



Memorandum

Date: 2/17/2026
Meeting of: City Council

File No. AM No. 26-024
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Technology and Information Services	Michael Marchand	(425) 556-2173
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DEPARTMENT STAFF:

Technology and Information Services	Jeremy Mikkola	Business Solutions Manager
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TITLE:
Approval of Annual CUES GraniteNET Contract

OVERVIEW STATEMENT:
Approve the Mayor to sign an updated contract with CUES, in the Amount of \$146,788, to support Stormwater and Wastewater pipe inspection program.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Council approval is required for contracts that exceed \$50,000.
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

This contract provides the City with a modern platform to support wastewater and stormwater pipe inspections, enhancing the existing staff-led inspection practices with an additional layer of review supported by AI-enabled analysis.

Implementation of CUES GraniteNET defect coding and prescriptive planning increases consistency and operational

efficiency in inspection review, supports timely identification of asset conditions, and reduces the risk of undetected issues.

These capabilities strengthen proactive asset management, extend the useful life of critical utility assets, and promote reliable service delivery to the community.

GraniteNET positions the City to continue evolving its asset management practices while enabling data informed maintenance planning and long-term asset stewardship.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
\$146,788

Approved in current biennial budget: **Yes** **No** **N/A**

Budget Offer Number:
315

Budget Priority:
Healthy and Sustainable

Other budget impacts or additional costs: **Yes** **No** **N/A**

If yes, explain:

Ongoing operational cost is \$121,550 plus potential 3% increase each year.

Funding source(s):
Stormwater and Wastewater Utility Funds

Budget/Funding Constraints:
N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
2/10/2026	Committee of the Whole - Finance, Administration, and Communications	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

If not approved, the City would continue relying on existing inspection processes without the added analytical capabilities provided by GraniteNET. This would limit the City's ability to further improve consistency, operational efficiency, and insight across inspection reviews. Opportunities to further strengthen long-term asset stewardship and inspection insight could be impacted.

ATTACHMENTS:

Attachment A: CUES GraniteNET Contract