

**City of Oak Harbor
City Council Agenda Bill**

Bill No. 4. c.
Date: March 7, 2017
Subject: Clean Water Facility - Puget
Sound Energy Commercial Line
Extension Agreement

FROM: Cathy Rosen, Public Works Director and Joe Stowell, City Engineer

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

- Bob Severns, Mayor
- Doug Merriman, City Administrator
- Patricia Soule, Finance Director
- Nikki Esparza, City Attorney, as to form

RECOMMENDED ACTION

Authorize the Mayor to sign Commercial Line Extension Agreement with Puget Sound Energy in the not to exceed amount of \$337,440.40 to provide industrial power service to the Clean Water Facility.

BACKGROUND / SUMMARY INFORMATION

The City of Oak Harbor is actively pursuing the replacement of two aging wastewater treatment plants with a new, state of the art, membrane bioreactor treatment plant. With the electrical loads associated with the new plant, Puget Sound Energy (PSE) will be providing new industrial power source for the waste water treatment plant.

This new service involves both installing the associated electric service, but also involves upgrading its capacity along SE City Beach Street to Barrington Drive. PSE has provided a cost for this upgrade at \$337,440.40. Attached is the standard PSE agreement for this service.

Previously the city contracted with PSE for a Schedule 74 conversion and temporary service as part of the Clean Water Facility.

LEGAL AUTHORITY

FISCAL IMPACT

Funds Required: \$337,444.40

Appropriation Source: Wastewater Fund

PREVIOUS COUNCIL / BOARD / CITIZEN INPUT
CITY COUNCIL WORKSHOP

This item has not been presented at previous City Council Workshops.

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CITY COUNCIL PREVIOUS ACTIONS

July 7, 2015 – City Council authorized the Mayor to issue a notice to proceed with Schedule 74 design with Puget Sound Electric (PSE) in the not to exceed amount of \$6,900 to underground power lines along City Beach St.

February 15, 2016 –City Council authorized the Mayor to sign a Schedule 74 Construction Agreement with Puget Sound Energy in the not to exceed amount of \$81,900 to underground power lines along City Beach and to sign a temporary service agreement with Puget Sound Energy in the amount \$32,052.94.

ATTACHMENTS

1. [PSE Commercial Line Extension Agreement](#)



Puget Sound Energy
 P.O. Box 97034
 Bellevue, WA 98009-9734
 PSE.com

February 27, 2017

City of Oak Harbor
 865 Barrington Drive
 Oak Harbor, WA 98277
 Attn: Brett Arvidson

Commercial Line Extension Agreement

PSE Order No.: 105079331

Dear City of Oak Harbor

Thank you for the opportunity to provide electrical service for your project at:
 1375 SE City Beach Street (CWF)

We look forward to serving you and your project's energy needs. This agreement outlines the costs for performing the needed work per the attached PSE drawing and scope description. These costs represent doing the work during normal working hours and exclude trenching and other excavation related work that is your responsibility to provide.

PROJECT SCOPE EXPLANATION

Three Phase underground line extension to new Clean Water Facility. This includes underground relocation of existing facilities and rebuild of existing overhead facilities to increase capacity for new CWF.

PROJECT COST BREAKDOWN – LINE EXTENSION

Construction Costs	\$ <u>39,098.51</u>
Transformer Charge	+ \$ <u>48,041.85</u>
Less: Applicable Margin Allowance	- \$ _____
Sub-Total (Eligible for partial refund under certain conditions)	\$ <u>87,140.36</u> (1)
Permitting Fees	\$ <u>97.91</u>
Relocation/removal of existing facilities	+ \$ <u>49,871.26</u>
Other Non-Refundable Construction:	+ \$ <u>13,539.08</u>
Dedicated Facilities	
Other Costs	+ \$ <u>186,795.79</u>
OVERHEAD UPGRADES	
Costs Sub-Total (Non-Refundable Costs)	= \$ <u>250,304.04</u> (2)
Amount to Be Billed Under This Agreement	= \$ <u>337,444.40</u> (1+2)

Customer Initials _____

PERMANENT AND TEMPORARY SERVICE CHARGES ARE NOT INCLUDED IN YOUR LINE EXTENSION

Any applicable charges listed below will be billed after your service line installation. Current costs effective 09/1/2015.

Such charges will be billed after installation in accordance Puget Sound Energy's (PSE) Tariff G, Rate Schedule 85.

Service Type	Base Cost
Single wire run to handhole or transformer	\$492.00
Each additional run of wire(per circuits)	\$114.00
Each additional trip beyond 1 st trip due to customer requirements	\$337.00 per trip
Hourly rate for additional engineering	\$147.00
Underground Temporary Service Charge	\$186.00
Overhead Temporary Service Charge	\$248.00

Customer Initials _____

All costs are calculated in accordance with Puget Sound Energy’s (PSE) Tariff G, Rate Schedule 85 “Line Extensions”, available at pse.com. This cost information is valid for 90 days from the date of this letter. Should we receive your agreement after this period, the costs will be subject to changes.

The amount noted on this agreement is an **estimated** cost; however PSE’s Schedule 85 line extension tariff requires customers to pay the **actual** cost of construction. PSE will determine the actual cost of the job once construction is complete. If the actual cost of the job is 10% above or below the estimated cost, an additional billing or refund will result to account for the difference.

PROJECT CHECKLIST

1. The attached PSE drawing shows the proposed scope of your project including the location of permanent, above ground electrical facilities required to provide electrical service to your project. Fault current information for transformers associated with your project is noted on the work sketch drawing. Please review this drawing as soon as possible to ensure there are no unforeseen conflicts between PSE’s design and your project. If you determine there are conflicts or if you identify a discrepancy while reviewing the drawing for your project, please contact me at the number below.
2. Additional construction-related information and information on metering and service entrance requirements are provided in PSE’s Electric Service handbook for commercial projects. If you would like a copy of the handbook please contact me at the number below. It is your responsibility to provide your project manager, site superintendent, and/or subcontractors with any relevant information from this correspondence that apply to their work in support of your project.
3. The Excavation Requirements & Final Grade Certification must be signed by the project owner or designee and returned to me along with a signed copy of this letter and your payment.
4. If a project is developed by a Limited-Liability Companies (LLC), you are required to provide contact information for all managing members in addition to a copy of your Master Business Application. This information must also be provided prior to commencing construction of your project.
5. Transformers have been sized for diversified commercial loads only, and shall not be used for high load factor (continuous) temporary power uses, such as electric heaters for dry-out. Fault currents for non-residential transformers in your project are noted on the attached PSE design drawing. Please notify the PSE representative listed on this agreement immediately if you believe there are conflicts between this design and your project. It is your responsibility to provide your project manager, site superintendent, and subcontractors with any information from this correspondence and it’s attachments that apply to their work.

POTENTIAL REFUNDS

If PSE has not provided a Margin Allowance or if your Margin Allowance exceeds \$75,000, PSE agrees to calculate and refund the Margin Allowance, subject to Schedule 85, up two (2) years after the line extension is energized. Other refunds associated with the line extension charge may be available if additional permanent service hook-ups are made to your line extension. These service hook-ups must be made within five (5) years of the date on which your project is initially energized. Customers are responsible for making all refund requests. A refund may be requested one (1) time within six (6) years of the date on which your line extension is initially energized. Your refund request should be directed to PSE’s Customer Accounting Coordinators at schedule85refundrequests@pse.com or your project manager.

UNDERGROUND CONVERSIONS & STREET LIGHTING COSTS

This agreement does not cover underground conversions or street lighting. To obtain these services please contact your project manager for further details or information.

By signing this agreement you are authorizing PSE to continue with all the needed elements to complete your project. **Please do not send payment with this agreement.** Upon receipt of a signed agreement, PSE will bill you for the amount indicated at the mailing address shown on the agreement. PSE requires payment prior to firming up a construction date; delaying payment may result in a construction delay. Changes in the scope of the project requested by you may result in either additional charges or refunds to the amount billed on this agreement.

I have read and agree to the terms and conditions described in this agreement and the corresponding attachments.

Customer Name: _____

Customer Signature: _____

Date: _____

Regards,

Mike Schroyer

Puget Sound Energy

360.941.2007



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

PSE ELECTRICAL FACILITIES EXCAVATION REQUIREMENTS AND FINAL GRADE CERTIFICATION

PURPOSE

This document is an agreement between Puget Sound Energy (PSE) and the **Owner/Developer** (Developer) who is providing excavation for the installation of PSE's facilities. This document **does not** provide an easement for operating rights. If PSE determines that a recordable easement on the Developer's property or other property is necessary, it shall be the Developer's responsibility to obtain such easements in a form acceptable to PSE prior to construction.

EXCAVATION REQUIREMENTS

The requirements and conditions outlined below apply when you provide the excavation for PSE's electrical facilities as a condition of receiving electrical service for your project. If you need additional information, please call the PSE contact person listed below.

1. Developer is responsible for acquiring utility locates by calling One-Call, 1-800-424-5555 at least 48 hours (two full working week days) prior to digging. The excavation must meet the requirements of the Washington Administrative Code and Safety Standards.
2. Developer shall call the PSE contact person noted below for trench and route approval prior to starting excavation.
3. The electrical primary trench shall be excavated to provide a minimum of 36 inches of facility coverage, to a maximum trench depth of 48 inches. The electric service trench shall be excavated to provided a minimum of 24 inches of facility coverage, to a maximum trench depth of 36 inches. A 12 inch horizontal separation is required between PSE electrical facilities and other utilities within a joint trench.
4. All back fill must be free of sharp objects and construction debris. Developer shall provide and install sand bedding and shading for electrical facility protection as directed by PSE's contact person. Developer is responsible for any damages caused by improper backfill or compaction.
5. Developer agrees to maintain a minimum of 2 feet of horizontal clearance between PSE conduit, pipe or conductors and any foundation on Developer's property.
6. The vault excavation shall be dug to the dimensions noted on the attached work sketch. Vault holes shall have a solid level bottom with a 6 inch deep layer of crushed rock bedding.
7. Developer shall provide the excavation for PSE electrical facilities within the designed location. Developer shall identify and provide final grade, property lines, and utility easements prior to installation of PSE's electrical facilities.
8. Developer will be financially liable for the relocation of PSE's facilities which are inadequately covered, located outside the area where PSE has adequate operating rights, improperly graded inhibiting standard access and/or any damages resulting from dig-ins due to changes or variations in grade that are made after the installation of PSE's facilities.

FINAL GRADE CERTIFICATION

By my signing below, I certify that the electrical facilities work area shall be at final grade prior to excavation. I assume full responsibility for my excavation work and the resulting location of these facilities. I also agree to indemnify, defend, and hold harmless Puget Sound Energy from all liability arising out of, or in connection with my work, including but not limited to all claims, losses, damages, and expenses, including reasonable attorney's fees, which result from my failure to excavate within easement areas or rights-of-way, or from digging without adequate rights on adjoining properties.

Date: _____

Owner or Developer: _____ Signature: _____

PLEASE PRINT

Project Address: 1375 SE City Beach Street (CWF)

PSE Contact person: Mike Schroyer PSE Work Order: 105079331



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

**REQUIREMENTS FOR TRENCHING BY CUSTOMERS ON PUBLIC RIGHT-OF-WAYS
AND/OR ON PUGET SOUND ENERGY, INC. EASEMENTS**

The following outlines most local governmental guidelines and company standards for trenching on a public right-of-way or Puget Sound Energy, Inc. (PSE) easement. Any trenching performed by the customer, or their contractor, under a PSE permit or easement must comply with these requirements.

1. All trench construction must be performed by a Washington State licensed and bonded contractor.
2. Trench excavation, backfill, restoration, and facility placement must be coordinated with a PSE designated representative, and receive on-site approval by that representative, and local jurisdiction.
3. Right-of-way easement trenching and backfill must be performed during normal business hours, Monday through Friday. Same day excavation and backfill is required for all trenching. Job start notification to the local jurisdiction is the responsibility of Puget Sound Energy. Customer shall notify PSE Project Manager three working days prior to trenching. Penalties for failure to comply with this requirement will be borne by the customer.
4. If the job scope requires excavation beyond a single day, fencing and barricading must be installed around utility facilities exposed above the trench, if allowed, must be in accordance with local regulatory requirements.
5. PSE, all participating utilities, and One-Call Locate, must be notified a minimum of 72 hours in advance of the date and time for right-of-way trenching and facility placement. The One-Call Locate number is 1-800-424-5555. State law requires locating service notification.
6. Excavated material must remain clear of the roadway whenever possible. Excavation material, spoils, and debris shall be removed off-site each day, in accordance with local regulatory requirements. All erosion control requirements in accordance with local regulatory requirements are the responsibility of the customer.
7. Material excavated from the shoulder of the right-of-way shall be properly disposed, and replaced with select backfill material in accordance with local regulatory requirements.
8. Proper compaction is required to comply with local regulatory specifications. If the permit requires compaction testing, the cost of said testing is the responsibility of the customer.
9. All permit requirements, traffic control plans, traffic control and flagging shall meet local regulatory specifications and satisfaction.
10. In the event of failure to abide by the above requirements, PSE reserves the right, at its sole discretion, to assume trenching. In the event of delays due to equipment failure, PSE may assume trenching to meet regulatory and joint construction requirements. The customer is responsible for all trenching costs, and will reimburse the company for costs should PSE perform the trenching.

_____ (initial)

11. The customer agrees to indemnify, defend and hold harmless PSE from all liability (including reasonable attorneys' fees) arising out of, or in connection with, the above mentioned trenching activities.

_____ (initial)



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

Job Number: 105079331

Trench Location: 1375 SE City Beach St.

Customer Name:

I AGREE TO ADHERE TO THE ABOVE CONDITIONS

Customer Signature _____

Date _____

Title _____