

**COMMERCIAL STRATEGIC ENERGY MANAGEMENT
FUNDING AGREEMENT No. 1
JOINT AGREEMENT
PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY
and
City of Everett, WA**

This Commercial Strategic Energy Management (“CSEM”) Funding Agreement is executed by Public Utility District No. 1 of Snohomish County (UTILITY) and the City of Everett, WA (END USER) for its Service Center #1 located at 3200 Cedar Street, Everett, WA 98201 and its Police Headquarters/Old City Hall located at 3002 Wetmore Avenue, Everett, WA 98201. The UTILITY and END USER are also referred to herein individually as “Party” and collectively known as the “Parties.”

WHEREAS, The Parties agree to enter into a two-year CSEM Program engagement, implemented by Stillwater Energy (IMPLEMENTER), which emphasizes participation in CSEM training sessions and implementation of low-cost energy efficiency measures, the PARTIES hereby agree to the following:

1. END USER shall designate an “Executive Sponsor” and “Energy Champion” to assume the roles and responsibilities below.

Executive Sponsor	
a. Provide management level support of the Energy Champion, including supporting their time and communicating SEM efforts, needs, and requirements across organization	
b. Establish energy savings goals, assign personnel and monetary resources, and conduct management reviews of energy performance and team activities.	

Executive Sponsor: Jeff Harris	Title: Assistant Director, Facilities
Email: jeharris@everettwa.gov	Phone: 425-257-7335

Energy Champion	
a. Work with the program to implement low-cost energy efficiency measures to actively reduce energy	
b. Prepare for and participate in CSEM workshops, coaching calls, and energy scans	
c. Engage facility staff as needed to attend virtual workshops and energy scans	
d. Provide supporting information to the program including energy data, audits, and other information	

Energy Champion: Karen Schraven	Title: Resource Conservation Manager
Email: kschraven@everettwa.gov	Phone: 425-446-0492

2. CSEM Site Visits – END USER shall schedule one to two (1-2) technical support site visits by the IMPLEMENTER. The intent will be to provide END USERS with support to identify and implement energy efficiency Action Items. Regular remote technical support will be provided in-between site visits.
3. Action Item Implementation – END USER shall work with the IMPLEMENTER to implement energy efficiency Action Items at END USER’s site.
4. CSEM Training Workshops – END USER shall assign employees involved in the operation and/or maintenance of END USER’s facilities to attend eight CSEM training workshops.
5. END USER agrees to provide the IMPLEMENTER and UTILITY with the information necessary to establish and maintain a baseline energy model that will define the pre-engagement baseline and measure the energy savings associated with the implementation of END USER’s CSEM program. Necessary information includes electric energy

consumption and plant loading data and may also include natural gas consumption and any other relevant data that would impact electrical energy use.

6. The CSEM Provider will work with the END USER to compile two annual CSEM Completion Reports (one for each year) that document energy savings achieved, and changes implemented.
7. If agreed to by END USER and UTILITY, the Energy Champion will oversee the design and installation of a Performance Tracking System (PTS), capable of measuring and tracking energy consumption and energy savings performance. The Energy Champion will track installation costs and provide the data required to complete the PTS Verification Report.
8. Funding levels and amounts are described in Table 1 below.

Table 1. CSEM Funding Amounts and Milestones: 2-Year Program Agreement

Payment No.	Incentive Formula	Incentive Cap
Payment #1: PTS Setup	PTS Setup Payment, for documented PTS Setup costs. END USER must verify UTILITY approval before purchase.	\$15,000.00
Payment #2: Milestone Payment	\$1,000.00 for creating Energy Team and meeting three times within the first six months of the program start. END USER must send documentation (including attendance list and agenda) to UTILITY by six months from program start date to qualify.	\$1,000.00
Payment #3: Year 1 Savings	\$0.04 per kWh verified CSEM electrical energy savings identified in the "Year 1" CSEM Completion Report*	\$80,000.00
Payment #4: Year 2 Savings	\$0.04 per kWh verified CSEM electrical energy savings identified in the "Year 2" CSEM Completion Report*	
Payment #5: PTS Maintenance	PTS Maintenance Payment(s), for documented PTS maintenance costs. END USER must verify UTILITY approval before purchase.	\$10,000.00
Overall Cap	<i>\$25,000.00 Total Program Incentive Cap for Performance Tracking System (PTS) funding, \$1,000.00 for Energy Team Milestone Funding, and \$80,000.00 Total Program Incentive Cap for Energy Savings</i>	\$106,000.00 Overall Incentive Cap

*CSEM Completion Reports are prepared at the conclusion of each year of a two-year 'CSEM Performance Period.' Performance Periods for this agreement are indicated in Table 2.

The total incentives paid under this Agreement shall not exceed \$106,000.00.

Table 2. 2-Year Incentive-Eligible Performance Periods

Performance Period	Dates
CSEM 1	Year 1: July 1, 2024 – June 30, 2025
	Year 2: July 1, 2025 – June 30, 2026

The term of this Funding Agreement shall be from July 1 2024 through December 31st 2026 to allow time for Modeling, Verification, and Reporting after the Performance Period End.

9. CONFIDENTIALITY

a. CONFIDENTIALITY OBLIGATIONS

Subject to the requirements of the Washington Public Records Act, RCW Chapter 42.56, and other applicable law and the provisions of this Agreement, the Parties agree to maintain the confidentiality of each, and all of the information designated in writing as confidential by the other Party and shall not disclose such confidential information except as allowed under the provisions of this Section 9. The Parties shall take all reasonable and legally available steps to prevent the release of such confidential information to any party other than the signatories to this Agreement, and designated personnel, agents, and subcontractors of any of the Parties with a specific need to know such confidential information for the purposes permitted hereunder.

Following expiration or termination of this and upon written request of the other Party, a Party shall return to the requesting Party any such confidential information which may be in its possession or control, and which has been properly designated as confidential by the requesting Party; provided, however, that the Party shall not be required to return the requested information if said information is subject to: a pending public record request; litigation involving the non-requesting Party; a court order against/involving the non-requesting Party; and/or similar circumstances.

b. INFORMATION NOT SUBJECT TO SECTION 9

The provisions of this Section 9 shall not be applicable to information which (i) is or becomes generally available to the public other than as a direct or indirect result of an intentional or inadvertent disclosure by the receiving Party or anyone to whom the receiving Party transmits the information, (ii) was in the possession of the receiving Party prior to its disclosure to the receiving by the disclosing Party, provided that such information is not known to the receiving Party to be subject to another confidentiality agreement with, or other obligation of secrecy to, the disclosing Party or another party, (iii) becomes available to the receiving Party from a source other than the disclosing Party, provided that such source is not known to the receiving Party to be subject to another confidentiality agreement with, or other obligation of secrecy to, the disclosing Party or another Party, or (iv) is independently developed by the receiving Party, other than in connection with this Agreement.

c. DISCLOSURES REQUIRED BY LAW

Nothing in this Agreement shall be construed to prohibit or limit any of the Parties to this Agreement from disclosures required or requested under applicable law, regulations, rules or procedures of any governmental authority including, without limitation, any regulatory agency or court of competent jurisdiction. Each Party shall promptly notify the other Party upon receipt of a request for disclosure of confidential information, so that such other Party may, at its own cost and expense, seek a protective order or other appropriate remedy. No Party to this Agreement shall have any liability whatsoever to the other Party for the disclosure or copying of designated confidential information where, in the opinion of legal counsel for the disclosing Party, the disclosing Party is compelled to permit such disclosure or copying or else risk civil or criminal liability or penalty.

10. NO WARRANTIES AND HOLD HARMLESS:

END USER acknowledges that no warranties, implied or expressed, are created under this Agreement; and, that END USER waives any claim, cause of action or breach of warranty claim which may arise under this Agreement. The Parties stipulate this waiver is made upon mutual assent and is knowingly and intelligently made.

11. MISCELLANEOUS

d. INTEGRATION CLAUSE

This Agreement sets forth the entire agreement of the Parties and supersedes any and all prior agreements with respect to the subject matter of this Agreement. The rights and obligations of the Parties hereunder shall be subject to and governed by this Agreement. The headings used herein are for convenience of reference only and shall affect the meaning or interpretation of the Agreement.

e. TERMINATION OF AGREEMENT

Either Party may terminate this Agreement at any time for any or no reason with thirty (30) calendar days' written notice to the other Party.

f. NON-DISCRIMINATION

- i. During the performance of this Agreement, the END USER shall not discriminate in violation of any applicable federal, state and/or local law or regulation on the basis of race, color, sex, sexual orientation, religion, national origin, creed, marital status, political affiliation, and/or the presence of any sensory, mental or physical handicap. This provision shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training, and the provision of services under this Agreement. In addition, the parties hereby incorporate 41 C.F.R. 60-1.4(a)(7); 29 C.F.R. Part 471, Appendix A to Subpart A; 41 C.F.R. 60-300.5(a)(11); and 41 C.F.R. 60-741.5(a)(6); if applicable.

- ii. **END USER and any subcontractors shall abide by the requirements of 41 C.F.R. 60-300.5(a) and 41 C.F.R. 741.5(a). These regulations prohibit discrimination against qualified protected veterans, and qualified individuals on the basis of disability, respectively, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities, respectively.**

g. NO THIRD-PARTY BENEFICIARIES

Except as expressly set forth in this Agreement, none of the provisions of this Agreement shall inure to the benefit of or be enforceable by any third party.

h. WAIVERS

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

i. SEVERABILITY

- i. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the Parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.
- ii. If any provision of the Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

j. AMENDMENT

No change, amendment or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by both Parties.

k. DEFINITIONS

Unless otherwise required by the text of this Agreement, all technical terms contained herein shall have the meaning ordinarily assigned to them in the electric utility industry.

l. DRAFTING OF AGREEMENT

Both Parties have participated in the drafting of this Agreement. As such, it is agreed by the Parties that the general contract rule of law that ambiguities in the contract language shall be construed against the drafter of a contract shall have no application to any legal proceeding, arbitration and/or action in which this Agreement and its terms and conditions are being interpreted and/or enforced.

m. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Washington, with venue for any disputes in Snohomish County, Washington; provided that venue for any matter that is within the jurisdiction of the Federal Court shall be in the United States District Court for the Western District of Washington at Seattle, Washington. Each Party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of proceedings in such courts.

n. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

o. AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT

The undersigned represent that they have full authority to enter into this Contract and to bind the Parties for and on behalf of the legal entities set forth below.

PUBLIC UTILITY DISTRICT NO. 1
OF SNOHOMISH COUNTY

CITY OF EVERETT, WASHINGTON

BY: Clark Langstraat
Clark Langstraat

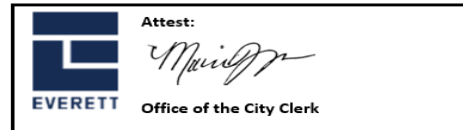
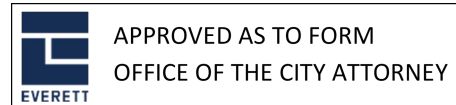
BY: [Signature]
Cassie Franklin

TITLE: Manager, Contracts & Purchasing

TITLE: Mayor

DATE: 06/12/2024

DATE: 06/12/2024













SnoPUD-Everett CSEM Agreement_2024.0612_SD


Final Audit Report

2024-06-12


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 Agreement completed.

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