

Board Meeting Agenda
Fort Worden Lifelong Learning Center Public Development Authority (FWPDA)
Tuesday, July 26, 2022 | 5:30 p.m.
Commons Room B + Zoom

Remote Meeting Access

Via internet:

<https://us06web.zoom.us/j/83909698143?pwd=MWNSZTlmbkpiRjJWZWJQaXdhamhYdz09>

Phone-only dial in:

+1 253 215 8782

Webinar ID: 839 0969 8143

Passcode: 032356

*9 to raise hand to speak

Meeting Agenda

- I. Call to order (5:30)**
 - II. Roll Call**
 - III. Reports**
 - A. Finance Reports**
 - a. Profit & Loss*
 - b. Balance Statement*
 - c. Cash Flow*
 - B. Executive Director's Reports**
 - a. Revised process for business plan
 - IV. Public Comment**
 - V. Action Items (6:30 p.m. estimate)**
 - 1. Consent Agenda**
 - a. Review the June 28, 2022 meeting minutes. *
 - b. July Accounts Payable*
- Proposed action:** Approve the consent agenda.

2. New business plan process

- A. Staff presentation
- B. Board clarifying questions
- C. Board discussion
- D. Board liaison comments

Proposed action: Motion to authorize the Executive Director to negotiate and execute a final scope and budget not to exceed \$50,000 for the first of three phases to begin the formation of an updated Business Operating Model to comply with the requirement to submit a plan to the Park's Commission by May of 2023.

3. Contract with State Agency for energy management services

- A. Staff presentation
- B. Board clarifying questions
- C. Board discussion
- D. Board liaison comments

Proposed action: Motion to authorize the Executive Director to enter into a contract for energy management services with the State of Washington Department of Enterprise Services per the attached contract.

VI. Public Comment

VII. Next Board Meeting

Tuesday, August 23, 2022 at 5:30 p.m. (potential virtual meeting)

VIII. Adjourn (7:30 p.m. estimate)

**Topic involves documents in agenda packet*

FORT WORDEN PDA

5:17 PM

Profit & Loss

07/18/2022

January through June 2022

Accrual Basis

	Jan - Mar 22	Apr - Jun 22	TOTAL
Ordinary Income/Expense			
Income			
4000 Accomodations	102,229		102,229
4400 Food Sales Revenue	51,914	(2,343)	49,571
4600 Other Revenues			
4010 Partner Leases	31,365	26,551	57,916
4015 Concession Fee	7,132	40,771	47,903
4103 Cleaning Services	6,755	3,155	9,910
4125 Meeting Rooms	12,720		12,720
4200 Fees	8,637	898	9,535
4300 Other	240	269	509
4450 Merchandise Sales	222		222
4600 Other Revenues - Other	1,133	255	1,388
Total 4600 Other Revenues	68,204	71,899	140,103
4900 PDA Grants/Donations	300,839	57,458	358,297
Total Income	523,186	127,014	650,200
Cost of Goods Sold	12,021		12,021
Gross Profit	511,165	127,014	638,179
Expense			
6010 Personnel Costs	302,096	86,466	388,562
7000 Repairs & Maintenance	13,487	18,962	32,449
7100 Utilities	112,181	39,936	152,117
8000 Contracts			
8002 CompSoftware/Support Maint	250	3,901	4,151
8003 Alarm/Security/Fire Rescue		20,362	20,362
8005 Advertising/Marketing	9,000	6,000	15,000
8009 Design Arch/Eng	77,797	37,894	115,691
8010 Audit/Accounting	20,256	17,676	37,932
8012 Maintenance Contracts	3,807	3,648	7,455
8000 Contracts - Other		5,511	5,511
Total 8000 Contracts	111,110	94,992	206,102
8500 Operating Expense	60,332	34,466	94,798
Total Expense	599,206	274,822	874,028
Net Ordinary Income	(88,041)	(147,808)	(235,849)
Other Income/Expense			
Other Expense			
9200 Bond Interest Expense	55,125	57,620	112,745
9500 Capital Purchase/Equipment	22,057	137,500	159,557
9600 Leasehold Improvements	447		447
Total Other Expense	77,629	195,120	272,749
Net Other Income	(77,629)	(195,120)	(272,749)
Net Income	(165,670)	(342,928)	(508,598)

FORT WORDEN PDA

5:21 PM

Balance Sheet

07/18/2022

As of June 30, 2022

Accrual Basis

Jun 30, 22

ASSETS

Current Assets

Checking/Savings

1000 Operating Accounts	114,630
1020 Kitsap Operating 7811	330,238
1021 Kitsap Capital 7812	18,003
1022 Kitsap DR 7821	378,010

Total Checking/Savings	840,881
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Accounts Receivable

Total 1100 Hospitality Services AR	265,718
1120 Partner Tenant	6,113
1140 Grants Receivable	30,501

Total Accounts Receivable	302,332
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Other Current Assets

1200 Prepaid Expenses	37,934
1207 Due from FW Hospitality	145,395
1250 Due from MS Landlord LLC	755,540

Total Other Current Assets	938,869
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Total Current Assets	2,082,082
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1300 Fixed Assets	174,096
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TOTAL ASSETS	2,256,178
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 Operating	47,426
2003 Capital Fund A/P	35,012

Total Accounts Payable	82,438
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Credit Cards	1,894
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Other Current Liabilities

2100 Current Liabilities	(6,764)
2120 Due To FWH	116,770
Total 2200 Advance Deposits	828,077

2400 Notes Payables	
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2407 Kitsap Makers Square Bond	900,000
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Accrued Note Interest Payable	123,120
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Total 2400 Notes Payables	1,023,120
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Total Other Current Liabilities	1,961,203
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Total Current Liabilities	2,045,535
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Long Term Liabilities

2700 Kitsap Bank Bonds	
2705 Glamping Bond	2,107,863
2709 Revenue Bond 2021C	918,726
2710 Energy Efficiency Bond	1,698,277
Accrued Bond Interest Payable	135,249

Total 2700 Kitsap Bank Bonds	4,860,115
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Total Long Term Liabilities	4,860,115
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Total Liabilities	6,905,650
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Equity

Unrestricted Net Assets	(4,140,874)
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Net Income	(508,598)
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Total Equity	(4,649,472)
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TOTAL LIABILITIES & EQUITY	2,256,178
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FORT WORDEN PDA
Statement of Cash Flows
January through June 2022

5:14 PM
07/18/2022

Jan - Jun 22

OPERATING ACTIVITIES

Net Income	(508,598)
Adjustments to reconcile Net Income to net cash provided by operations:	
1100 Hospitality Services AR	134,428
1120 Partner Tenant	20,435
1140 Grants Receivable	(30,501)
1049 Inventories	42,723
1207 Due from FW Hospitality	(126,030)
1250 Due from MS Landlord LLC	350,000
2001 Operating Payable Bank	2,761
2002 F.S Accounts Payable	(3,682)
2003 Capital Fund A/P	34,072
2010 Credit Cards & House Accts:2011 American Express	1,894
2100 Current Liabilities Payroll and Business Taxes	(50,645)
2120 Due To FWH	116,770
2200 Advance Deposits	(22,979)
2200 Advance Deposits:2201 P-Tenant Deposit	500
2400 Notes Payables:2407 Kitsap Makers Square Bond	(600,000)
2400 Notes Payables:Accrued Note Interest Payable	24,490
Net cash provided by Operating Activities	(614,362)

INVESTING ACTIVITIES

1300 Fixed Assets	333,936
1350 Accumulated Depreciation	(201,099)
Net cash provided by Investing Activities	<u>132,837</u>

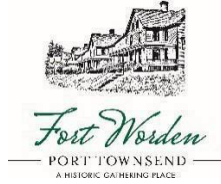
FINANCING ACTIVITIES

2700 Kitsap Bank Bonds:2709 Revenue Bond 2021C	687,726
2700 Kitsap Bank Bonds:Accrued Bond Interest Payable	88,255
Net cash provided by Financing Activities	<u>775,981</u>

Net cash increase for period	<u>294,456</u>
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Cash at beginning of period	546,425
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Cash at end of period	<u><u>840,881</u></u>
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DRAFT Meeting Minutes

Board of Directors Meeting Agenda Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Tuesday, June 28, 2022 | 5:30 p.m. Remote on Zoom

To access the webinar:

Via internet:

<https://us06web.zoom.us/j/84857640473?pwd=UVpEY0NIR2QxSXpvZ1lvY29kb1dTdz09>

Via phone-only dial in:

+1 253 215 8782

Webinar ID: 848 5764 0473

Passcode: 202173

*9 to raise hand to speak

Action Summary

- ❖ Motion to approve the consent agenda. **Unanimously approved.**
- ❖ Motion to authorize the ED to execute the MOU with Fort Worden Hospitality. Celeste Tell made a motion to approve. **Unanimously approved.**
- ❖ Motion to authorize Executive Director to apply \$600,000 toward the debt restructuring plan and to come back to the board with a proposal for how to deal with the surplus glamping equipment. **Unanimously approved.**
- ❖ Motion to authorize the Executive Director to move forward with securing and restructuring the debt based on the recommendation by the Finance & Audit Committee. **Unanimously approved.**
- ❖ Motion to approve renewal of contract with revised scope of work, [as well as assistance in producing communication tools/materials for lobbying]. **Unanimously approved.**
- ❖ Motion to authorize the Executive Director to apply for a credit card with a credit limit of \$5,000. **Unanimously approved.**

Meeting Agenda

I. Call to order (5:30)

The meeting was called to order at 5:33 p.m.

II. Roll Call

Board Members: Brad Mace, Celeste Tell, David King, John Begley, Rodger Schmitt, Torie Brazitis

Partner Liaisons: Heron Scott, Libby Wennstrom

III. Reports

A. Finance Reports

- a. Profit & Loss*
- b. Cash Flow*
- c. Balance Statement*
- d. Debt Restructuring Recommendation

Becky Wagner reviewed the finance documents. P&L includes split with hospitality. The large payout in February reflects that employees that switched to hospitality were paid out their vacation days. Fuel oil costs are still way up, and has more than doubled over the past several months and significantly higher than last year. Reimbursement from hospitality will eventually move to revenue. Carolyn Zipeto said May is representative of the PDA's employees cost going forward. Professional services fees include Zipeto's fees and would cover lobbying fees. Architect and legal services are broken out in a different category. There was discussion about tracking general and retained services and project fees. Wagner explained some of the P&L structure was inherited and can be changed.

Zipeto explained hospitality's merchant account and difficulty with a new process required by their middle company. They are looking for a new one and, in the meantime, PDA changed old merchant accounts so that credit card transactions are going to hospitality's accounts instead of old First Federal accounts, which mean they can be cleaned up and closed.

David Timmons said the Finance & Audit committee reviewed the debt restructuring recommendation and approved moving forward.

B. Executive Director's Reports

- a. Lobbying Memo and Report*
- b. SAO 2021 Annual Financial Report
- c. Status Report on US/Japan Climate Action Partnership w/Renewable Nations and OIST
- d. Status Report on Justice Capital Nomination
- e. Status Report on Fire Safety Inspections
- f. Status Report on Alliance Lease Agreements
- g. Status Report on Web Site Development

a. Timmons said re: lobbying report, there is a lot happening in Olympia and the next session has many competing interests. He said we will need to be more aggressive to fulfill our goals for next year. He said board members might need to be involved in personally contacting state reps, while also supporting State Park's initiatives.

b. The SAO 2021 Financial report was completed and filed. They are currently completing the 2018-2020 audit—it appears there may be one finding, related to a mis-posting of the debt liability from Makers Square as a debt of the LLC as opposed to the PDA. That has been subsequently corrected. He gave credit to Becky Wagner and Carolyn Zipeto for their work. Timmons said the PDA will continue with annual audits. There won't be a full and complete separation with hospitality reflected in the audits until 2023.

c. Timmons gave an update on Renewable Nations and OIST. The concept is to establish a climate institute/hub at the fort for climate initiatives between the US and Japan. Timmons said he viewed the PDA as a supporting agency at this point, with the PDA working in partnership with both Renewable Nations and OIST (Okinawa Institute for Science and Technology). Specific proposals will come before the board for approval.

d. Timmons said the PDA still remains one of 13 final nominees for the Justice Capital Project funds. He said the PDA's proposal was initially criticized for lack of climate initiatives; working with Renewable Nations and OIST would strengthen the PDA's proposal. Board members asked questions about the varying organizations' backgrounds, pro-bono work with them, and their work with partners in the past. Heron Scott brought up how to bring new partners to the fort, including considering criteria for partners and what kind of programs they would create.

e. Timmons gave an update on fire inspections. He said future improvements include panic bars, installing missing tiles, sealing wall penetrations. The stairs in Building 203 have significant wood rot; the plan is to remove those and replace them internally. He said the PDA is cooperating and he will give a future report with more details. In response to a board question, Timmons said the company that was supposed to provide regular inspections did not follow through and was even more difficult during the pandemic.

f. Timmons said lease agreements are being reviewed by partners and there have been no material changes. They are now waiting approval from partners' boards. He's looking at occupancy for Sept. and first of the year. Heron Scott said David and Rob have done a great job moving the process forward.

g. Timmons explained the development of the new website, it will be up and running in August. The domain will be fwpda.gov. PDA emails have also switched to @fwpda.gov. Hospitality will maintain fortworden.org.

IV. Public Comment

No public comment at this time.

V. Action Items (6:30 p.m. estimate)

1. Consent Agenda

- a. Review the May 24, 2022 meeting minutes. *
- b. Accounts Payable (time period)

Proposed action: Approve the consent agenda.

Rodger Schmitt made a motion to approve. Brad Mace seconded. **Unanimously approved.**

VI. Public Comment

[Typo in the agenda.]

VII. New Business

- a. Memorandum of Understanding Regarding Amendments of terms with FWH

Timmons said this MOU reduces the concession fee for the first five years from 3.5 to 3%. This incorporates liabilities that FWH inherited as well as capital maintenance improvements that they will

undertake, in order to have continuity of service. The contract also includes a first-year review process. Aislinn Diamanti discussed the capital projects FWH identified as priorities.

Board members asked questions about the process for determining priorities and budget constraints.

Proposed action: Motion to authorize the ED to execute the MOU with Fort Worden Hospitality. Celeste Tell made a motion to approve. John Begley seconded. **Unanimously approved.**

b. Glamping Report & Motion

Timmons said after discussions with contractors, hospitality, and the bank that he recommends suspending any further activity or investment on glamping. He recommends securing the investment so that in the future a third party could utilize those investments and complete the project. He recommends using the \$600,000 to restructure the PDA's financial situation; he's spoken to the bank and they support that. The PDA is not in a position to finish out the project and hospitality is not ready to assume management of it. He said the tents would be removed and potentially donated in the community. He suggested using \$100,000 to secure the surplus glamping equipment—this would involve making sure there are no leaks in water or gas lines, ensuring electrical panels are functioning, removing decking material, etc.

Board members discussed cost recovery of some of the equipment, the donation process of canvas tents, and how hospitality considers this change. Timmons said storage of the tents is also a possibility. David King suggested splitting up the original proposal—authorizing the use of \$600,000 toward debt and Timmons returning with a plan for surplus glamping equipment in the future.

Libby Wennstrom asked about the total cost to complete the project. Timmons said there is still landscaping work, flooring, and venting that would be needed before completion. There is also a management factor. There are still structures from the original plan that have not been built yet, which were crucial to hospitality's business model for glamping.

Proposed action: Motion to authorize Executive Director to apply \$600,000 toward the debt restructuring plan and to come back to the board with a proposal for how to deal with the surplus glamping equipment.

John Begley made a motion to approve, Brad Mace seconded. **Unanimously approved.**

c. Debt Restructuring Resolution

Timmons said he has been talking to the bank and looking over the finances, there was a grant opportunity that was lost in the process of Makers Square project—the project itself has a residual liability that was left on the books, in the form of a \$1.5 million bond. There is a \$600,000 balance remaining and the project has not yet generated enough revenue to pay that back. Timmons said he is looking at a plan with the bank to restructure all debt—to include the restoration bond (which replaces money diverted from capital to operating), the glamping and energy bonds, and the Makers Square bond (\$600,000 residual). The payment plan would put all those into a single new bond with a payment schedule that aligns with the PDA's cash flow. Timmons said he is looking for authorization to move forward in the next phase and bring back a full report to the board in July or August.

Board members asked questions about how this would impact the PDA's operating budget, the debt as

it relates to assets, the Makers Square debt and potential for revenue. Board members agreed they want to work to reduce debt.

Timmons reminded board members that they did not create this situation and are helping to fix it. He also reminded the public that there are no public tax funds involved in the PDA's budget.

Rodger Schmitt made a motion to authorize the Executive Director to move forward with securing and restructuring the debt based on the recommendation by the Finance & Audit Committee. John Begley seconded. **Unanimously approved.**

d. Lobbying Contract Renewal and Scope of Work

Timmons said he is focused on securing funding for \$32 million of shovel-ready projects from the state. He has had a positive relationship with DZPA Lobbying and they have done an excellent job so far.

Board members asked to see more detailed reports in the future, more specific to the PDA and Parks, as well as the opportunity for the board to chat with lobbyists directly. They also requested DZPA produce communication materials and targeted asks.

Motion to approve renewal of contract with revised scope of work, [as well as assistance in producing communication tools/materials for lobbying].

David Timmons suggested amending the motion to include board suggestions (in brackets above). John Begley made a motion to approve. Celeste Tell seconded. **Unanimously approved.**

e. Kitsap Bank credit card application

Timmons said the PDA closed all previous credit cards and has been using a debit card with First Federal Bank. Kitsap Bank does not allow debit cards for commercial accounts, they require the use of a credit card. He recommends the PDA apply for a credit card to be used for electronic purchases. The use of the credit card would be reviewed by the Finance & Audit Committee, with information about how the card had been used the previous month.

Board members discussed liability and security issues related to debit vs. credit cards, as well as interest rates. Timmons said the card will be paid off every month and will not be used as a line of credit. Two people will be authorized to use the card, Timmons and Katie Kennison, admin assistant.

Motion to authorize the Executive Director to apply for a credit card with a credit limit of \$5,000. John Begley made a motion to approve. Celeste Tell seconded. **Unanimously approved.**

f. Business Plan Proposal

Timmons said he has been working to select a team of consultants to look at how to develop a partnership model for the new business plan. The first phase of this process would involve developing a communication strategy for how to work together with partners, Parks, and stakeholders. The second phase will examine facilities plan and utilize the best parts to build a new plan. The third phase will involve business planning consultants to create a new business model incorporating findings from phase 1 and 2, that will then be presented to the state.

Timmons said he recommends allocating \$50,000 for the first phase, that will come from the operating reserve that was established with the refinancing. He said we would need to do a fundraising effort to pay for the second and third phases. He would like to work with Milenko Matanovic, a well-regarded

facilitator, to engage with the first phase. Signal Architecture will be involved with the second phase utility plan, and EchoNorthwest will assist with the third phase and creation of the business plan. Timmons said creating a new business plan is part of the PDA's obligation to the state.

Board members expressed concerns about the overall budget, and asked questions about the content of each phase, community involvement, the backgrounds of the consultants, partner involvement, and time constraints. Board members agreed this was critical and foundational work but would like to know more about the process.

Timmons recommended tabling any action on the business plan at this meeting. He said he would work with Celeste Tell to develop a more detailed explanation of the process and bring it back to the board.

VIII. Next Meeting

Tuesday, July 26, 2022 at 5:30 p.m.

IX. Executive Session—Executive Director's Evaluation

No action will be taken.

The board decided not to meet in Executive Session during this meeting due to time constraints.

X. Adjourn (8:00 p.m. estimate)

The meeting was adjourned at 8:39 p.m.

**Topic involves documents in agenda packet*



To: FWPDA Board of Directors

From: David Timmons, Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Executive Director

Date: June 24, 2022

Subject: Agenda Item – III. B. a. and V. 1. Business Plan

I prepared the slide deck to present as a part of my report to help show what is being requested and why we are being ask by the State to prepare and submit such a report.

Given the detail in the slide deck I don't want to repeat myself.

We have assembled a team of consultants following a review process of several well qualified professionals to assist us in developing an updated business operating model.

One key question at the last meeting was centered on the total estimated cost of the scope of work that we have outlined to be conducted by this team. To accomplish this, we feel we must break this down into phases. The first phase is designed to help us gain valuable insight from a broad variety of interests. A considerable amount of work has been on the books for some time. Most if not all could be as relevant today as it was 10 years ago. But some interested parties may have greater expectations than others on how much we want to rely on this historical record. Based upon the input we might receive, there could be a consensus that we keep this simple and work with what we have or we go all in on a total revamp of the previous work.

Not only is the listening phase important to any successful effort to craft an updated business operating model, but so is the capital facility piece. Therefore, we used the capital investment estimate as a basis to develop a range of the cost to accomplish what we need to do. Obviously, the cost and scope will depend on what we hear from interested parties on expectations. The range we have established is 0.75% (\$225,000) at the low end to 1.75% (\$450,000) at the high end based upon a \$300,000,000.00 capital plan.

The first phase, that defines the scope of the second two, is estimated not to exceed \$50,000. We currently have funds available to conduct this phase, but we will need to fund raise the money to complete the second two. Completion of Phase 1 will allow us a more definite budget for the remaining work.

Unfortunately, the only alternative I can offer is that we delay funding of the first phase until we have sufficient funds to complete the work. Time however is not on our side. Not only do we have the state's deadline to meet, but our own operating ability is time sensitive.

Therefore, I am recommending the following motion:

Move to authorize the Executive Director to negotiate and execute a final scope and budget not to exceed \$50,000.00 for the first of three phases to begin the formation of an updated Business Operating Model to comply with the requirement to submit a plan to the Park's Commission by May of 2023.

Fort Worden: An Opportunity to Build a True Co-Management Partnership Future for a Special Place in the Pacific Northwest

Why we are doing this:

We are required by State Parks to submit an updated operating model by May 2023.

The following outlines what is at risk and what opportunities lie ahead for the Fort that can be encapsulated in this update.

We estimate the cost of developing this update based upon a percentage of the capital investment.

This ranges from a low of 0.75% (\$225,000) to 1.5% (\$450,000) of the estimated capital investment



Preserving A National Historic Landmark

Fort Worden is located in Port Townsend, Washington.

Activated in 1902, Fort Worden served as the Harbor Defense Command of Puget Sound and a training ground for soldiers.

Given its exceptional value in illustrating the heritage of the United States, Fort Worden is a designated National Historic Landmark and is listed in the National Register of Historic Places and the Washington Heritage Register.



Heritage Land Acknowledgement



The area that we call Port Townsend is the ancestral territory of the S'Klallam People, the Strong People. The name of the S'Klallam village at Port Townsend was called qatáy (kuh-tai). We acknowledge and respect the land and surrounding waters that are the ancestral home to the S'Klallam People.



A State Park and Lifelong Learning Center Together



In 1973 Fort Worden became an iconic 434-acre state park featuring 70+ historic buildings, forested trails, beachfront, and batteries.

The Lifelong Learning Center campus occupies the central 95 acres of the state park.

1.5 million people visit the park annually; 30% come specifically for lifelong learning programs for participants of all ages, backgrounds, classes, and abilities.



The Goal Remains Unchanged

The Fort Worden State Park Long Range Plan (2008):

“As envisioned, the Fort will become a full-service, year round destination providing a diverse array of meaningful experiences for people of all ages, backgrounds, skills, and interests through its programs, events, services, and facilities.

A multitude of resident partners will create a shared economy that supports state of the art programming in the arts and culture, health and wellness, natural science, outdoor recreation, and historic preservation. With a variety of conference facilities and accommodations ranging from camping to residences and single guest rooms, plus high-quality food service focused on locally grown ingredients, the new Fort Worden will allow visitors to design their stay around their needs and preferences.”



State Park Mission Remains Unchanged

FORT WORDEN STATE PARK MISSION STATEMENT:

“Fort Worden is Washington's state park conference center for recreation, arts, culture, history and the environment. It is a confluence of creative learning, recreation, and retreat opportunities for people of all ages, abilities, and backgrounds.”

Fort Worden is a partnership of the Washington State Parks and Recreation Commission, the Washington State Arts Commission, resident cultural institutions and businesses, and major funders, achieving financial vitality through coordination and collaboration. The partnership:

1. Promotes personal growth and professional development through conferences, workshops, performances, exhibitions and special events for individuals and groups;
2. Develops and manages businesses that fund annual operations;
3. Attracts public-private funding for capital projects and endowment; and
4. Restores, preserves and interprets the significant historical, cultural, and natural resources of the area.



Fort Worden PDA Business Planning History

- In 2008, State Parks Establishes mission of Fort Worden to serve as a Life Long Learning Center.
- 2011, the City of Port Townsend formed the **Fort Worden Public Development Authority (FWPDA)**
- 2012 FWPDA creates Business and Operating Plan.
- Signed in 2014, our 50-year lease with State Parks establishes the Fort Worden PDA as the tenant primarily responsible for management and operation of the Lifelong Learning Center campus.
- 2015 FWPDA creates the Program Development and Capital Improvement Plan



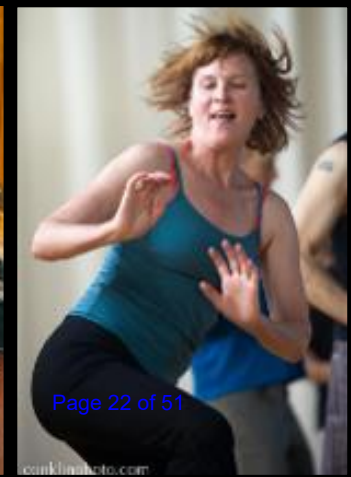
A Unique and Special Place: A Lifelong Learning Center



The 95-acre campus is home to 14 organizations that bring the lifelong learning mission to the community with a wide range of arts, cultural, recreational, and educational programming.

The Fort Worden PDA manages use agreements with organizations and creative businesses that together offer more than **1,500 days of creative programming** each year.

Onsite Program Partners



Longevity & Creativity



1.5 million visitors to Fort Worden State Park per year.



1,500 days of creative programming per year.



Creative partners with over **75 years of experience** in gathering artists and craftspeople in dozens of disciplines—from fiber arts to fiddling, carving to choral singing, painting to poetry—for community programming for all ages and abilities.



Home to world-class arts and creative organizations, including the Pulitzer Prize Winning Copper Canyon Press, world-renowned Port Townsend School of Woodworking, and Centrum, which is about to celebrate 50 years of fostering creative arts experiences that change lives.

The Challenge...

423,302 square feet of historic buildings.

Investments have been made, but the scale of the 95-acre campus and its needs are rapidly outpacing the ability of the FWPDA and its partners to obtain funds to keep ahead of the deteriorating conditions.

This threatens the viability of maintaining the campus as a vital place to support affordable lifelong learning programs.



Campus Management

The campus includes
**73 historic
buildings** that serve as
event venues, conference and
meeting spaces, and unique
overnight accommodations for
program participants and
visitors from around the world.



Alexander's Castle (c. 1890)



Chapel (c. 1941)



Wheeler Theater (c. 1932)



Double Company Barracks (c. 1908)



Officers Row (c. 1904-1905)

...is an Existential Threat

The Fort Worden PDA is in its 6th year of operation, and it continues to face **millions in deferred maintenance.**

Contributed income from State Parks, the Legislature, and private donors have helped, but the building needs in the current and near term threaten our ability to provide functional and safe spaces for the community and our lifelong learning partners.



The Solution – Fix it and they will come

A significant and aggressive investment in updating the infrastructure and operating plans is needed to preserve this unique and historic local, state, and national asset. We need to maximize public-private partnerships to yield enough funds to achieve a campus wide revival. This will allow the campus to fulfill and strengthen its mission by:

- Providing sustainability in maintenance of campus infrastructure
- Developing an opportunity for expanded lifelong learning experiences
- Develop resilience for external impacts such as climate change, economic recessions, and natural disasters
- Maximizing private investment by up to 20% with obtained federal historic tax credit investment.



Recognizing our Challenges and Risks:



CURRENTLY OPERATING WITH FAILING SYSTEMS,

SOME MAY FORCE CLOSURE OF FACILITIES BEFORE RENOVATIONS REPAIRS CAN BE MADE



CAPACITY TO ADMINISTER PROGRAM

WILL REQUIRE STAFFING AND SUPPORT SERVICES CAPACITY THAT CURRENTLY DOES NOT EXIST

WILL REQUIRE SIGNIFICANT COORDINATION TO MINIMIZE BUSINESS INTERRUPTION OF PARTNER PROGRAMS AND CAMPUS ACTIVITIES



BUILDING CONSENSUS WITH:

WA STATE PARKS
HISTORIC REGULATORY PARTNERS
STATE AND FEDERAL PROGRAM ADMINISTRATORS
CAMPUS PARTNERS
COMMUNITY LEADERS
PUBLIC



SYSTEM FAILURES FASTER THAN ANTICIPATED THAT CONTRIBUTE TO INTERRUPT BUSINESS/ACTIVITIES

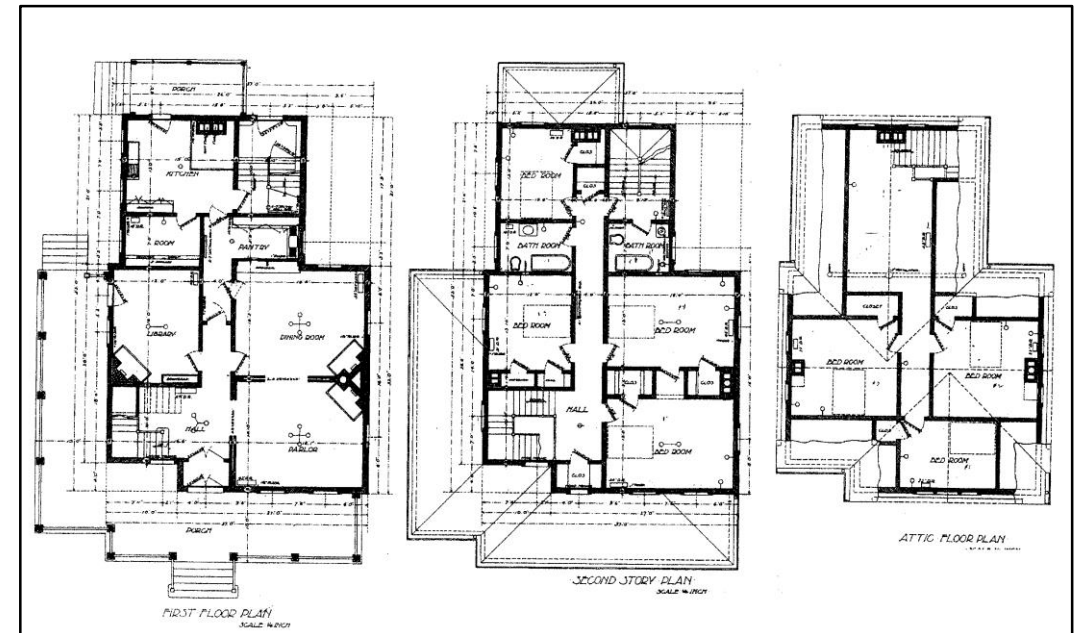
FIRE ALARM SYSTEMS CANNOT BE REPAIRED THAT COULD FORCE CLOSURE OF BUILDINGS

MECHANICAL SYSTEMS ARE FAILING LEAVING A BUILDING WITHOUT HEAT
WALK IN COOLER THAT OPERATES TODAY BUT CANNOT BE MAINTAIN WILL TRIGGER CLOSER OF COMMERCIAL KITCHEN AND REQUIRE A \$2,000,000 REPLACEMENT

The Solution – How we meet this challenge:

Using our history to our advantage: A significant level of work has been completed on business modeling and capital investment planning that will yield a basis to build a new management model. This will allow the campus to respond to the challenges and opportunities by:

- Creating a new opportunity to listen and engage stakeholders in investing in solutions as active “partners”
- Updating and developing a sustainable and realistic capital facilities program that can be achieved
- Updating and developing a sustainable business operating model that reflects a shared economy of maintaining the campus.

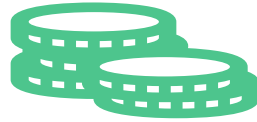


We are prepared to deliver:



List of supporting reports

Coordinated Capital Plan
Comprehensive Facility
Programing Study
Numerous individual Facility
Studies
Comprehensive Master Plan



Updated Facility and Capital Plan

Aligns uses with facilities
Acknowledges challenges to capital
construction on peninsula
Minimizes business interruption
Uniformity of work and solutions
Builds on purchasing power for materials
Ability to make long term commitment to
investing



An Updated Business Operating Model

Basic operating principle that
uses a “co-management” and
share economy approach to
sustainable operations
Reviews and recommends
“best” governance model to
implement objectives

The Listening Phase – Building consensus

The initial Phase is designed to reflect on expectations and outcomes. It also will be used to craft the best approach to the facility and business phases: hence the range in cost. Within this initial phase are certain expectations as to the process and approach. Also this phase will be used as a continuing “feed back” mechanism to assist in the development of the final two phases.

- Independent Facilitated Process
- Non linear Approach to setting expectations and outcomes
- Meet with Board – One on one input with one to two day advance (retreat)
- Meet with Partners – One on one input with a one day advance (retreat)
- Meet with Stake Holders – An open house invitation
- Key elements and outcomes:
 - Facilitated discussions
 - Develop consensus
 - Define the scope ahead of us.

Budget and contract authorization for Phase 1 Work:

- Not to exceed \$50,000



The Capital Facility Phase: Facing our most critical threat

Key challenge: A total of over \$250,000,000 in infrastructure investment is needed over the next 5 years in utilities, building infrastructure, streets, pedestrian access, Internet fiber and ADA improvements throughout historic campus.

- Update 2015 Facility Plan as starting point
- Review alignment of current uses and facilities
- Bring into line and prioritize implementing phases over a 5-year period:
 - \$32,000,000 in work that is shovel-ready.
 - \$120,000,000 identified as critically needed deferred investment.
 - \$100,000,000 identified to restore and invest in critical buildings that would expand partner programs.
- Identify potential benefiting properties for 20% historic tax credits from private investors



Capital Facility Funding Opportunities Pending:

Possible outcome: Utilizing Federal, State and private investments:

- \$250,000,000 from White House program pending
- \$32,000,000 from State of Washington Capital allocation
- Up to 20% eligible historic tax credits investments from private resources
- Up to \$20,000,000+ in partner(s) investment match

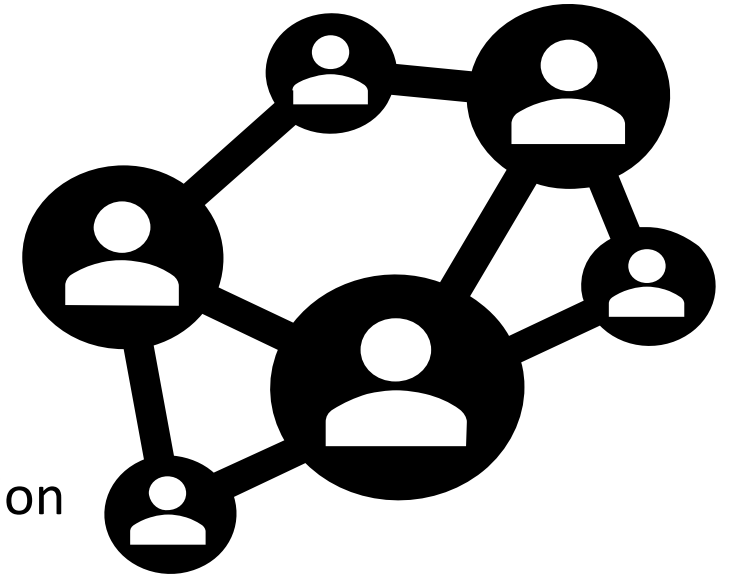
Recently renovated Building 305



The Business Operating Plan Phase:

This Phase is intended to bring all the parts together into an updated operating plan. Initial guidance to this Phase will come from the Phase 1 listening period and updated Capital Facility Plan. Also the original business model developed in 2012 will help us establish a starting point (go back to the beginning).

- Concepts to evaluate:
 - Development of a Co-management model
 - Evaluation of governance and service delivery
 - Reflect cost of doing business on today's operating reality and environment
 - Separates operating from capital to clearly delineate the two from one another
 - Focuses on operation and maintenance as core business obligation
 - Shared economy for operations of the campus
 - Cost of service modeling (pay as you go concept)
 - Segregate capital as a shared liability as reflected in the proposed facility investment strategy

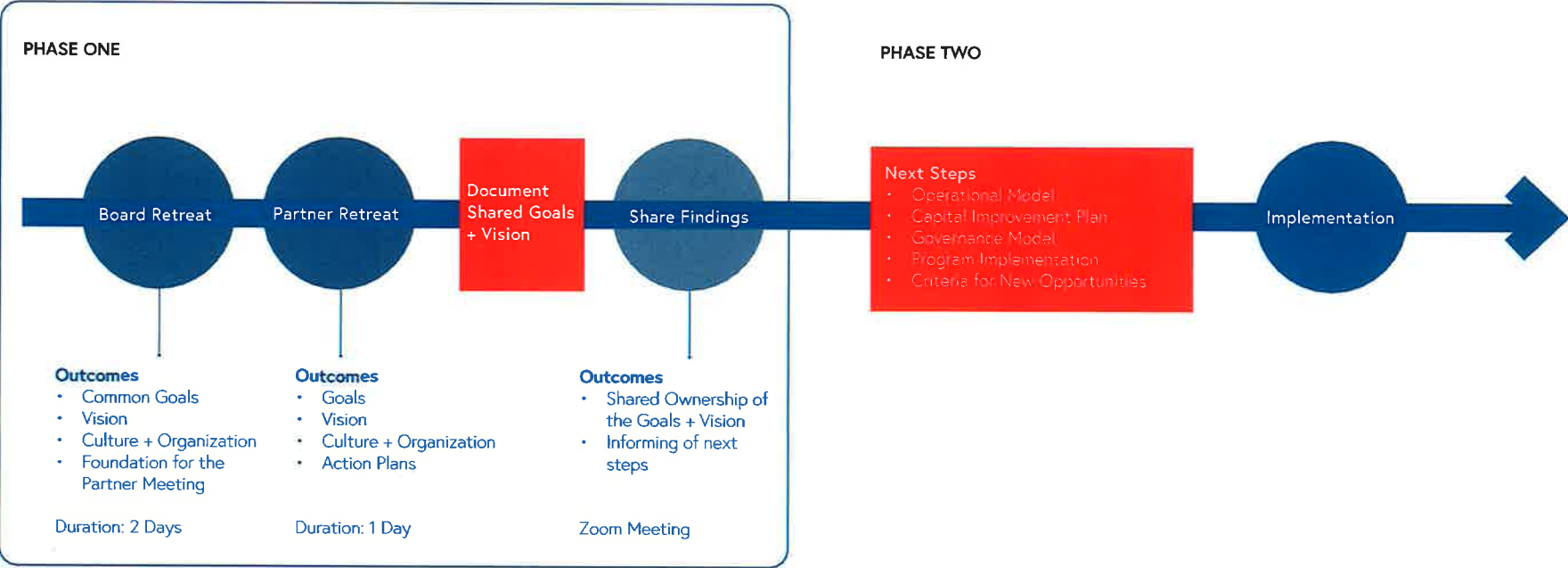


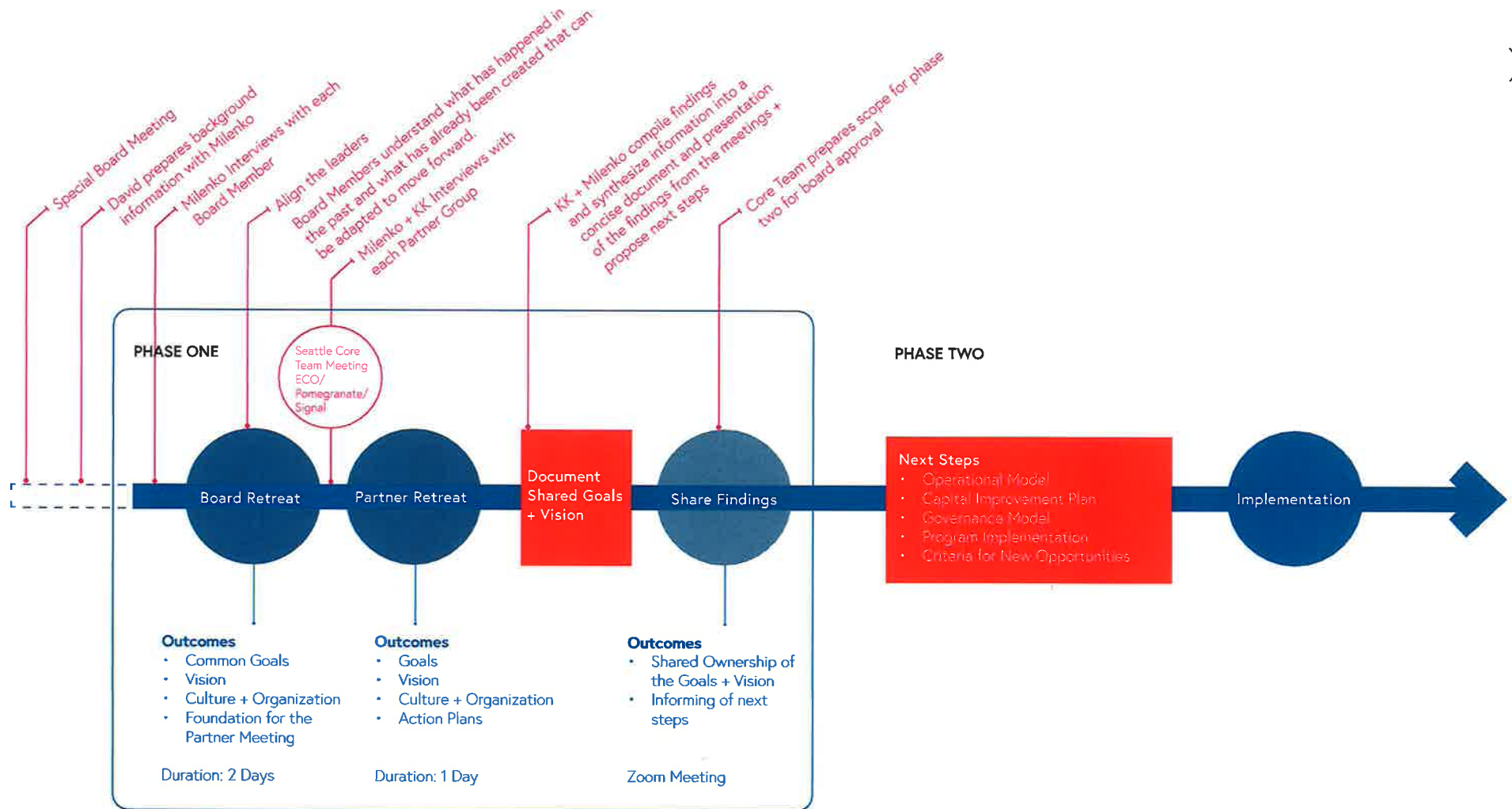


This is a once-in-a-generation opportunity to address the needs of our historic place to support the vision of the Fort Worden Lifelong Learning Center.

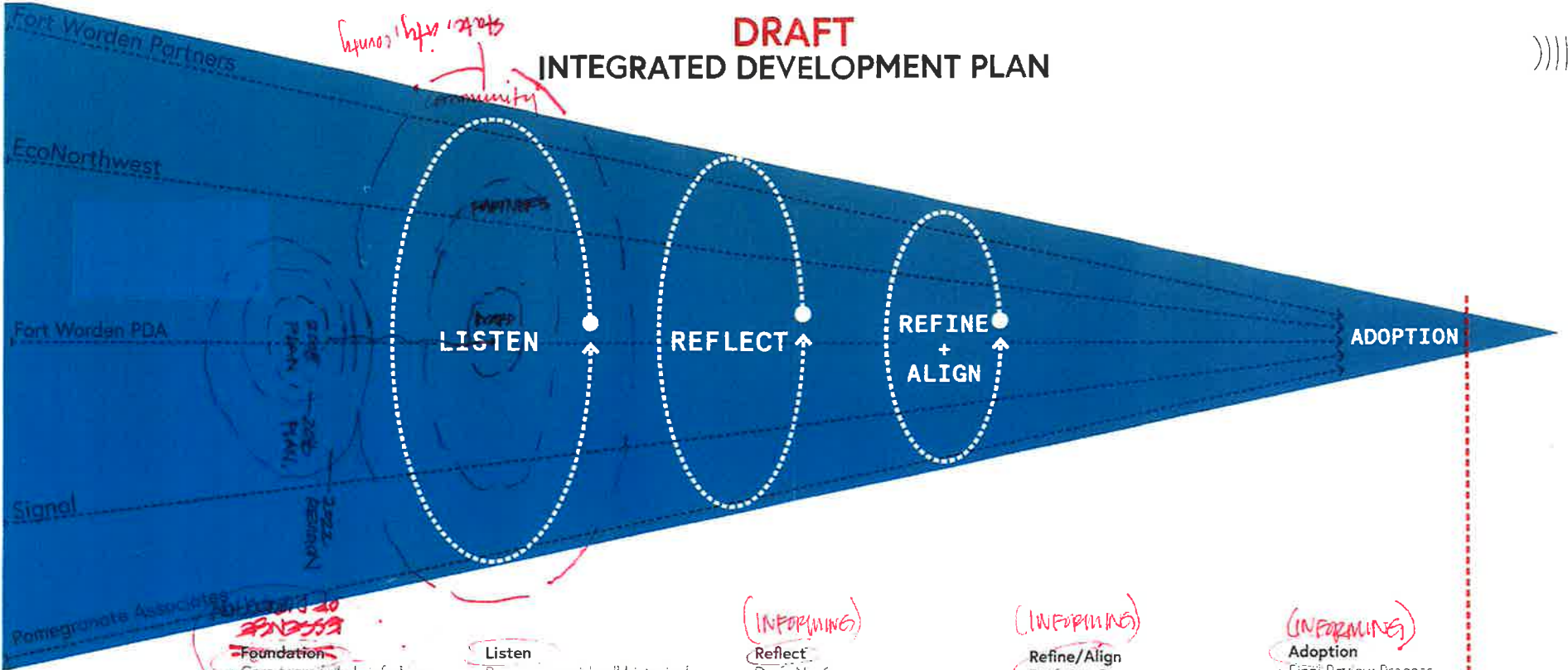


Proposed Process for Vision Alignment

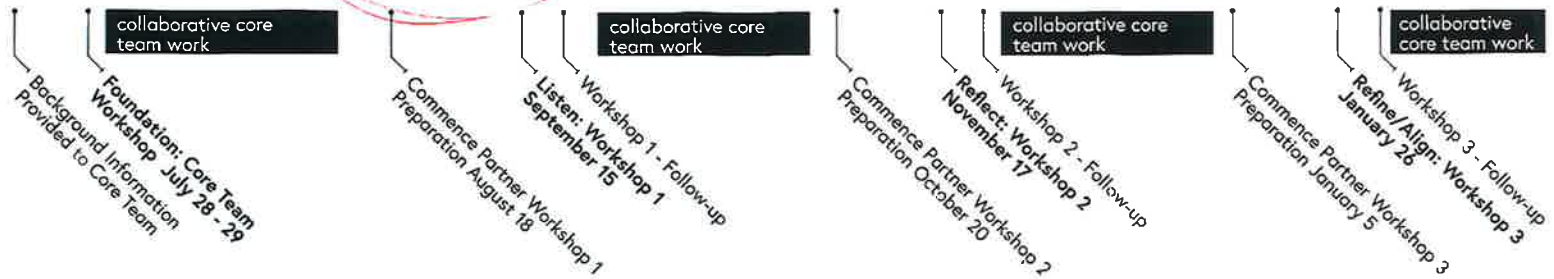




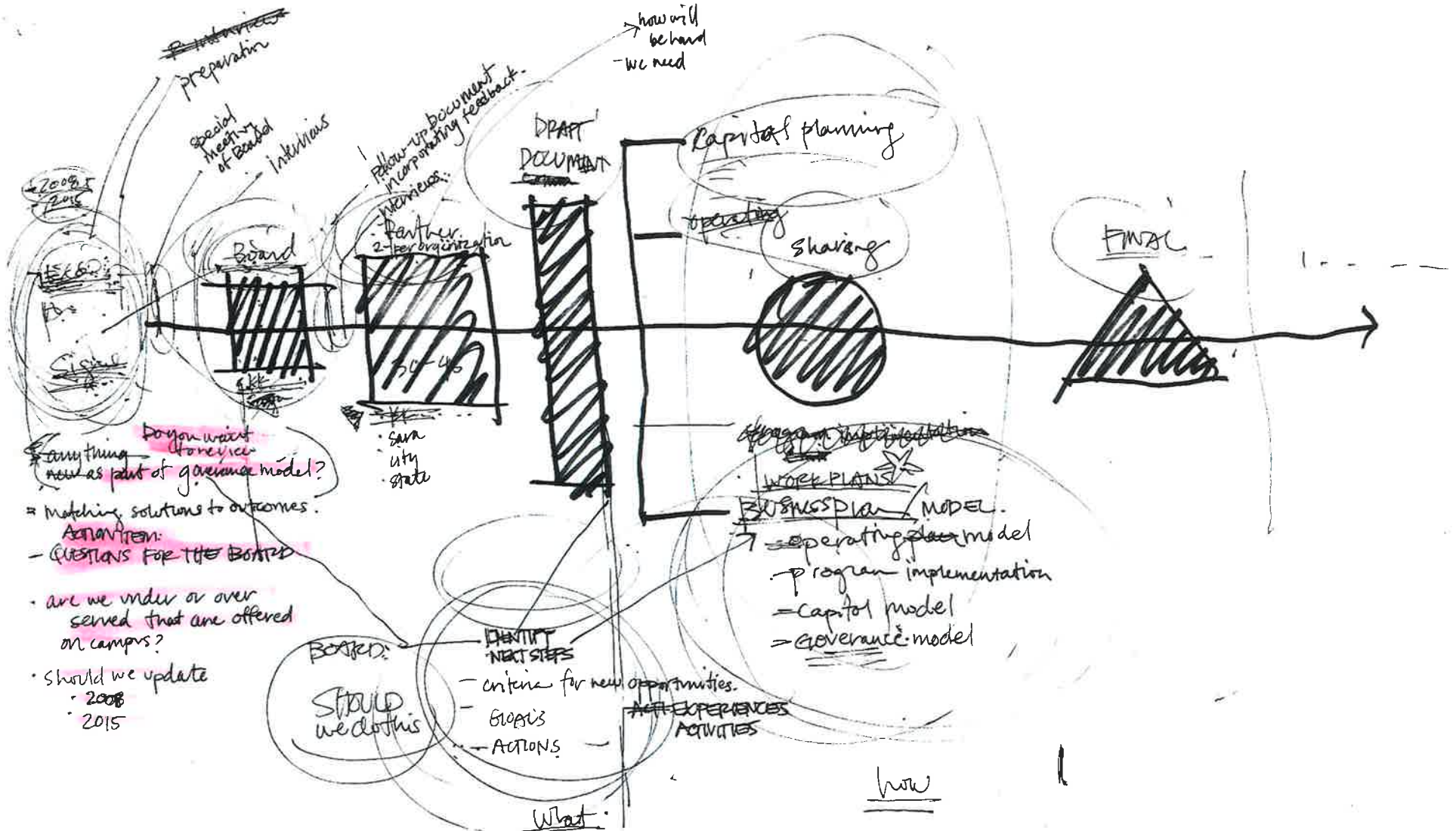
Annotated Process with Workplan



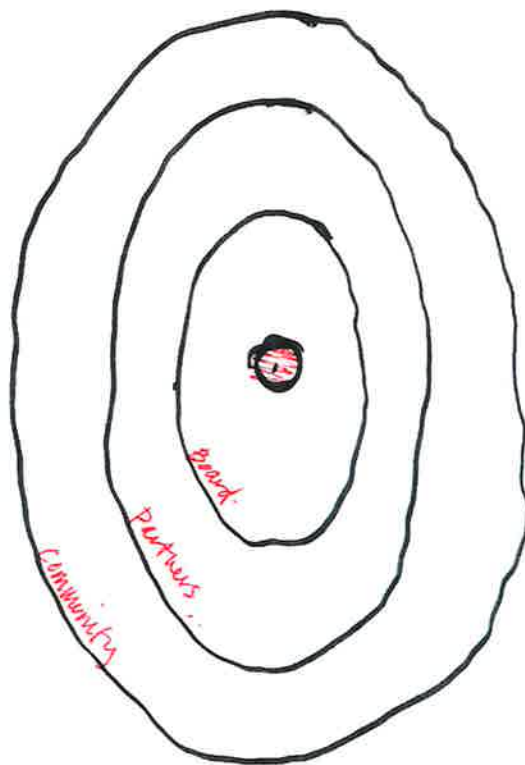
OUTCOMES BY PHASE



ACTION ITEM: DAVID TO SEND
FIRST RAND BACKGROUND.



2008
+
2015





Fort Worden
— PORT TOWNSEND —
A HISTORIC GATHERING PLACE

To: FWPDA Board of Directors

From: David Timmons, Fort Worden Lifelong Learning Center Public Development Authority (FWPDA) Executive Director

Date: June 24, 2022

Subject: Agenda Item – V. 3. Contract with State Agency for energy management services

I have included in the agenda tonight a propose contract with the State’s Department of Enterprise Services.

As we developed our plan to invest the \$750,000 deferred maintenance appropriation, it is clear most if not all potential projects are energy related. This State program offers us the ability to leverage that investment to accomplish far more than we might otherwise be able to do. Also, we can do so campus wide benefitting all users of the campus facilities.

Energy operating cost is one, if not the highest, operating expense on this campus. However, it is not well managed and the systems are old and inefficient. While some improvements have been made, much more needs to be done and done sooner than later.

This program offers us a real opportunity to leverage the funds we have available, but also to leverage administrative support where we need it the most.

Any financial risks associated with this program is manageable, which is why I recommended we participate. The PDA previously participated in a limited scope and implemented certain improvements. This time however I am looking at this to be more campus wide. This wider approach will also help us maximize our leverage and investments.

Areas we will focus on will be elimination of fuel oil as a heating source, evaluation of district heating concepts, implementing a campus wide energy management network. There are other opportunities as well and we are not limited by this program to evaluate all opportunities.

Therefore, I recommending the following motion:

Move to authorize the Executive Director to enter into a contract for energy management services with the State of Washington Department of Enterprise Services per the attached contract.

State of Washington ENERGY PROGRAM Department of Enterprise Services P.O. Box 41476 Olympia, WA 98504-1476	INTERAGENCY AGREEMENT	
	IAA No.:	K7724
FORT WORDEN PUBLIC DEVELOPMENT AUTHORITY 200 Battery Way Port Townsend, WA 98368	Date:	July 11, 2022

INTERAGENCY AGREEMENT
BETWEEN
FORT WORDEN PUBLIC DEVELOPMENT AUTHORITY
AND
WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES

Pursuant to RCW chapter 39.34 and RCW chapter 39.35C, this *Interagency Agreement (Agreement)* is made and entered into by and between the State of Washington acting by and through the Energy Program of the Department of Enterprise Services, a Washington State governmental agency ("Enterprise Services") and Fort Worden Public Development Authority, a Washington State governmental agency ("Client Agency") and is dated and effective as of the date of the last signature.

R E C I T A L S

- A. Enterprise Services, through its Energy Program ("Energy Program"), helps owners of public facilities reduce energy and operational costs. The Energy Program is a national leader in developing and managing energy savings performance contracts that help reduce energy and operational costs in publicly-owned facilities.
- B. Upgrading to energy efficient infrastructure helps reduce long-term operations and maintenance costs. This allows owners to be better financial stewards while achieving their mission, so that Washington is a better place to live, learn, and work.
- C. Acting as the owner's advocate, the Energy Program delivers professional expertise and contract management services. By leveraging capital investments, owners can achieve efficiencies, improve facilities, and reduce carbon emissions in their publicly-owned facilities. Energy Program also creates value to owners by managing risk through guaranteed total project costs, equipment performance, and energy savings.
- D. Client Agency, an owner of a public facility, desires to contract with Energy Program to access and obtain certain Energy Program Services.
- E. The purpose of this Agreement is to establish a vehicle for Energy Program to provide future energy/utility conservation project management services to Client Agency and to authorize the development of the energy services proposal in a cost-effective, efficient manner.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows:

1. **TERM.** The term of this *Agreement* commences on the date of the last signature and ends **December 31, 2026**.

2. **STATEMENT OF WORK.**

- A. **ENERGY PROGRAM.** Energy Program agrees to provide the following Services:

- i. Upon request by Client Agency for energy services for a specific Energy/Utility Conservation Project(s), the Parties shall execute an amendment to this *Agreement* to specify the project and associated project management fees as set forth by Attachment B. Enterprise Services shall furnish necessary personnel and services as specified and set forth in Attachment A, *Project Management Services Scope of Work*.
 - ii. Assist in Dispute Resolution. Dispute resolution is an ongoing process throughout the project. However, this assistance does not include formal dispute resolution, arbitration or legal advice or representation in any legal action, and does not include legal fees and costs related to any dispute. Formal dispute resolution begins when a written claim is received demanding arbitration or other legal process is received. All formal dispute fees and costs will be borne separately by Client Agency. The Attorney General cannot and will not represent or advise a non-state agency.

- B. **CLIENT AGENCY.** Client Agency agrees to the following:

- i. Will conform to the protocols of this *Agreement*, including Enterprise Services' *General Conditions for Washington State Energy Savings Performance Contracting* ("*General Conditions*"), and as supplemented.
 - ii. Will conform to the requirements of the *General Conditions* for timely processing and approval of agreed upon changes to construction contracts involving cost, and for payment.
 - iii. Will conform to the following guidelines for communications between Client Agency, Enterprise Services and ESCOs (Energy Services Company) through the design, construction and post-construction phases as outlined below:
 - a) Communications between Client Agency, Energy Program Project Manager ("PM") and ESCO shall go through the PM. The PM may authorize exceptions for specific projects or situations. The PM may authorize the ESCO to communicate directly with Client Agency personnel to expedite the design and to avoid communication delays. This action does not authorize additional work, change in scope, or exclude copying all communications between ESCO and Client Agency to the PM.
 - b) All drawings, specifications, reports, and project correspondence must contain the State Project Number and suffix.
 - The State Project Number consists of the fiscal year and a numerical sequence number, for example 2018-024, followed by an alphabetical suffix.

- Professional services agreements have suffixes A through F, for example 2018-024 A.
 - Construction contracts have suffixes G through Z, for example 2018-024 G.
- iv. All identification and monitoring of documentation required by the funding source shall remain the responsibility of Client Agency.

3. COMPENSATION AND REQUIREMENTS.

- A. **COMPENSATION.** Compensation under this *Agreement* shall be by amendment to this *Agreement* for each authorized project. Each amendment shall include a payment schedule for the specific project.
- i. **Project Management Services Scope of Work (Attachment A):** For project management services provided by Energy Program, Client Agency shall pay Enterprise Services a Project Management Fee for services based on the total project value (including Washington state sales tax) per the Project Management Fee Schedule set forth in Attachment B.
 - ii. **Termination Fee:** If Client Agency, after authorizing an investment grade audit and energy services proposal, decides not to proceed with an energy/utility conservation project that meets Client Agency's cost effective criteria, then the Client Agency will be charged a termination fee as set forth in Project Management Fee Schedule. The termination fee shall be based on the estimated total project value outlined in the energy services proposal prepared by the ESCO as set forth in Attachment B.
 - iii. **Measurement & Verification Services ("M&V") Scope of Work (Attachment C):** If M&V are requested by Client Agency beyond the first three years following the notice of commencement of energy cost savings, Client Agency shall pay Enterprise Services \$2,000.00 annually for each year that such M&V are provided.
- B. **PAYMENT FOR ESCO SERVICES.** In the event that Client Agency enters into a contract with an Energy Program pre-qualified ESCO, pursuant to an *Enterprise Services Master Energy Services Agreement for ESCO Services*, Client Agency shall make payment for such contracted services directly to the ESCO, after Energy Program has reviewed and sent such invoices to Client Agency for payment.
- C. **FURTHER ASSURANCES.** Client Agency shall provide the ESCO with any additional necessary or desired contract language to comply with Client Agency's obligations pertaining to its use of federal, state, or other grants, funding restrictions, or unique contract/entity requirements. The ESCO and their subcontractors are required to comply with all applicable federal regulations and reporting procedures.
- D. **MANAGING COMPLIANCE WITH STATE AND FEDERAL LAW.** In all ESCO project agreements and contracts pertaining to this *Agreement*, Energy Program will require ESCO's compliance with applicable federal and state laws and state policies including, but not limited to, the following:
- 1. RCW Title 39 and 43
 - 2. ADA Requirements
 - 3. Buy America
 - 4. Davis-Bacon
 - 5. Prevailing Wage
 - 6. DBE Participation
 - 7. Apprentice Participation

Upon request by Client Agency, Energy Program will collect and provide the weekly-certified payroll to Client Agency. Client Agency, however, shall remain responsible for any documentation required by Client Agency's funding source. All federal verification, investigation, survey, reporting and enforcement requirements when there is a possible violation shall remain the responsibility of the federal grant recipient (Client Agency) unless negotiated by Energy Program and added by amendment to this *Agreement*. In the event that Energy Program becomes aware of a possible violation, it will notify Client Agency.

4. INVOICES AND BILLING.

- A. **BILLING PROCEDURE.** Enterprise Services shall submit invoices to Client Agency upon substantial completion and notice of commencement of energy cost savings of each authorized project, unless an amendment specifies special billing conditions and timeline. Substantial completion of the project will include the delivery and acceptance of the notice of commencement of energy cost savings issued by the energy services company. Each invoice will clearly indicate that it is for the services rendered in performance under this *Agreement* and shall reflect this *Agreement* and Amendment number. Energy Program will invoice for any provided services within sixty (60) days of the expiration or termination of this *Agreement*.
- B. **PAYMENT PROCEDURE.** Client Agency shall pay all invoices received from Enterprise Services within thirty (30) days of receipt of properly executed invoice vouchers.
- C. **BILLING DETAIL.** Each invoice submitted to Client Agency by Enterprise Services shall include information as is necessary for Client Agency to determine the exact nature of all expenditures. At a minimum, the invoice shall reference this *Agreement* and include the following:
- The date(s) such services were provided
 - Brief description of the services provided
 - Total invoice amount

- D. **BILLING ADDRESS.** Invoices shall be delivered to Client Agency electronically to:

Email: dtimmons@fwpda.gov

5. **AGREEMENT MANAGEMENT.** The parties hereby designate the following *Agreement* administrators as the respective single points of contact for purposes of this *Agreement*, each of whom shall be the principal contact for business activities under this *Agreement*. The parties may change administrators by written notice as set forth below. Any notices required or desired shall be in writing and sent by U.S. mail, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

Enterprise Services

Attn: Bernard Jackson
Energy Project Manager
Energy Program
Washington Dept. of Enterprise Services
PO Box 41476
Olympia, WA 98504-1476
Tel: (360) 280-0654
Email: Bernard.jackson@des.wa.gov

Client Agency

Attn: David Timmons
Executive Director
Fort Worden Public Development Authority
200 Battery Way
Port Townsend, WA 98368
Tel: (360) 531-0066
Email: dtimmons@fwpda.gov

Notices shall be deemed effective upon the earlier of receipt, if mailed, or, if emailed, upon transmission to the designated email address of said addressee.

The Client Agency representative shall be responsible for working with Energy Program, approving billings and expenses submitted by Energy Program, and accepting any reports from Energy Program or ESCO.

The Energy Program representative shall be the contact person for all communications regarding the conduct of work under this *Agreement*.

6. RECORDS.

- A. **AGREEMENT AVAILABILITY.** Prior to its entry into force, this *Agreement* shall be posted on the parties' websites or other electronically retrievable public source as required by RCW 39.34.040.
- B. **RECORDS RETENTION.** Each party shall maintain records and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance and payment of the services. These records shall be subject to inspection, review, or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and officials authorized by law. Such records shall be retained for a period of six (6) years following expiration or termination of this *Agreement* or final payment for any service placed against this *Agreement*, whichever is later; Provided, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.
- C. **OWNERSHIP.** Records and other information, in any medium, furnished by one party to this *Agreement* to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third party without first providing notice to the other party and allowing ten (10) business days in which to file, at its sole expense, a motion seeking a protective order, or other legal action. Each party will utilize reasonable security procedures and protections to assure that records and information provided by the other party are not erroneously disclosed to third parties.
- D. **PUBLIC RECORDS.** This *Agreement* and all related records are subject to public disclosure as required by RCW 42.56, the Public Records Act (PRA). Neither party shall release any record that would, in the judgment of the party, be subject to an exemption from disclosure under the PRA, without first providing notice to the other party and allowing ten (10) business days in which to file, at its sole expense, a motion seeking a protective order, or other legal action.

7. **RESPONSIBILITY OF THE PARTIES.** Each party to this *Agreement* assumes responsibility for claims and/or damages to persons and/or property resulting from any act or omission on the part of itself, its employees, or its agents. Neither party assumes any responsibility to the other party for any third party claims.

8. **DISPUTE RESOLUTION.** The parties shall use their best, good faith efforts cooperatively and collaboratively to resolve any dispute that may arise in connection with this *Agreement* as efficiently as practicable, and at the lowest possible level with authority to resolve such dispute. The parties shall make a good faith effort to continue without delay to carry out their respective responsibilities under this *Agreement* while attempting to resolve any such dispute. If, however, a dispute persists regarding this *Agreement* and cannot be resolved, it may be escalated within each organization. In such situation, upon notice by either party, each party, within five (5) business days shall produce its description of the dispute in writing and deliver it to the other party. The receiving party then shall have three (3) business days to review and respond in writing. In the event that the parties cannot

then agree on a resolution of the dispute, the parties shall schedule a conference between the respective senior managers of each organization to attempt to resolve the dispute. In the event the parties cannot agree on a mutual resolution within fifteen (15) business days, the parties shall abide by the Governor's dispute resolution process (RCW 43.17.330), if applicable, or collectively shall appoint a third party to evaluate and resolve the dispute and such dispute resolution shall be final and binding on the parties.

9. **TERMINATION FOR CONVENIENCE.** Except as otherwise provided in this *Agreement*, either party may terminate this *Agreement* upon thirty (30) calendar days prior written notification. Upon such termination, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this *Agreement* prior to the effective date of such termination.

10. GENERAL PROVISIONS.

- A. **COMPLIANCE WITH LAW.** The Parties shall comply with all applicable law.
- B. **INTEGRATED AGREEMENT.** This *Agreement* constitutes the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior negotiations, representations, and understandings between them. There are no representations or understandings of any kind not set forth herein.
- C. **AMENDMENT OR MODIFICATION.** Except as set forth herein, this *Agreement* may not be amended or modified except in writing and signed by a duly authorized representative of each party.
- D. **AUTHORITY.** Each party to this *Agreement*, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this *Agreement* and that its execution, delivery, and performance of this *Agreement* has been fully authorized and approved, and that no further approvals or consents are required to bind such party.
- E. **NO AGENCY.** The parties agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this *Agreement*. Neither party is an agent of the other party nor authorized to obligate it.
- F. **GOVERNING LAW.** The validity, construction, performance, and enforcement of this *Agreement* shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its choice of law rules.
- G. **JURISDICTION & VENUE.** In the event that any action is brought to enforce any provision of this *Agreement*, the parties agree to exclusive jurisdiction in Thurston County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Olympia, Washington.
- H. **EXHIBITS.** All exhibits referred to herein are deemed to be incorporated in this *Agreement* in their entirety.
- I. **CAPTIONS & HEADINGS.** The captions and headings in this *Agreement* are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this *Agreement* nor the meaning of any provisions hereof.
- J. **ELECTRONIC SIGNATURES.** A signed copy of this *Agreement* or any other ancillary agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this *Agreement* or such other ancillary agreement for all purposes.

- K. COUNTERPARTS. This *Agreement* may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this *Agreement* at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this *Agreement*.

EXECUTED AND EFFECTIVE as of the date of the last signature.

FORT WORDEN PUBLIC DEVELOPMENT AUTHORITY

STATE OF WASHINGTON

DEPARTMENT OF ENTERPRISE SERVICES

By: _____

By: _____

Name: _____

Name: Kirsten G. Wilson, PE

Title: _____

Title: Energy Program Manager

Date: _____

Date: _____

ATTACHMENT A
PROJECT MANAGEMENT SERVICES SCOPE OF WORK
Energy/Utility Conservation Projects
Statewide Energy Performance Contracting Program

Energy Program will provide the following project management services for each specific project for the Client Agency. Each individual project shall be authorized by an amendment to this *Agreement*.

1. Assist the Client Agency in the selection of an Energy Service Company (ESCO) consistent with the requirements of RCW 39.35A for local governments; or 39.35C for state agencies and school districts.
2. Assist in identifying potential energy/utility conservation measures and estimated cost savings.
3. Assist in negotiating scope of work and fee for an ESCO audit of the facility(s).
4. Assist in identifying appropriate project funding sources and assist with obtaining project funding.
5. Assist in negotiating the technical, financial and legal issues associated with ESCO's Energy Services Proposal.
6. Review and recommend approval of ESCO energy/utility audits and Energy Services Proposals.
7. Provide assistance during the design, construction and commissioning processes.
8. Review ESCO invoice voucher(s) received for reasonableness and forward to Client Agency for review and payment.
9. Assist with final project acceptance.
10. Assist in resolution of disputes with the ESCO that arise during this *Agreement*, not to include formal disputes.
11. Review up to the first three years of the ESCO's annual Measurement and Verification (M&V) reports for completeness and accuracy. Review any ESCO guarantee compared to reported results and resolve differences, if needed. Review and forward ESCO invoice vouchers for payment by the Client Agency.

ATTACHMENT B

PROJECT MANAGEMENT FEE SCHEDULE

2021-23 Interagency Reimbursement Costs
for Project Management Fees to Administer Energy/Utility Conservation Projects

<u>TOTAL PROJECT VALUE</u>	<u>PROJECT MANAGEMENT FEE</u>	<u>TERMINATION FEE</u>
5,000,001..... 6,000,000.....	\$68,800.....	25,700
4,000,001... .. 5,000,000.....	67,700.....	25,400
3,000,001..... 4,000,000.....	66,700.....	25,000
2,000,001..... 3,000,000.....	62,500.....	23,400
1,500,001..... 2,000,000.....	58,300.....	21,800
1,000,001..... 1,500,000.....	51,600.....	19,300
900,001. 1,000,000.....	43,800.....	16,400
800,001..... .. 900,000.....	41,300.....	15,400
700,001..... .. 800,000.....	38,300.....	14,400
600,001..... .. 700,000.....	36,500.....	13,700
500,001..... .. 600,000.....	33,800.....	12,600
400,001..... .. 500,000.....	30,200.....	11,300
300,001..... .. 400,000.....	25,800.....	9,700
200,001..... .. 300,000.....	20,700.....	7,700
100,001..... .. 200,000.....	14,400.....	5,400
50,001..... .. 100,000.....	7,800.....	3,500
20,001..... .. 50,000.....	4,200.....	2,000

The project management fee on projects over \$6,000,000 is 1.15% of the project cost. The maximum Energy Program termination fee is \$25,700.

1. These fees cover project management services for energy/utility conservation projects managed by Enterprise Services' Energy Program.
2. Termination fees cover the selection and project management costs associated with managing an ESCO's investment grade audit and energy services proposal. No termination fee will be charged unless Client Agency decided not to proceed to construction based on an energy services proposal that identifies projects that met Client Agency's cost effectiveness criteria.
3. If the project meets Client Agency's cost effectiveness criteria and Client Agency decides not to move forward with a project, then Client Agency will be invoiced per the above listed Termination Fee or \$25,700 whichever is less. If Client Agency decides to proceed with the project then the *Agreement* will be amended to include the Project Management Fee listed above.
4. If the audit fails to produce a project that meets Client Agency's established cost effectiveness criteria, then there is no cost to Client Agency and no further obligation by Client Agency.

ATTACHMENT C
MEASUREMENT & VERIFICATION SERVICES SCOPE OF WORK
Energy/Utility Conservation Projects
Statewide Energy Performance Contracting Program

If requested, Energy Program will provide the following measurement and verification services for each year beyond the first three years following the Notice of Commencement of Energy Cost Savings by the ESCO for the specific Client Agency project:

1. Review the ESCO's annual Measurement and Verification report for completeness and accuracy. Review any ESCO guarantee compared to reported results and resolve differences, if needed. Review and forward any ESCO invoice vouchers for payment by the Client Agency.
2. Where necessary, review Client Agency facility operations including any changes in operating hours, changes in square footage, additional energy consuming equipment and negotiate changes in baseline energy use with the ESCO and Client Agency that may impact achieved energy savings.
3. Attend a meeting or meetings with Client Agency and ESCO to review and discuss the annual Measurement and Verification report.