-exceed \$4,436,695.97.

JP/BK/jk

Accepted by Board of Commissioners at meeting of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Sean Worthington, General Manager

## GROSS OFFICE LEASE

### EFFECTIVE

**DATE:** May 1, 2023

### LANDLORD:

PUBLIC UTILITY DISTRICT #1 OF CLALLAM COUNTY,  
a Washington municipal corporation  
P.O. Box 1000  
Carlsborg, Washington 98324

### TENANT:

CLALLAM COUNTY ECONOMIC DEVELOPMENT COUNCIL,  
a Washington non-profit corporation  
P.O. Box 1085  
Port Angeles, Washington 98362

This Gross Office Lease (this "Lease") is made and entered into as of the Effective Date. In consideration of this Lease, Landlord and Tenant covenant and agree as follows:

#### 1. LEASED PREMISES.

1.1 Landlord hereby agrees to lease to Tenant, and Tenant hereby agrees to lease from Landlord, approximately 212.75 square feet of rentable space (the "Leased Premises") on the second floor of the building (the "Building") located on the real property (the "Property"), commonly known as 104 Hooker Road, Sequim, Washington 98382, and legally described on Exhibit A, attached hereto. This Lease is subject to all easements (including rights of ingress and egress), restrictions, agreements of record, mortgages and deeds of trust, and zoning and building laws. Tenant has inspected the Leased Premises (and those portions of the Building and the Property providing access to and serving the Leased Premises) or has had the opportunity to do so, and agrees to accept the same "as is" without any agreements, representations, understandings, or obligations on the part of Landlord to perform any alterations, repairs, or improvements unless expressly provided in this Lease. Tenant further acknowledges that Landlord has not made any representation or warranty (express or implied) with respect to the habitability, condition, or suitability of the Leased Premises, the Building, or the Property for Tenant's use, business purposes, or any particular purpose.

1.2 Landlord shall continue to occupy a portion of the Building and the Property for the purpose of operating its own business. The parties hereby acknowledge and agree that no diagram of the Leased Premises is attached hereto.

2. **TERM.** The term (the "Term") of this Lease shall be for approximately seven and one-half (7 1/2) months, commencing on May 15, 2023 (the "Commencement Date"), and expiring

at midnight on December 31, 2023 (the "Expiration Date"). For the avoidance of doubt, the Term of this Lease shall run concurrently with the term of the agreement of even date herewith executed by and between Landlord and Tenant (the "Amended Agreement"). In the event the Amended Agreement is terminated for any reason, so shall this Lease terminate.

3. **RENT.**

3.1 **Base Rent.** Commencing on the Commencement Date, Rent shall be due and payable on the first day of each calendar month. Tenant shall pay Landlord base rent (the "Base Rent") in the amount of \$319.13 per month.

3.2 **Contributory Rent.** In addition to Base Rent, Tenant shall pay Landlord, as contributory rent (the "Contributory Rent"), the sum of \$75 per month as Tenant's contribution to taxes, insurance, utilities, and maintenance of the Leased Premises. The terms "Base Rent" and "Contributory Rent," together with all other sums that may be due hereunder, may collectively be referred to herein as the "Rent." The parties hereby acknowledge and agree that the Rent represents the fair market value of the Leased Premises and that the amount of Rent was determined at arms' length between the parties.

3.3 **Security Deposit.** None.

3.4 **Place of Payment.** All payments required by this Lease shall be made directly to Landlord by delivering each payment to Landlord or Landlord's agent personally or by mailing the payment to Landlord at the address set forth above or to such other address as Landlord may, from time to time, designate in writing.

3.5 **Gross Lease.** This Lease is intended to be a "gross lease," meaning that, except as otherwise expressly set forth herein, in exchange for Tenant's timely payment of the Rent and any other sums that may be due hereunder, Landlord shall pay all expenses of every type relating to the Leased Premises from and after Commencement Date.

4. **BUSINESS USE.**

4.1 **Permitted Use.** The Leased Premises shall be used only for office and administrative functions related to Tenant's legitimate business purposes.

4.2 **Compliance with Laws.** In connection with its use, Tenant shall comply, at its sole cost and expense, with all applicable laws, regulations, and requirements of any public authority, including those regarding maintenance, operation, and use of the Leased Premises and any of its personal property located at the Leased Premises (including signs). Notwithstanding the foregoing, Landlord shall be responsible for ensuring that the Leased Premises complies with all applicable governmental rules and regulations, or changes in applicable laws, including, but not limited to, repairs or alterations to the interior or exterior of



the Leased Premises necessitated by changes in applicable building codes, handicap access laws, or similar regulations that occur after the Commencement Date.

4.3 **Tenant's Conduct.** Tenant shall not conduct or permit any activities on the Leased Premises, in the Building, or at the Property that will: (a) cause an increase in the fire insurance rate upon the Leased Premises or a cancellation of the fire insurance policy; (b) create a nuisance or damage the reputation of the Leased Premises; (c) interfere with Landlord's ongoing business operations; or (d) be reasonably offensive to Landlord.

4.4 **Supervision.** Tenant shall keep the Leased Premises neat, clean, and orderly, and shall supervise its employees and cause its agents, independent contractors, employees, customers, suppliers, and invitees to conduct their activities in such a manner so as to comply with the requirements of this Lease and the rules and regulations described herein.

4.5 **Storage and Trash.** Tenant shall not store anything or allow trash to accumulate outside of the Leased Premises or anywhere else on the Property except in areas approved in advance by Landlord.

5. **UTILITIES AND TAXES.**

5.1 **Utilities.** Landlord shall pay all charges for utilities and services supplied to the Leased Premises, including (without limitation) hook-up and service charges for broadband communications, electricity, water, sewer, and garbage collection. Landlord shall not be liable for any failure or interruption of utilities or services to the Leased Premises, unless caused by the sole negligence or intentional act or omission of Landlord or its agents.

5.2 **Taxes and Assessments.** Landlord shall pay, prior to delinquency, all real property taxes and assessments attributable to the Leased Premises. Tenant shall pay all taxes, assessments, liens, and license fees 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 Leased Premises, as well as all taxes on Tenant's personal property located on the Leased Premises.

6. **INSURANCE AND INDEMNITY PROVISIONS.**

6.1 **Tenant's Liability Insurance.** During the Term, Tenant, at its sole cost and expense, shall carry comprehensive public liability insurance insuring Landlord and Tenant against all liability arising out of Tenant's use and/or occupancy of the Leased Premises and all areas appurtenant thereto. Such policy or policies shall provide for liability coverage with minimum combined single limits for bodily injury (including death) and property damage in amounts not less than \$1,000,000, with a deductible of not more than \$10,000. The limits of liability insurance required by this Paragraph 6.1 shall not, however, limit the liability of Tenant

hereunder. This policy shall name Landlord as an additional insured using a form of endorsement acceptable to Landlord, and shall 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 Leased Premises. Tenant's insurance shall be primary and noncontributory with any liability insurance carried by Landlord.

6.2 **Tenant's Property Insurance.** During the Term, Tenant, at its sole cost and expense, shall carry special form causes of loss coverage property insurance for all of Tenant's personal property, fixtures, equipment, and inventory in the amount of their full replacement value, with a deductible of not more than \$10,000.

6.3 **Landlord's Insurance.** During the Term, Landlord, at its sole cost and expense, shall carry: (a) special form causes of loss coverage property insurance on the Building shell and core and Landlord's personal and business property, fixtures, equipment, and inventory, in the amount of their full replacement value; (b) liability insurance with respect to the common areas; and (c) such other insurance of such types and amounts as Landlord, in its sole and absolute discretion, shall deem reasonably appropriate.

6.4 **Waiver of Subrogation.** Notwithstanding any other provision of this Lease to the contrary, Landlord and Tenant hereby release each other, their agents and 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 their insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective insurance carrier or 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.

6.5 **Evidence of Insurance.** On or prior to the Commencement Date and upon Landlord's request from time to time thereafter, Tenant shall deliver to Landlord copies of the insurance policies or evidence of insurance and copies of endorsements required by this Lease.

6.6 **Indemnification by Tenant.** Tenant shall indemnify and hold Landlord harmless and defend Landlord from any and all claims or liability for any damage to any property or injury, illness, or death of any person occurring in or on the Leased Premises, the Building, or the Property, or arising from any breach of this Lease by Tenant, when such damage, injury, illness, or death shall be caused, in whole or in part, by the negligent or intentional act or omission of Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. Tenant shall use legal counsel reasonably acceptable to Landlord in defense of any action within Tenant's defense obligation.

6.7 **Indemnification by Landlord.** Landlord shall indemnify and hold Tenant harmless and defend Tenant from any and all claims or liability for any damage to any property or injury,

illness, or death to any person occurring in or on the Leased Premises, the Building, or the Property when such damage, injury, illness, or death shall be caused by the negligent or intentional act or omission of Landlord, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees. Landlord shall use legal counsel reasonably acceptable to Tenant in defense of any action within Landlord's defense obligation.

6.8 **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.

6.9 **Exemption of Landlord from Liability.** Except to the extent of claims arising out of Landlord's gross negligence or intentional act or omission, 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 Leased Premises, the Building, or the Property. 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 Landlord's interest in the Leased Premises, as the same may be from time to time encumbered. In no event shall Landlord or its members, partners, shareholders, officers, or directors, as the case may be, ever be personally liable hereunder.

6.10 **Survival.** The provisions of Paragraph 6.6 through this Paragraph 6.10 shall survive the expiration or sooner termination of this Lease.

## 7. **MAINTENANCE; REPAIRS AND ALTERATIONS.**

7.1 **Landlord's Obligations.** Except for damage caused by any negligent or intentional act or omission of Tenant or Tenant's employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, Landlord, at its sole cost and expense, shall keep in good order, condition, and repair the foundation, the structural portions of exterior walls, and the structural portions of the roof of the Building. Landlord shall not be required to maintain the interior surface of exterior walls, floors, interior windows, doors, or interior plate glass. Landlord shall have no obligation to make repairs under this Paragraph 7.1 until a reasonable amount of time after receipt of written notice from Tenant of the need for such repairs. If Landlord fails to timely commence such repairs, Tenant may, no fewer than ten (10) business days after Tenant's delivery of written notice to Landlord,

or without prior notice in the event of an emergency, put the Leased Premises in good order, condition, and repair. The costs of such repairs, together with interest thereon at the rate of twelve percent (12%) per annum, shall be due and payable from Landlord to Tenant.

7.2 **Tenant's Obligations.** Tenant, at its sole cost and expense, shall keep in good order, condition, and repair that portion of the Leased Premises that it occupies pursuant to this Lease.

7.3 **Surrender of Leased Premises.** On the expiration or sooner termination of this Lease, Tenant shall surrender the Leased Premises to Landlord in good and broom clean condition, ordinary wear and tear excepted. Tenant, at its sole cost and expense, shall repair any damage to the Leased Premises occasioned by Tenant's use thereof or by the removal of Tenant's trade fixtures, furnishings, and equipment, which repair shall include the patching and filling of holes and repair of any structural damage.

7.4 **Alterations and Additions.** Tenant shall not, without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion, make any exterior or interior alterations, improvements, or additions in, on, or about the Leased Premises.

7.5 **Entry and Inspection.** Landlord or its agents may enter the Leased Premises for the purpose of determining Tenant's compliance with this Lease, to conduct routine maintenance, and to make necessary repairs and alterations. Landlord shall not unreasonably interfere with Tenant's business operations when exercising its rights set forth in this Paragraph 7.5.

## 8. **RECONSTRUCTION AND RESTORATION.**

8.1 **Minor Damage.** If during the Term the Leased Premises are damaged by fire or other perils covered by Landlord's insurance (as provided in Paragraph 6.3) and such damage is not "substantial," Landlord, at its sole cost and expense, shall promptly repair such damage after the application of all such insurance proceeds, and this Lease shall continue in full force and effect.

8.2 **Substantial Damage.** If during the Term the Leased Premises are destroyed or damaged by fire or other perils covered by Landlord's insurance in an amount exceeding twenty-five percent (25%) of its full construction-replacement cost, then Landlord may elect to terminate this Lease by giving Tenant written notice of such termination within sixty (60) days after the date of such damage. Otherwise, Landlord shall proceed to restore the Leased Premises to a condition comparable to that existing prior to the damage. Tenant shall cooperate with Landlord during the period of repair and vacate all of any part of the Leased Premises to the extent necessary for the performance of the required work.

8.3 **Abatement of Rent.** The Rent shall be abated during the period of minor or substantial damage and repair to the extent the Leased Premises are not reasonably suitable for Tenant's use. If the damage does not cause any material interference with Tenant's use, there shall be no Rent abatement. However, if Tenant continues to occupy the Leased Premises, Tenant shall continue to pay Rent in proportion to the amount of square footage used bears to the total square footage of the Leased Premises.

8.4 **Repair of Tenant's Property.** Repair, replacement, or restoration of any fixtures, equipment, and personal property owned by Tenant and Tenant improvements shall be the responsibility of Tenant.

9. **ASSIGNMENT AND SUBLETTING.** Tenant shall not (voluntarily or by operation of law) assign, mortgage, pledge, hypothecate, or encumber the Leased Premises or Tenant's leasehold estate or sublet all or any portion of the Leased Premises, or otherwise transfer any interest in the Leased Premises.

10. **CONDEMNATION.**

10.1 **Entire or Substantial Taking.** If more than twenty-five percent (25%) of the Leased Premises (notwithstanding restoration by Landlord as herein provided) shall be taken under the power of eminent domain, this Lease shall automatically terminate on the date the condemning authority takes possession.

10.2 **Partial Taking.** In the event of any taking under the power of eminent domain that does not so result in a termination of this Lease, the Rent payable hereunder shall be reduced, effective on the date the condemning authority takes possession, in the same proportion as the reduction in rentable space of the Leased Premises.

10.3 **Loss of Parking.** In the event that more than twenty-five percent (25%) of the square footage of the common area parking is taken under the power of eminent domain, then Tenant shall have the right to terminate this Lease as of the date of the taking. Notice of any termination relating to such eminent domain proceeding must be made within sixty (60) days after receipt of written notice of such taking. In the event of such termination, both Landlord and Tenant shall thereupon be released from any liability thereafter accruing hereunder, except as otherwise set forth herein.

10.4 **Awards.** Any award for taking of all or any part of the Leased Premises under the power of eminent domain shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold estate or for taking of the fee. Nothing herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord an interest in, any award to Tenant for the loss of, damage to, or cost of removal of,

Tenant's trade fixtures and removable personal property, or for damages for cessation or interruption of Tenant's business.

10.5 ***Sale Under Threat of Condemnation.*** A sale by Landlord to any authority with power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain under this Section 10.

11. **SIGNAGE.** The parties acknowledge and agree that Tenant does not require and shall not place any interior or exterior signage in or on the Leased Premises or elsewhere in the Building or on the Property.

12. **OTHER RIGHTS AND OBLIGATIONS OF PARTIES.**

12.1 ***Liens.*** Tenant shall pay as and when due all claims for work done on the Leased Premises or for services rendered or materials furnished to the Leased Premises and shall keep the Property free from any liens other than liens created by Landlord. If Tenant fails to pay such claim or to discharge any lien, Landlord may do so and collect such amount as additional Rent.

12.2 ***Holding Over.*** If Tenant does not vacate and surrender the Leased Premises at the expiration or sooner termination of this Lease, the tenancy shall be a holdover tenancy at sufferance that Landlord may terminate according to Washington law. During such tenancy, Tenant agrees to pay Landlord one hundred fifty percent (150%) of the Rent last payable under this Lease, unless a different rate is agreed upon by Landlord. All other terms of the Lease shall remain in full force and effect. Tenant acknowledges and agrees that this Paragraph 12.2 does not grant Tenant any right to holdover, and that Tenant may also be liable to Landlord for any and all damages or expenses that Landlord may have to incur as a result of Tenant's holdover.

12.3 ***Estoppel Certificate.*** Within ten (10) days after Landlord's written request, Tenant shall deliver a written statement stating the date to which the Rent and other charges have been paid, whether the Lease is unmodified and in full force and effect, and any other matters that Landlord or its designee may reasonably request.

12.4 ***Parking.*** Tenant's employees, agents, customers, and invitees may use the parking areas serving the Leased Premises for the temporary daytime (but not overnight) parking of automobiles and other vehicles. Tenant shall not use the parking areas, loading areas, and sidewalks serving the Leased Premises for any purpose other than parking, loading, and unloading of commercial vehicles and pedestrian traffic, respectively.

13. **ENVIRONMENTAL PROVISIONS.**

13.1 Landlord warrants that, to the best of Landlord's actual knowledge, there are no hazardous substances in, on, or under the Leased Premises prior to the Commencement Date.

Landlord does not have in its possession any written studies or environmental reports concerning the Leased Premises. The term "Hazardous Substances" shall mean any and all hazardous, toxic, infectious or radioactive substances, wastes or materials as defined or listed by any federal, state or local statute, regulation or ordinance pertaining to the protection of human health or the environment and shall specifically include petroleum oil and its fractions.

13.2 Tenant shall not, without Landlord's prior written consent (which consent may be granted or withheld in Landlord's sole and absolute discretion), use, generate, transport, treat, store, dispose of, or otherwise handle any Hazardous Substances in the Leased Premises or elsewhere in the Building or on the Property, other than de minimis quantities typical of the permitted use (such as may be contained in office supplies and household cleansers) and only in strict compliance with all applicable federal, state, and local laws, regulations, codes, ordinances, and product labels.

#### 14. **DEFAULTS; REMEDIES.**

14.1 ***Default.*** The following shall be events of default:

14.1.1 ***Payment Default.*** Failure of Tenant to make any payment of Rent or other payment due under this Lease within five (5) days after such payment is past due.

14.1.2 ***Abandonment of Leased Premises.*** Failure of Tenant to occupy or use the Leased Premises for the purposes permitted by this Lease for a total of fifteen (15) business days or more during the Term, unless such failure is excused under other provisions of this Lease.

14.1.3 ***Default in Other Covenant.*** Failure of Tenant to comply with any other term or condition or fulfill any other obligation of this Lease within twenty (20) days after written notice by Landlord specifying the nature of the default with reasonable particularity. No notice and no opportunity to cure shall be required if Landlord has previously given Tenant notice of failure to comply with such term or condition or fulfill such other obligation of this Lease during the Term hereof.

14.2 ***Remedies on Default.*** Upon default, Landlord may exercise any one or more of the following remedies, or any other remedy available under applicable law:

14.2.1 ***Termination of Lease.*** Upon default, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder.

14.2.2 ***Retake Possession.*** To the extent permitted by law, Landlord may reenter and retake possession of the Leased Premises on three (3) days advance written notice, either by summary proceedings, or other applicable action or proceeding. Landlord may use the Leased Premises for Landlord's own purposes or relet it upon any reasonable terms without

prejudice to any other remedies that Landlord may have by reason of Tenant's default. None of these actions shall be deemed an acceptance or surrender by Tenant.

14.2.3 **Damages for Default.** Whether or not Landlord retakes possession or relets the Leased Premises, Landlord may recover all damages caused by the default (including, but not limited to, unpaid Rent, attorneys' fees relating to the default, and costs of reletting). Landlord may sue periodically to recover damages as they accrue during the remainder of the Term without barring a later action for further damages.

14.3 **Remedies Cumulative.** Any right or remedy that Landlord may have under this Lease arising out of Tenant's breach of any covenant of this Lease shall be in addition to any other right or remedy for such breach provided by law or in equity.

14.4 **Default by Landlord.** Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord. Said notice shall specify wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such 30-day period and thereafter diligently prosecutes the same to completion. Tenant shall not have the right to withhold Rent or to otherwise claim a set-off from Rent.

14.5 **Tenant's Remedies.** Except as otherwise provided in this Lease, in the event of default by Landlord, Tenant shall have all remedies provided by law or in equity. Tenant's remedies hereunder are cumulative and Tenant's exercise of any right or remedy due to a default or breach by Landlord shall not be deemed to be a waiver of, or to alter, effect or prejudice any other right or remedy that Tenant may have under this Lease or by law or in equity.

## 15. **CONFIDENTIALITY.**

15.1 Tenant acknowledges that it may be exposed to Landlord's confidential information by virtue of being in the Building (including, but not limited to, the Leased Premises), either explicitly or inadvertently, through verbal, electronic, paper, or visual material. For purposes of this Lease, "Confidential Information" shall include, but not be limited to, (a) any information, materials, or knowledge regarding either party to this Lease (as well as any other parties operating within the Building) or its business, operations, plans, projects (including potential projects), technology, products, services, strategies, methods, techniques, intellectual property, research and development, financial condition, employees, independent contractors, clients, customers, and suppliers, that is disclosed to the other party or to which such other party has access in connection with this Lease or in connection with providing services pursuant to this Lease including, without limitation, through the provision of wireless



internet access, and (b) the terms and conditions of this Lease. Confidential Information shall not, however, include any information that: (i) is or becomes part of the public domain through no fault of the receiving party; (ii) was rightfully in the receiving party's possession at the time of the disclosure of such information without restriction as to use or disclosure; (iii) the receiving party rightfully receives from a third party who has the right to disclose it and who provides such information without restriction as to use or disclosure; or (iv) is required or compelled to be disclosed by law, subpoena, and/or court order. In the event either party reasonably believes that it is or will be required or compelled to disclose Confidential Information belonging to the other party by reason of law, subpoena, and/or court order, the party so believing shall notify the other party as soon as reasonably practicable in order to allow the other party reasonable time and opportunity to object to, and if necessary to seek judicial intervention to prevent, the disclosure.

15.2 If either party to this Lease receives any Confidential Information, the party receiving such Confidential Information agrees to hold such Confidential Information in strict confidence, not to use such Confidential Information in any way, commercially or otherwise, except in connection with the fulfillment of its obligations under this Lease, and not to disclose such Confidential Information to others. The party receiving Confidential Information further agrees to take all actions reasonably necessary to protect the confidentiality of all Confidential Information disclosed to it including, without limitation, implementing and enforcing procedures to minimize the possibility of unauthorized use or disclosure of Confidential Information. In the event either party breaches this provision, or the non-breaching party reasonably believes that a breach is likely to occur, the non-breaching party shall be entitled to all remedies available at law and/or in equity including, but not limited to, injunctive relief. Further, the breaching party shall indemnify, defend, and hold the non-breaching party and its employees, representatives, and agents harmless from any loss, cost, demand, claim, action, and/or judgment for damages to business or property, suffered or alleged to be suffered as a result of the breach, except to the extent caused by the non-breaching party's gross negligence or willful misconduct.

16. **MISCELLANEOUS.**

16.1 **Termination.** Notwithstanding the Term hereof, this Lease may be terminated by either party upon not less than thirty (30) days' advance written notice to the other.

16.2 **Waiver.** No waiver by Landlord of performance of any provision of this Lease shall be deemed to be a waiver of or prejudice Landlord's right to otherwise require performance of the same provision or any other provision.

16.3 **Rules and Regulations.** Landlord reserves the right to make such reasonable rules, regulations, and policies as in its judgment may from time to time be necessary for safety and security, care and cleanliness, and the preservation of good order in and about, the

Property, the Building, and the Leased Premises. Tenant agrees to abide by, and to ensure that its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees also abide by, all such rules, regulations, and policies, as the same may be amended, supplemented, and restated, as well as any additional rules, regulations, and policies that Landlord may promulgate from time to time.

16.4 **Quiet Enjoyment.** Provided Tenant pays the Rent and performs all of its obligations as set forth in this Lease (subject to any applicable notice and cure periods), Tenant's possession of the Leased Premises will not be disturbed by Landlord, or anyone claiming by, through, or under Landlord.

16.5 **Force Majeure.** In the event that either party hereto shall be delayed, or hindered in, or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, failure of power, riots, insurrection, war, acts (or failure to act) of government (provided timely application and diligent prosecution for such governmental action, if required, was undertaken by the delayed party), actual or threatened public health emergency (including, without limitation, epidemic, pandemic, famine, disease, plague, quarantine, and other significant public health risk), governmental edicts, actions, declarations or quarantines by a governmental entity or health organization (including, without limitation, any shelter-in-place orders, stay at home orders or any restrictions on travel related thereto that make it illegal for Tenant, its agents, contractors or its employees from accessing the Leased Premises, national or regional emergency) or other reason of like nature not the fault of, or within the reasonable control of, the party delayed in performing work or doing acts required under the terms of this Lease (but excluding delays due to financial inability) (each, a "Force Majeure Event"), then performance of such work or act shall be excused for the period of the Force Majeure Event and the period for the performance of any such work or act shall be extended for a period equivalent to the period of such Force Majeure Event; provided, however, that no such extension shall be permitted with respect to any Force Majeure Event unless written notice of the Force Majeure Event, specifying the cause of the Force Majeure Event and the expected period of delay, is delivered by the delayed party to the other party within thirty (30) days after such Force Majeure Event is encountered. This provision shall not operate to excuse Tenant from prompt payment of Rent or any other payments required by the terms of this Lease.

16.6 **Notices.** All notices under this Lease shall be in writing and effective when delivered in person, or if mailed, upon deposit in the United States mail, certified and postage prepaid and addressed to the address of Tenant or Landlord as shown above or at such other address as may be designated by either party by notice to the other.

16.7 **Exhibits and Riders.** Exhibits and riders, if any, attached or affixed to this Lease, are a part hereof as if set forth in full herein.

16.8 **Severability; Negotiation and Construction.** The invalidity or unenforceability of any provision hereof shall not affect or impair any other provision hereof. This Lease and each of its terms and provisions shall be deemed to have been explicitly negotiated between the parties. The language in all parts of this Lease shall be construed according to its fair meaning and not strictly for or against either party. To the extent any uncertainty or ambiguity exists, such uncertainty or ambiguity shall not be interpreted against either party as author or drafter of this Lease.

16.9 **Captions and Terms.** The section and paragraph captions appearing in this Lease are for convenience only and are not a part of this Lease, and do not in any way limit, define, or describe the scope or intent of the terms and provisions of this Lease, nor in any way affect this Lease.

16.10 **Entire Agreement; Amendment.** Except as otherwise set forth in the Amended Agreement, this Lease constitutes the entire agreement of the parties and supersedes all prior agreements or understandings between the parties, oral or written, with respect to the subject matter hereof. This Lease may not be modified or amended except by written agreement signed and acknowledged by both parties.

16.11 **Time.** "Day" as used herein means a calendar day, and a "business day" means any day on which commercial banks are generally open for business in the State of Washington. Any period of time that 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 in each and every provision hereof.

16.12 **Relationship of Parties.** Except as otherwise set forth in the Amended Agreement, nothing contained herein shall create the relationship of principal and agent, or of a partnership or joint venture, between the parties hereto, and no provisions contained herein shall be deemed to create any relationship other than that of Landlord and Tenant.

16.13 **Successors and Assigns.** This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors, and assigns.

16.14 **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 Leased 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 prepaid Rent, for which the transferee shall be liable, and Tenant shall attorn to the transferee.

16.15 **No Brokers.** Neither Landlord nor Tenant is represented by any broker with regard to this Lease. Tenant agrees to indemnify and hold Landlord harmless from all claims of

any brokers claiming to have represented Tenant in connection with this Lease. Landlord agrees to indemnify and hold Tenant harmless from all claims of any brokers claiming to have represented Landlord in connection with this Lease.

16.16 **Governing Law.** This Lease shall be construed in accordance with and governed by the laws of the State of Washington.

16.17 **Attorneys' Fees; Venue.** In the event of any dispute arising out of or relating to this Lease, whether or not suit or other proceedings is commenced, and whether in mediation, arbitration, at trial, on appeal, in administrative proceedings, or in bankruptcy (including, without limitation, any adversary proceeding or contested matter in any bankruptcy case), the prevailing party shall be entitled to recover from the other its costs and expenses incurred, including reasonable attorneys' fees. Venue for any such action shall be in King County, Washington.

16.18 **Authority of Parties.** Each party signing this Lease represents and warrants to the other that it has the authority to enter into this Lease, 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 the party on signing.

16.19 **Recording.** Tenant shall not record this Lease, nor any Memorandum or summary hereof.

16.20 **Counterparts.** This Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all of such counterparts when taken together shall constitute one and the same instrument.

*[remainder of page intentionally left blank; signature and acknowledgment pages follow]*

IN WITNESS WHEREOF, Landlord and Tenant, each by a person duly authorized, have caused this Lease to be executed as of the Effective Date.

**LANDLORD:**

PUBLIC UTILITY DISTRICT #1 OF CLALLAM COUNTY

By: \_\_\_\_\_  
Sean Worthington,  
General Manager

**TENANT:**

CLALLAM COUNTY ECONOMIC DEVELOPMENT COUNCIL

By: \_\_\_\_\_  
Collen McAleer,  
Executive Director

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF CLALLAM )

I certify that I know or have satisfactory evidence that SEAN WORTHINGTON is the person who appeared before me and said person acknowledged that said person is authorized to execute the instrument, and acknowledged it as the General Manager of PUBLIC UTILITY DISTRICT #1 OF CLALLAM COUNTY, a Washington municipal corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: \_\_\_\_\_, 2023.

\_\_\_\_\_  
Print Name  
Notary Public for the State of Washington  
Residing at \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF CLALLAM )

I certify that I know or have satisfactory evidence that Collen McAleer is the person who appeared before me and said person acknowledged that said person is authorized to execute the instrument, and acknowledged it as the Executive Director of CLALLAM COUNTY ECONOMIC DEVELOPMENT COUNCIL, a Washington non-profit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: \_\_\_\_\_, 2023.

\_\_\_\_\_  
Print Name  
Notary Public for the State of Washington  
Residing at \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

Exhibit A

Legal Description of the Property

PARCEL A OF REVISED SURVEY AS PER SURVEY RECORDED IN VOLUME 27 OF SURVEYS, PAGE 1, UNDER CLALLAM COUNTY RECORDING NO. 685082, BEING A REVISION OF SURVEY RECORDED IN VOLUME 25 OF SURVEYS, PAGE 59, UNDER CLALLAM COUNTY RECORDING NO. 676506, BEING A PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER IN SECTION 22, TOWNSHIP 30 NORTH, RANGE 4 WEST, W.M.

SITUATE IN THE COUNTY OF CLALLAM, STATE OF WASHINGTON.

APN: 04-30-22-420100-0000



RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

Platt Irwin Law Firm  
403 S. Peabody  
Port Angeles, WA 98362  
Attention: Patrick M. Irwin  
*96666-R*

**SPECIAL WARRANTY DEED**

**Grantor:** COSTCO WHOLESALE CORPORATION, a Washington corporation  
**Grantee:** PUBLIC UTILITY DISTRICT NO. 1 OF CLALLAM COUNTY, a Municipal corporation  
**Abbreviated Legal Description:** Par A Sur 27/1 Complete legal description on Exhibit A  
**Assessor's Tax Parcel ID#:** 04-30-22-420100-0000  
**Reference # (If applicable):**  N/A

NO. *85835*  
CLALLAM COUNTY  
TRANSACTION EXCISE TAX *67,640.00*

DATE PAID *DEC 24 2008*

AMOUNT *3800,000.00*  
COUNTY TREASURER  
BY *Wase Stallard, Dep*



### SPECIAL WARRANTY DEED

THE GRANTOR, Costco Wholesale Corporation, a Washington corporation, for good and valuable consideration, grants, bargains, sells, conveys, and confirms to Public Utility District No. 1 of Clallam County, a Municipal corporation ("Grantee"), the real property situated in Clallam County, Washington, legally described on Exhibit A attached hereto and incorporated herein (the "Property").

SUBJECT TO: the items listed on Exhibit B attached hereto and incorporated herein.

AND FURTHER SUBJECT TO THE FOLLOWING RESTRICTION:

For so long as there is within Clallam County a Costco Wholesale warehouse club or any other facility then operated by Grantor or by any successor to Grantor (collectively, a "Costco Facility"), no portion of the Property or of any property of which the Property is made a part (e.g., to create a larger parcel or to create an integrated shopping center) shall be used or operated (i) as a wholesale or retail general merchandise facility which has a merchandising concept based upon a relatively limited number of stock keeping units in a large number of product categories (the "Merchandising Concept"), (ii) as a grocery store or supermarket that primarily sells food products in bulk quantities (a "Wholesale Grocer"), (iii) to support a facility operating under either the Merchandising Concept or as a Wholesale Grocer (i.e., for parking or other necessary improvements for such a facility), or (iv) as a "Wal-Mart" store or "Wal-Mart Supercenter" or any other store operated under the "Wal-Mart" brand or under any trade name which shall replace "Wal-Mart;" provided, however, that in no event shall any of the foregoing prohibitions prohibit the Property from being used for or as a Costco Facility. The foregoing prohibition includes, but shall not be limited to: (a) any business which operates as a warehouse club (other than a Costco Facility), (b) any business operated under the tradenames of Sam's, BJ's, Jetro, Price Smart, Smart and Final or Shoppers Food Warehouse, and (c) any business (other than a Costco Facility) similar to those operated under the tradenames Costco, Sam's, BJ's, Price Smart, Jetro, Smart and Final or Shoppers Food Warehouse. Grantee, and each successor in interest to Grantee who acquires title to the Property, acknowledges that the breach of the foregoing restrictive covenant may cause immediate and irreparable harm for which damages are not an adequate remedy and that, to protect against such harm, Grantor may seek and obtain from a court of competent jurisdiction the issuance of a restraining order or injunction to prohibit any actual or threatened breach. Such an action for a restraining order or injunction is in addition to and does not limit any and all other remedies provided by law or equity.

The Grantor for itself and its successors-in-interest does by these presents expressly limit the covenants of the deed to those herein expressed, and excludes all covenants arising or to arise by statutory or other implication, and does hereby covenant that Grantor will

forever warrant and defend the said described real estate against all persons whomsoever claiming or to claim by, through, or under said Grantor and not otherwise.

DATED: 12/19, 2008.

COSTCO WHOLESALE CORPORATION,  
a Washington corporation

By: [Signature]  
Name: RICHARD J OLIN  
Its: V.P./Asst. Secretary

STATE OF WASHINGTON

ss.

COUNTY OF KING

I certify that I know or have satisfactory evidence that Richard J. Olin is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the V.P./Asst. Secretary of Costco Wholesale Corporation, a Washington corporation, to be its free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 19<sup>th</sup> day of December, 2008.

[Signature]  
(Signature of Notary)

TERI L. FINNEY  
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of  
Washington, residing at W. Hole Valley

My appointment expires 6/19/10



EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Sequim, County of Clallam, State of Washington, described as follows:

PARCEL A OF REVISED SURVEY AS PER SURVEY RECORDED IN VOLUME 27 OF SURVEYS, PAGE 1, UNDER CLALLAM COUNTY RECORDING NO. 685082, BEING A REVISION OF SURVEY RECORDED IN VOLUME 25 OF SURVEYS, PAGE 59, UNDER CLALLAM COUNTY RECORDING NO. 676506, BEING A PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; AND A PORTION OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER IN SECTION 22, TOWNSHIP 30 NORTH, RANGE 4 WEST, W.M.

SITUATE IN THE COUNTY OF CLALLAM, STATE OF WASHINGTON.

APN: 04-30-22-420100-0000

EXHIBIT A

EXHIBIT B

PERMITTED EXCEPTIONS

1. An easement affecting the portion of said premises and for the purposes stated herein and incidental purposes.  
For: Electric transmission and distribution line or system  
In Favor of: Public Utility District No. 1 of Clallam County  
Recorded: July 25, 1961  
Auditor's No.: 328734  
Affects: Portion of property herein described
  
2. An easement affecting the portion of said premises and for the purposes stated herein and incidental purposes.  
For: Underground communication lines, conduits, and manholes  
In Favor of: Pacific Northwest Bell Telephone Company  
Recorded: September 25, 1979  
Auditor's No.: 500816  
Affects: Portion of property herein described
  
3. An easement affecting the portion of said premises and for the purposes stated herein and incidental purposes.  
For: Electric transmission and distribution line or system  
In Favor of: Public Utility District No. 1 of Clallam County  
Recorded: December 6, 1982  
Auditor's No.: 537422  
Affects: Portion of property herein described
  
4. An easement affecting the portion of said premises and for the purposes stated herein and incidental purposes.  
For: Electric transmission and distribution line or system  
In Favor of: Public Utility District No. 1 of Clallam County  
Recorded: March 11, 1988  
Auditor's No.: 601404  
Affects: Portion of property herein described
  
5. An easement affecting the portion of said premises and for the purposes stated herein and incidental purposes.  
For: Electric transmission and distribution line or system  
In Favor of: Public Utility District No. 1 of Clallam County  
Recorded: March 20, 1990  
Auditor's No.: 630412  
Affects: Portion of property herein described

EXHIBIT B-1

6. An easement affecting the portion of said premises and for the purposes stated herein and incidental purposes.
- For: The limited purpose of providing ingress and egress (both pedestrian and vehicular) to the LeRoux House
- In Favor of: The LeRoux Family Trust
- Recorded: October 29, 1994
- Auditor's No.: 715565
- Affects: Portion of subject premises

Said instrument is a Re-Record of 686715.

7. A record of Survey and matters relating thereto:
- Recorded: December 16, 1981
- Volume/Page: 7/36
- Auditor's No.: 526291
8. A record of Survey and matters relating thereto:
- Recorded: April 13, 1993
- Volume/Page: 27/1
- Auditor's No.: 685082

9. Bill of Sale for Water Pipe Line recorded April 30, 1999 under Auditor's File No. 1999-1028951.

10. An easement affecting the portion of said premises and for the purposes stated herein and incidental purposes.
- For: Purpose of clearing, trenching, constructing, maintaining, repairing and replacing underground water utility pipe lines, systems, facilities and properties for a water system for the district
- In Favor of: Public Utility District No. 1 of Clallam County, a municipal corporation
- Recorded: April 30, 1999
- Auditor's No.: 1999-1028952
- Affects: Portion of said premises

EXHIBIT B-2

# AMENDED AND RESTATED AGREEMENT

Between  
Clallam County Economic Development Council  
and  
Clallam PUD

This AMENDED AND RESTATED AGREEMENT (this "Amended Agreement"), dated as of the 1<sup>st</sup> day of May, 2023, is entered into by and between Public Utility District #1 of Clallam County, a Washington municipal corporation (the "PUD"), and the Clallam County Economic Development Council, a Washington non-profit corporation (the "EDC"). Unless otherwise specifically set forth herein, all capitalized terms used shall have the meanings attributed to them in the Agreement, as defined below.

## RECITALS

WHEREAS, the PUD and the EDC acknowledge and agree:

- A. The PUD and the EDC entered into that certain Agreement dated January 31, 2023 (the "Agreement"), with respect to certain mutually beneficial business and economic arrangements between the parties;
- B. The PUD and the EDC desire to enter into a landlord-tenant relationship with the PUD as landlord and the EDC as tenant, pursuant to which the PUD will lease to the EDC certain second-floor office space in the building occupied by the PUD, subject to the terms and conditions of the Gross Office Lease (the "Lease"), in the form attached hereto as Attachment B;
- C. Economic development is essential to the individual and the community health and wellbeing;
- D. Electric and water utilities are main drivers of economic development and the PUD provides electric and water utility services throughout Clallam County;
- E. Economic development in Clallam County is in the PUD's ratepayers' best interests;

F. The EDC is a nonprofit corporation of the State of Washington that concentrates on enhancing and stabilizing the economic environment in Clallam County through business retention, expansion, recruitment and marketing. It is organized is to define, support, and promote policies and activities that will contribute to the economic stability and growth of Clallam County;

G. The EDC is capable of providing research data illustrating the EDC's mission of providing county-wide growth benefiting the PUD ratepayers by distributing its costs amongst a larger customer base;

H. The EDC coordinates the compilation of accurate utility specific information to interested businesses and facilitates early collaboration between potential customers and the PUD;

I. The PUD has a need for research and education demonstrating the growth of economic development in its service territory and where it can best provide access to energy capacity in its service territory; and

J. To ensure full cooperation and coordination between the EDC and the PUD supporting economic development the PUD shall maintain a seat on the Board of the EDC.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. PERFORMANCE BY THE EDC**

Performance requirements are outlined in Scope of Work Attached.

**2. PERFORMANCE BY THE PUD**

- A. For and in consideration of the services rendered by the EDC, the PUD provided to the EDC, by way of a single payment made in cash on February 13, 2023, the amount of twenty-five thousand dollars (\$25,000).
- B. For and in consideration of the services rendered by the EDC, the PUD will not collect the Rent due under the Lease from the EDC and the EDC shall be under no obligation to pay the same to the PUD.
- C. The PUD shall participate, when applicable as determined by the PUD, by providing expertise to accomplish the actions of the EDC.

**3. TERM**

This Amended Agreement shall be for a term of approximately eight (8) months, commencing on May 1, 2023, and expiring on December 31, 2023.

**4. ASSIGNMENT**

This Amended Agreement may not be assigned by either party hereto except by written amendment executed by both parties.

**5. TERMINATION**

This Amended Agreement may be terminated by either party upon not less than thirty (30) days' advance written notice to the other. In the event this Amended Agreement is terminated by either party, the Lease shall simultaneously terminate together herewith.

IN WITNESS WHEREOF, the parties have executed this Amended Agreement effective as of the day and year first written above.

EDC

PUD

\_\_\_\_\_  
Colleen McAleer, Executive Director

\_\_\_\_\_  
Sean Worthington, General Manager

\_\_\_\_\_  
Date: May \_\_\_\_, 2023

\_\_\_\_\_  
Date: May \_\_\_\_, 2023



## Attachment A

### **Scope of Work: Activities & Deliverables**

#### **ACTIVITIES:**

Required reporting by Associate Development Organizations (“ADOs”) on performance measures listed below represent two broad areas of work mandated by statute RCW 43.330.080

- Direct assistance, including business planning, to companies throughout the county who need support to continue their business, expand, or relocate to Washington from out of state, from other counties or other countries. Assistance must comply with business recruitment and retention protocols established in RCW 43.330.062.
- Support for regional economic research and regional planning efforts to implement target industry sector strategies and other economic development strategies, including cluster-based strategies. Research and planning efforts should support increased living standards and increased foreign direct investment and be aligned with the statewide economic development strategy. Regional associate development organizations retain their independence to address local concerns and goals.

#### **DELIVERABLES:**

1. The Clallam County Economic Development Council (the “EDC”) 2023 Work Plan is outlined in Section A below.
2. The EDC and the PUD have agreed to the required performance measures that will be used by the EDC and the PUD to assess the EDC’s performance. These performance measure targets are identified in Section B below. These performance measures are specific deliverables under this agreement.
3. The EDC shall collect data and shall provide quarterly reports to the PUD on all required data in Table B below Performance Measures. These reports are an agreement deliverable.
4. Only those activities identified in Section B “Performance Measures” will be used by the EDC and the PUD to assess achievement of “Performance Measure Targets.”
5. Diversity, Equity and Inclusion (“DEI”) work is an integral part of the EDC’s work. The EDC will use Census data to target DEI within Clallam County. The EDC will pursue partnerships with the four tribal governments to remove barriers to access opportunities and resources to ensure these residents have every opportunity to prosper. The EDC will use the state resiliency network and use their advisors who are fluent in Spanish or other languages as needed to work with local business owners.
6. Demographic Information for Business Ownership and Certifications Using the Online Interaction and Initiative Forms or the Business Survey. The EDC will capture demographic and other relevant data from the businesses we serve in order to help us improve our efforts to remove systemic barriers which impact marginalized businesses and communities. These demographic reports are an agreement deliverable.
7. Quarterly Reports and quarterly invoices will be submitted to the Chair of the BOCC or his/her designee by the following dates:
  - a. April 15, 2023;
  - b. July 15, 2023;

- c.** October 15, 2023; and
- d.** January 15, 2024.

## SECTION A – WORK PLAN FOR 2023

1. The EDC will provide direct assistance, including business planning, to companies throughout the county who need support to stay in business, expand, or relocate to Washington from other states, from other counties or other countries. Assistance complies with business recruitment and retention protocols established in RCW 43.330.062, and will include:
  - a. **Providing information to business owners on state and local permitting processes, utility barriers, tax issues and incentives, export assistance available, essential information to address business restrictions (such as COVID restrictions and zoning), and for operating, expanding, or locating a business in Clallam County.**
    - The primary means of data access will be conducted through the website, [www.clallam.org](http://www.clallam.org). Other means of providing this information will include email, website, social media and newsletters. The EDC will present (with partners if possible) on Initiatives at each of the three chamber forums across Clallam County and with community organizations such as Rotary Clubs, Soroptimist, Kiwanis, etc.
    - The EDC will communicate with the local Realtor Associations and the North Peninsula Builders Association to understand barriers for business growth which produce living wage jobs and desired development. The EDC will coordinate meetings and forums to connect decision-makers at the local level to ensure barriers are understood and addressed if possible.
    - The EDC will respond to requests for assistance which will include regulatory research and support, community forums, participation in the Clallam County Housing Solutions Committee, recruitment incentives research and negotiations, land use planning and code assistance, and referrals. The EDC will refer inquiries to appropriate partners across the county.
  - b. **Marketing CLALLAM COUNTY as an excellent location to expand or relocate a business and positioning Clallam County as a competitive place to grow business, which may include developing and executing regional plans to attract companies from out of the area.**
    - The EDC will respond to inquiries from businesses seeking to locate in our area.
    - The EDC will actively participate in recruitment of businesses in partnership with Department of Commerce, Impact Washington, and local leaders.
    - The EDC will distribute existing Clallam County marketing videos and will produce additional videos for targeted purposes.
  - c. **Working with businesses to support site location and selection assistance.**
    - The EDC will review all site selection opportunities presented. The EDC will send the inquiry to appropriate partners if the area meets the minimum qualifications to assess interest.
    - The EDC will assess zoning requirements and needs throughout the county and provide feedback to local governments.

- The EDC and the PUD will collaborate to share and provide relevant information and links to site selectors, including maps with resource availability to locations within the PUD's service territory.
  - The EDC staff will support calls for assistance with site selection and facilitate research through pertinent parties such as PNNL, utility specialists, planners, and Realtors®. Additionally, the EDC will communicate with business owners regularly to support their needs and understand the economies within the county.
- d. Providing business retention and expansion services throughout the county. These support services include business outreach through multiple methods including in-person meetings (when allowed), surveys to identify and address challenges and opportunities faced by businesses.**
- The EDC will work with partners to collect business data through surveys.
  - The EDC will share information to existing Clallam businesses about:
    - 1) Grant opportunities for trade impacted businesses from the federal trade adjustment assistance program;
    - 2) Resources available for microenterprise development;
    - 3) Resources available on the revitalization of commercial districts;
    - 4) The opportunity to maintain jobs through shared work programs authorized under chapter 50.60 RCW;
    - 5) Resources for manufacturers available through Impact Washington;
    - 6) Loans available to businesses through KIVA;
    - 7) Strategic Reserve Fund applications as appropriate; and
    - 8) Opportunity Fund applications through local government as appropriate.
  - The EDC will continue to partner with the WSBDC, PTAC, each of the Chambers, CIE, NODC, NPBA, Realtor Associations, Peninsula College, and PORT, city and county staffs to help serve the needs of businesses throughout the county.
- e. Participating in economic development system-wide discussions regarding gaps in business start-up assistance in Washington.**
- The EDC will participate in the semi-annual State Best Practices Conferences and will present information and programs to help other areas of the state understand barriers and practices that most readily overcome those barriers.
  - The EDC will assist interested buyers and existing small business owners to accommodate small business succession.
  - The EDC will manage Child Care expansion programs to enact solutions identified in the recent EDC assessment by helping providers in Clallam County expand their existing child care capacity especially in the child care desert of Clallam Bay.
- f. Providing or facilitating the provision of export (outside of county) assistance through workshops or one-on-one assistance.**
- The EDC will provide resources and referrals by email, telephone, and in-person visits for those seeking export assistance. The EDC will work with experts at consulting firms and Northwest Trade Adjustment and Assistance Center ("NWTAAC") to help companies most effected by tariff adjustments and/or import barriers.

2. Support for regional economic research and regional planning efforts to implement target industry sector strategies and other economic development strategies, including cluster-based strategies. Research and planning efforts should support increased living standards and increased foreign direct investment and be aligned with the statewide economic development strategy. Regional economic development organizations retain their independence to address local concerns and goals. Activities include:
  - a. **Participating with the State Board for Community and Technical Colleges, and Peninsula College, High School Career & Technical Programs and the Olympic Workforce Development Council.**
    - The EDC will continue its on-going partnership with Peninsula College (“PC”) in workforce education, outreach and economic development efforts throughout the County. The EDC will meet regularly with PC leadership. PC president is an active member of the EDC Board of Directors.
    - The EDC will serve as a Director on the Olympic Workforce Development Council.
    - The EDC will coordinate on WorkSource programs in an attempt to make them more effective for local small businesses.
  - b. **Participating in development of a countywide economic development plan in conjunction with other governmental jurisdictions and institutions.**
    - The EDC, in coordination with our county, cities and special district partners and non-profits such as NPBA, Realtor Associations, PABA, NODC, West End Business and Professional Association, United Way and our four county chambers, will collaborate on economic initiatives, including inputs to the annual review of the CEDS document for Clallam and Jefferson Counties.
    - The EDC will participate in the County’s Housing Solutions Committee and continue to provide extensive analysis of our housing stock. The EDC will pursue developers of multi-family projects to build affordable housing, workforce housing and market-rate housing.
    - The EDC shall host one Summit Event including community leaders: city and county governments, business/industry leaders, etc. to discuss and coordinate economic development efforts and strategies.
    - The EDC shall provide input to the PUD strategic plan specifically language for goals and policies to support economic development.
  - c. **Champion and provide administrative support to the North Olympic Legislative Alliance (“NOLA”).**
    - The EDC will host Josh Weiss on Coffee with Colleen on a monthly basis through the 2023 legislative Session.
    - The EDC will support surveys to identify priorities for NOLA.
    - The EDC will continue to refine the White Paper, Washington State Policies that Inadvertently Negatively Impact Impoverished and Rural Communities.
    - The EDC will draft legislation borne from the findings of the White Paper in consultation with our legislators and our lobbyist.

## SECTION B: 2023 PERFORMANCE MEASURES

### 1. RECRUITMENT & MARKETING ACTIVITIES

Recruitment & Marketing — Business attraction (recruitment and marketing) is a means of contributing to the economic vitality of the community to enhance and diversify the local tax base, to increase the number of jobs available to residents in the community, and to improve the local quality of life. For communities to maintain and boost their economic vitality, they must persuade businesses or investors to locate, expand or remain in the area rather than in a competing location. Economic development marketing and attraction is not just selling business sites or attracting businesses, it is a means of promoting the community as a viable location for economic activity. Marketing techniques to reach targeted audience and attract potential investors could include advertising; public (e.g., press kits, public official speeches, news releases, public relations); promotional materials (e.g., trade exhibits, economic development newsletters, slide and video presentations, brochures, fact books, websites); direct mail; personal selling (e.g., trade fairs, trade shows, business envoys, events); email (e.g., electronic newsletters, event invitations, announcements, links to your website for prospects); social media.

RECRUITMENT & MARKETING ACTIVITY	Performance Measure Targets – 2023
Number of first-time businesses contacts initiated, site selector contacts initiated, and trade shows attended suitable for location in Clallam County.	12

### 2. BUSINESS RETENTION & EXPANSION ACTIVITIES:

Retention & Expansion — Businesses Retention and Expansion (“**BRE**”) is the core program of any economic development plan. These programs are designed to 1) retain or keep existing businesses in the community; and 2) aid to businesses to expand. Retention and expansion programs can be implemented at the local, regional and state levels in a variety of ways.

BUSINESS RETENTION & EXPANSION ACTIVITIES (BRE):	Performance Measure Targets – 2023
Number of outreach interactions initiated with existing businesses such as phone calls, site visits, or surveys This includes unique businesses which request assistance that the EDC supports in Clallam County.	72

### 3. START-UPS

Start-ups: Small and emerging businesses generate wealth and provide significant source of employment in today's high technology global economy. They stimulate job creations, develop crucial innovations in both products and services, and diversify the economic base. It is critical that communities' economic development strategies dedicate resources to developing and promoting new business start-ups and establishing effective support systems so these new businesses can grow successfully. A community that meets the needs of its entrepreneurs increases its chances of job growth within small businesses, and those gains translate into a more vibrant community.

START-UPS	Performance Measure Targets – 2023
Support to number of start-up businesses in Clallam County.	24

### 4. EXPORT ASSISTANCE

Export Assistance Exporting is vital to the Washington State economy and with the global economy many businesses are now able to more readily access foreign markets. Whether a business is looking to expand into trade or increase their exports and sales overseas, there are many resources available to assist them in their efforts.

EXPORT ASSISTANCE	Performance Measure Targets – 2023
Number of activities focused on Export Assistance and training opportunities specifically geared toward Export and Foreign Trade.	6

### 5. TRAINING

Training. This can include small business and leadership training in addition to most other training geared toward helping businesses to grow or expand their business.

TRAINING	Performance Measure Targets – 2023
Number of training opportunities the EDC provides within Clallam County, either directly and/or leveraging resources through other organizations.	12

Attachment B

**Form of Lease**

[Attached]



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## MEMO

**To:** Commissioners Hays and Waddell  
**From:** Sean Worthington, General Manager  
**Subject:** LSRD Resolution – 4<sup>th</sup> Proposal by Commissioner Hays  
**Date:** April 24, 2023

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Commissioners,

**Resolution 2269-23** *A RESOLUTION Supporting Breaching the Lower Snake River Dams (LSRD) to Aid Recovery of Threatened and Endangered Salmon, Steelhead and Southern Resident Orca, Provide Justice to Northwest Tribes and Invest in a Sustainable, Equitable Future* was originally drafted by Commissioner Waddell. It was submitted to staff as a blended version of Commissioner Waddell's first proposed Resolution 2265-23 and Commissioner Hays alternate Resolution 2266-23. At the request of Commissioner Waddell, staff formatted this Resolution and placed it on the April 10, 2023 board agenda for discussion.

At the April 10, 2023 board meeting, Commissioner Hays submitted additional amendments, which have been incorporated into the attached amended Resolution 2269-23. This Resolution was adopted at the April 10<sup>th</sup>, 2023 board meeting.

This amended and adopted Resolution 2269-23 is included under Correspondence - Communications at the April 24, 2023 board meeting.

Thank you,

  
Sean Worthington

A RESOLUTION Supporting Breaching the  
Lower Snake River Dams (LSRD) to Aid Recovery of Threatened and  
Endangered Salmon, Steelhead and Southern Resident Orca,  
Provide Justice to Northwest Tribes and  
Invest in a Sustainable, Equitable Future

WHEREAS, the Federal Columbia River Power System (FCRPS) is critical for electrification of life and the economy in Clallam County, especially when combining hydro's flexibility with variable energy and storage resource technologies particularly useful for energy resilience in remote locations like Clallam County; and

WHEREAS, Clallam PUD supports a portfolio of clean-energy resources including development of energy storage and adequate transmission systems as essential to meet our clean-energy policies within the Northwest; and

WHEREAS, Bonneville Power Administration's (BPA)'s interconnections requests in 2022 nearly doubled requests in 2021 (>11K GW) with record levels of Gigawatt requests (>7 GW) to receive next step agreements last year and in 2023 (>3.5 GW), to date (**August 2022 BPA Cluster Study Report**), surpassing the LSRD nameplate capacity, far surpassing the LSRD average annual output; and

WHEREAS, the Federal Energy Regulatory Commission (Order 890) requires Transmission Service Providers (TSR) to offer Conditional Firm Service (CFS), a form of Long-Term Firm (LTF) Point to Point (PTP) transmission services; and

WHEREAS, Bonneville Power Administration (BPA) offers CFS; and

WHEREAS, in August 2022, after an extensive investigation and public process, Senator Patty Murray and Governor Jay Inslee concluded, "The science is clear that – specific to the lower Snake River – breach of the dams would provide the greatest benefit to the Northwest salmon resource," adding that extinction of Columbia Basin salmon and steelhead is "categorically unacceptable;" and

WHEREAS, Endangered Species Act-listed Columbia/Snake Basin salmon and steelhead stocks, and salmon-dependent Southern Resident orcas, are genuinely in near-term peril of extinction; and

WHEREAS, in August 2022, the Biden Administration, agreeing to settlement talks and a pause in litigation challenging the federal salmon recovery plan adopted in 2020, affirmed that it was "...committed to supporting development of a durable long-term strategy to restore salmon and other native fish populations to healthy and abundant levels; and

WHEREAS, in September 2022, the National Oceanic and Atmospheric Administration (NOAA) issued a definitive summary of the science of salmon and steelhead recovery (**Rebuilding Interior Columbia Basin Salmon and Steelhead**), which concluded that

“Significant reductions in direct and indirect mortality from mainstem dams, including restoration of the lower Snake River through dam breaching,” was “essential;” and

WHEREAS, the costs to operate, repair, maintain, and mitigate the impacts of the four lower Snake River dams are projected to escalate, increasing their financial liability to the entire Federal Columbia River Power System (FCRPS) taxpayers and to local utility ratepayers; and

WHEREAS the Northwest American Indian Tribes in Clallam County and throughout the Northwest, commercial and recreational fishers in the county, as well as Southern Resident orcas, have suffered real and grave harm from the decline of salmonid stocks; now therefore;

BE IT RESOLVED, that the Board of Commissioners of PUD No. 1 of Clallam County affirms that there is a conclusive scientific basis for breaching the four lower Snake River dams as an essential step towards recovery of threatened and endangered salmon and steelhead as well as Southern Resident orca populations; and

2. That the Board supports breaching the lower Snake River dams; and
3. That the Board supports a comprehensive solution that restores a free-flowing lower Snake River, replaces the services the lower Snake dams now provide, and works to bring communities across the region forward together; and
4. That the Board urges the Washington State Legislature to expedite moving forward with approved funding allocations to:
  - a. Enable the State Department of Commerce to analyze how hydropower produced by the dams can be replaced;
  - b. Enable the State Department of Transportation to determine how wheat now barged down the Snake River can be transported via other means such as rail and road;
  - c. Enable the State Department of Ecology to analyze how to continue to withdraw irrigation water from the Snake River above the Ice Harbor dam after breaching;
  - d. Enable breaching actions to go forward, addressing the immediate and critical needs of the identified endangered species; and
5. That the Board sees within the challenges of breaching, opportunities to move forward existing, emerging, and other new technologies that benefit the state, the nation, and particularly small, remote, rural counties like Clallam, today and into the future, with clean resilient and independent energy resources for safe, reliable, and affordable electric power to PUD customers-shareholders.

PASSED by the Board of Commissioners of Public Utility District No. 1 of Clallam County, Washington, this 24th day of April, 2023.