

**CITY OF SULTAN  
COUNCIL MEETING – COMMUNITY CENTER  
April 24, 2014**

**7:00 PM CALL TO ORDER - Pledge of Allegiance and Roll Call**

**CHANGES/ADDITIONS TO THE AGENDA**

**PRESENTATIONS**

- 1) Loyalty Day Proclamation

**COMMENTS FROM THE PUBLIC:** Citizens are requested to keep comments to a 3 minute maximum to allow time for everyone to speak. It is also requested that you complete a comment form for further contact.

**COUNCILMEMBER COMMENTS**

**CITY ADMINISTRATOR COMMENTS**

**STAFF REPORTS** – Written Reports Submitted

- 1) Animal Control
- 2) Public Works – verbal

**CONSENT AGENDA:** The following items are incorporated into the consent agenda and approved by a single motion of the Council.

- 1) Approval of the April 10, 2014 Council Meeting Minutes
- 2) Approval of the April 10, 2014 Public Hearing Minutes on Ordinance 1190-14
- 3) Approval of Vouchers

**DISCUSSION: Time Permitting**

- 1) Garbage Collection Review

**ACTION ITEMS:**

- 1) Allied Waste – Renewal of Recycle Agreement
- 2) Garbage Truck and containers – purchase
- 3) Water/Sewer Bond Ordinance 1194-14
- 4) Letter of Agreement – DA Davidson
- 5) Letter of Agreement – KL Gates (Bond Attorney)
- 6) Health Insurance Coverage – Ordinance 1195-14
- 7) Twin Rivers Plat Extension – Ordinance 1193-14

**PUBLIC COMMENT ON AGENDA ITEMS ONLY**

**COUNCILMEMBER RESPONSE TO PUBLIC COMMENT ON AGENDA ITEMS**

**Executive Session:**

**Adjournment - 10:00 PM** or at the conclusion of Council business.

**ADA NOTICE:** City of Sultan Community Center is accessible. Accommodations for persons with disabilities will be provided upon request. Please make arrangements prior to the meeting by calling City Hall at 360-793-2231. For additional information please contact the City at [cityhall@ci.sultan.wa.us](mailto:cityhall@ci.sultan.wa.us) or visit our web site at [www.ci.sultan.wa.us](http://www.ci.sultan.wa.us)

CITY OF SULTAN  
AGENDA ITEM COVER SHEET

Agenda Item : P-1  
Date: April 24, 2014  
SUBJECT: Loyalty Day Proclamation  
CONTACT PERSON: Laura Koenig, Clerk/Finance

ISSUE:

The issue before the Council is to authorize the Mayor to sign the proposed Proclamation recognizing May 1, 2014 as Loyalty Day in Sultan, Washington.

SUMMARY STATEMENT:

Sultan VFW Post 2554 requested the City of Sultan proclaim the nationally recognized day of May 1, 2014 as Loyalty Day in Sultan Washington.

The United States of America was founded by patriots who risked their lives to bring freedom to the nation. The nation's founders are remembered on Loyalty Day, which is a day when people celebrate their freedom while remembering their responsibilities to continue the legacy of liberty. Loyalty Day is celebrated with parades and ceremonies in several communities across the United States. Schools, churches, and various organizations participate in these events.

Loyalty Day is an observance but it is not a public holiday in the United States. Schools, post offices, stores and other businesses and organizations are open as usual. Public transport services run to their usual schedules and no extra congestion on highways is to be expected.

Loyalty Day was first observed in 1921 as "Americanization Day" to counterbalance Labor Day on May Day (May 1), celebrated in other parts of the world. On May 1, 1930, about 10,000 Veterans of Foreign War members staged a rally at New York's Union Square to promote patriotism. Through a resolution adopted in 1949, May 1 evolved into Loyalty Day. Observances began on April 28, 1950, and climaxed on May 1 when more than five million people across the nation held rallies. In New York City, more than 100,000 people rallied for America.

On July 18, 1958, the Congress designated May 1 of each year as Loyalty Day to foster loyalty and love of the country. According to the Legal Information Institute, the President is requested to issue a proclamation, calling on United States government officials to display the flag of the United States on all government buildings on Loyalty Day, and inviting the people of the United States to observe Loyalty Day with appropriate ceremonies in schools and other suitable places.

Attachment:

- Proclamation for Loyalty Day in Sultan Washington

**SULTAN CITY COUNCIL  
AGENDA COVER SHEET**

---

**ITEM NO:** SR-1  
**DATE:** April 24, 2014  
**SUBJECT:** Community Service Officer  
**CONTACT PERSON:** Victoria Forte', Community Service Officer  
Robert Martin, Community Development Director

**ISSUE:**  
Transmitting report from Victoria Forte, Community Services Officer

**STAFF RECOMMENDATION:**  
Receive report, no action required.

**BACKGROUND:**  
Current update on Animal Control Program

**Attachment A:** Community Service Officer Work Log

	Sent to rescue	Euthanized	Dog at Large/ leash law violation	Barking Dog/Crowing Rooster Complaints	Dead on arrival (DOA)	Domestic and Wildlife	Aggressive Abandoned	Bite Dogs/Cats	Cruelty/Neglect	Investigation Complaints and/or Calls	Other
January	0	0	19	3	2	1	1	0	4	0	5
February	2	0	14	2	0	0	1	0	5	0	5
March	0	0	13	3	0	0	1	0	0	0	5
April (15th)	0	0	8	1	0	0	2	0	1	0	1
May											
June											
July											
August											
September											
October											
November											
December											
<b>Yearly Totals</b>											

## SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

---

ITEM NO: SR – 2  
DATE: April 24, 2014  
SUBJECT: Public Works Monthly Report  
CONTACT PERSON: Mick Matheson, P.E., Public Works Director



**ISSUE:**

Provide monthly reports to Council regarding:

- City of Sultan Water Plant Production and Operation
- Everett Meter Readings
- 2014 Water Meter Replacement Program
- City of Sultan Wastewater Treatment Plant Operation
- Recycling and Garbage Reports
- Cemetery Report
- Field Supervisor Report

**SUMMARY:**

There are eleven total attachments. Six attachments are designed to provide information regarding the City of Sultan's water production, a water supply comparison, water meter replacement program and information on the Everett meter readings.

Lastly, there are five attachments designed to provide information with respect to the City of Sultan's Wastewater Treatment Plant operation, garbage collection, recycling, cemetery and current public works crew activities. The attachments are updated monthly.

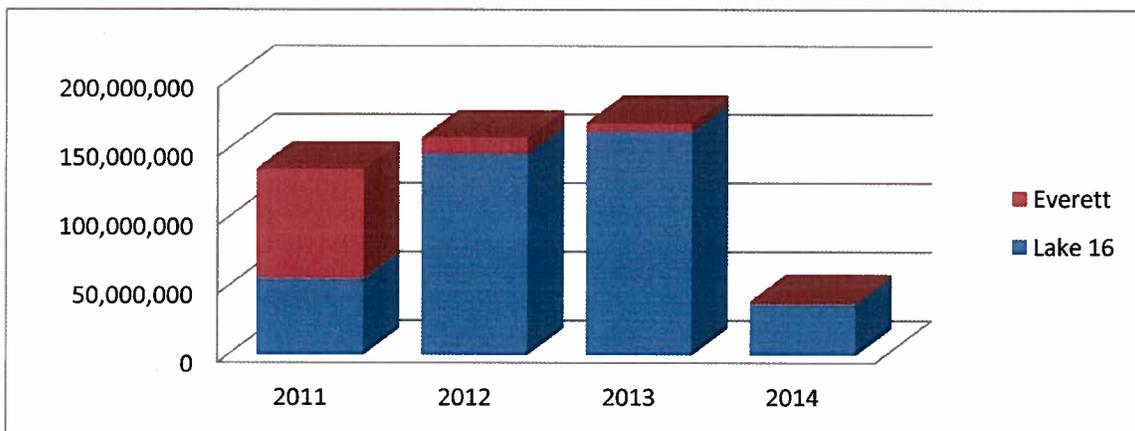
**ATTACHMENTS:**

- Attachment A-1 Lake 16 vs. City of Everett Water Supply Comparison
- Attachment A-2 Lake 16 Production for 2014
- Attachment A-3 City of Sultan Water Plant Production Past 6 Years
- Attachment A-4 Yearly Totals to Distribution System
- Attachment A-5 2014 Water Meter Replacement Schedule
- Attachment A-6 Everett Meter Readings for 2014
- Attachment A-7 City of Sultan Wastewater Treatment Plant Operational Report
- Attachment A-8 Garbage Report
- Attachment A-9 Recycling Report
- Attachment A-10 Cemetery Report
- Attachment A-11 Field Supervisor Report

# Lake 16 vs. City of Everett Water Supply Comparison

Yearly Totals for Lake 16 and Everett Productions

	2011	2012	2013	2014
Lake 16	55,707,050	146,762,070	163,185,000	37,409,000
Everett	80,360,632	11,943,316	6,154,544	1,865,512
Total Gallons	136,067,682	158,705,386	169,339,544	39,274,512
% Everett	59%	8%	4%	5%



NOTE: ALL NUMBERS ARE IN GALLONS

## LAKE 16 ANNUAL PRODUCTION

MONTH	RUN TIME HOURS	FLOW	FLUSHES	BACKWASH	FILTER TO WASTE	TOTAL TO TOWN	CHLORINE POUNDS	FILTER AID/POUNDS	COAGULANT LBS	CAUSTIC LBS	FLUORIDE LBS
Jan-14	319.1	13,552,000	720,000	1,271,500	663,750	10,896,750	166	1.4	1,643	1,390	91.0
Feb-14	271.1	11,889,000	652,800	1,085,700	585,000	9,565,500	141	1.0	1,784	893	65.0
Mar-14	282.6	11,968,000	681,660	1,219,700	652,500	9,414,140	130.7	1.2	1,859	1,328	77.0
Apr-14						0					
May-14						0					
Jun-14						0					
Jul-14						0					
Aug-14						0					
Sep-14						0					
Oct-14						0					
Nov-14						0					
Dec-14						0					
<b>TOTALS</b>	<b>872.8</b>	<b>37,409,000</b>	<b>2,054,460</b>	<b>3,576,900</b>	<b>1,901,250</b>	<b>29,876,390</b>	<b>438</b>	<b>3.6</b>	<b>5,286</b>	<b>3,611</b>	<b>233.0</b>
<b>AVERAGE</b>	<b>290.9</b>	<b>12,469,667</b>	<b>684,820</b>	<b>1,192,300</b>	<b>633,750</b>		<b>146</b>	<b>1.2</b>	<b>1,762</b>	<b>1,204</b>	<b>77.7</b>

FLOW/FLUSHES/BACKWASH/FILTER TO WASTE/ TOTAL TO TOWN NUMBERS ARE ALL IN GALLONS

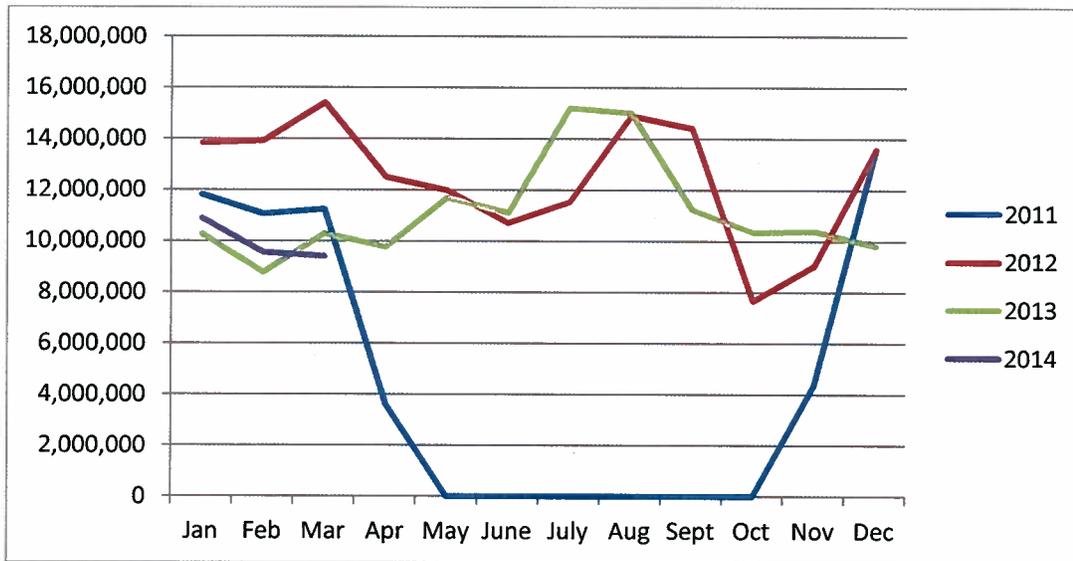
**CITY OF SULTAN**  
**Water Plant Production Past 6 years**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>JAN</b>	13,042,000	11,986,600	11,816,800	13,837,500	12,695,000	13,552,000
<b>FEB</b>	11,726,500	10,940,800	11,059,100	13,917,500	10,821,000	11,889,000
<b>MARCH</b>	11,707,750	12,070,300	11,246,150	15,413,700	12,453,000	11,968,000
<b>APRIL</b>	10,509,450	11,473,900	3,636,500	12,509,700	12,330,000	
<b>MAY</b>	12,026,850	12,080,100	0	11,994,500	14,516,000	
<b>JUNE</b>	14,787,200	10,055,300	0	10,721,850	13,654,000	
<b>JUL</b>	19,943,900	16,291,400	0	11,536,100	18,270,000	
<b>AUG</b>	16,797,000	16,332,850	0	14,897,550	16,369,000	
<b>SEPT</b>	13,457,500	11,716,200	0	14,403,400	13,820,000	
<b>OCT</b>	10,360,700	11,049,000	0	7,669,000	12,901,000	
<b>NOV</b>	10,534,300	11,755,700	4,359,500	9,048,000	13,074,000	
<b>DEC</b>	12,921,100	11,397,000	13,589,000	10,813,600	12,282,000	
<b>AVG</b>	13,151,188	12,262,429	4,642,254	12,230,200	13,598,750	
<b>TOTAL</b>	<b>157,814,250</b>	<b>147,149,150</b>	<b>55,707,050</b>	<b>146,762,400</b>	<b>163,185,000</b>	<b>37,409,000</b>

### YEARLY TOTALS TO DISTRIBUTION SYSTEM

	2011	2012	2013	2014
Jan	11,816,800	13,837,500	10,271,500	10,896,750
Feb	11,059,100	13,917,500	8,778,600	9,565,500
Mar	11,246,150	15,413,700	10,295,800	9,414,140
Apr	3,636,500	12,509,700	9,775,750	
May	0	11,994,500	11,709,190	
June	0	10,721,850	11,106,400	
July	0	11,536,100	15,208,100	
Aug	0	14,897,550	15,005,000	
Sept	0	14,403,400	11,235,750	
Oct	0	7,669,000	10,349,400	
Nov	4,359,500	9,048,000	10,396,050	
Dec	13,589,000	13,589,000	9,823,500	
<b>TOTAL</b>	<b>55,707,050</b>	<b>149,537,800</b>	<b>133,955,040</b>	<b>29,876,390</b>
<b>AVG</b>	<b>4,642,254</b>	<b>12,461,483</b>	<b>11,162,920</b>	<b>9,958,797</b>

ALL NUMBERS ARE IN GALLONS



## 2014 WATER METER EXCHANGE SCHEDULE

Month-Year	Actual # Meters Changed	Program Goal	Remaining Meters at Month End
Jan-14	50	25	225
Feb-14	35	25	190
Mar-14	81	25	109
Apr-14		25	
May-14		25	
Jun-14		25	
Jul-14		25	
Aug-14		25	
Sep-14		25	
Oct-14		25	
Nov-14		25	
Dec-14		25	
TOTAL		275	524



**CITY OF SULTAN**  
Wastewater Treatment Plant  
Operational Report  
2013 - 2014

MONTH	Influent Flow (Max High allowed 0.72 MGD)				Total Rainfall Inches	Effluent PH (Range allowed 6.0 - 9.0)		Biological Oxygen Demand (Range allowed 85% to 100%)	Avg Suspended Solids (Range allowed 85% to 100%)	Sludge Wasted Gallons	Hauled Wet Tons
	Total (MG)	Avg (MGD)	High (MGD)	Low (MGD)		PH Low	PH High				
Jan-13	12,675	0.409	1.093	0.237	10.3	6.1	6.6	95.0	92.4	83,787	34.82
Feb-13	8,804	0.314	0.395	0.260	5.25	6.3	6.7	96.0	93.1	72,960	35.17
Mar-13	10,701	0.345	0.485	0.27	7.09	6.2	6.5	96.6	95.5	64,315	23.23
Apr-13	11,602	0.387	0.628	0.217	11.28	6.3	6.4	97.6	97.7	58,980	23.98
May-13	9,415	0.304	0.377	0.259	4.27	6.2	6.5	98.2	98.0	79,250	35.77
Jun-13	7,892	0.263	0.341	0.234	4.61	6.2	6.5	98.5	98.4	82,452	23.23
Jul-13	6,815	0.220	0.245	0.195	0.14	6.3	6.7	98.9	98.9	99,922	18.08
Aug-13	6,484	0.209	0.278	0.189	3.13	6.4	6.7	98.8	98.5	88,730	35.58
Sep-13	7,342	0.245	0.415	0.204	10.79	6.5	6.8	98.7	99.1	72,494	24.48
Oct-13	8,320	0.268	0.397	0.226	3.2	6.3	6.7	98.4	98.5	73,875	36.92
Nov-13	10,252	0.342	0.484	0.235	10.66	6.3	6.6	97.4	97.5	61,570	25.58
Dec-13											

Jan-14	11,255	0.363	0.683	3,278.000	7.83	6.3	6.5	97.3	97.8	95,399	49.06
Feb-14	9,055	0.323	0.448	0.263	7.39	6.2	6.6	97.5	97.9	95,954	36.67
Mar-14	16,208	0.523	1.181	0.292	16.49	6.3	6.6	96.9	98.3	81,701	36.87
Apr-14											
May-14											
Jun-14											
Jul-14											
Aug-14											
Sep-14											
Oct-14											
Nov-14											
Dec-14											

## 2013 GARBAGE REPORT

	2013 TONS	2013 COST	2014 TONS	2014 COST
January	141.21	\$14,830.00	154.42	\$16,216.00
February	130.45	\$13,702.00	121.97	\$12,809.00
March	140.42	\$14,750.00	147.69	\$15,509.00
April	148.68	\$15,613.00		
May	153.33	\$16,103.00		
June	124.58	\$13,083.00		
July	126.67	\$13,301.00		
August	152.30	\$15,537.00		
September	147.71	\$15,512.00		
October	138.09	\$14,503.00		
November	130.16	\$13,671.00		
December	144.60	\$15,187.00		
<b>TOTALS</b>	<b>1,678.20</b>	<b>175,792.00</b>	<b>424.08</b>	<b>44,534.00</b>



**City of Sultan  
Customer Counts**

<u>Sector</u>	<u>Commodity</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Total</u>
Residential	Recycle	1,475	1,476	1,479	-	-	-	-	-	-	-	-	-	4,430
Commercial	Recycle	18	18	18	-	-	-	-	-	-	-	-	-	54
Multifamily	Recycle	4	4	4	-	-	-	-	-	-	-	-	-	12
Residential	Yardwaste	314	314	314	-	-	-	-	-	-	-	-	-	942
Commercial	Yardwaste	3	3	3	-	-	-	-	-	-	-	-	-	9
Multifamily	Yardwaste	1	1	2	-	-	-	-	-	-	-	-	-	4

CEMETERY REPORT  
BURIALS

**103 Cemetery Operating Fund**

<b>Description</b>	<b>2014 BUDGET</b>	<b>2014 ACTUAL</b>
<b>Revenue</b>		
Beginning Balance	0	6,405
Cemetery Fees	25,000	4,859
Investment Interest	100	0
<b>Total Resources</b>	<b>25,100</b>	<b>11,264</b>
<b>Expenditures</b>		
<b>Total Expenditures</b>	<b>23,440</b>	<b>5,029</b>
<b>Ending Fund Balance</b>	<b>1,660</b>	<b>6,235</b>

The cemetery profit for 2013 was \$4,481.00

<b>Burials</b>	<b>YTD 2014</b>
Ash	3
Full	0

**SULTAN CITY COUNCIL**

**AGENDA ITEM**

---

**DATE:** April 24, 2014  
**SUBJECT:** Public Works Projects-Update  
**CONTACT PERSON:** Connie Dunn, Public Works Field Supervisor

---

**ISSUE:**

The Public Works projects list and status report.

**SUMMARY:**

**WATER;**

Wyatt Electric completed the electrical project at the Water Treatment Plant. The Soda Ash pump and scales are installed and this project is now complete.

**PARKS:**

Wyatt Electric finished the installation of power to Osprey Park Restrooms and Basketball Court, the timer for the lights are now on the court from 7:30-10:00 PM.

Sultan Turks Little League has done a lot of work on the Osprey Park Baseball Diamond and are currently playing games. The volunteers – coaches and parents – have done a great job.

Mowing of City Parks has started.

**GARBAGE:**

Purchase of a new garbage truck with curbside collection carts to automate the residential (non-commercial) garbage collection was discussed at the Council Retreat on March 22, 2014. Tonight it is on the Council Agenda (April 24, 2014) for approval and expenditure.

**Sultan Annual Clean-up Day on April 26<sup>th</sup> 8am – 3pm. Sultan High School – Entrance is at the end of 8<sup>th</sup> Street.**

**STAFF:**

The city has advertised for a utility crew member with interviews being completed by the April 24, 2014 council meeting.

Thank you,  
Connie Dunn

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

---

ITEM NO: Consent C 1  
DATE: April 24, 2014  
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director 

**SUMMARY:**

Attached are the minutes of the April 10, 2014 regular Council meeting as on file in the office of the City Clerk.

**RECOMMENDED ACTION:**

Approve as submitted

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014**

Mayor Pro-tem Neigel called the regular meeting of the Sultan City Council to order in the Sultan Community Center. Councilmembers present: McCarty, Seehuus, Walker, Neigel, Naslund and Beeler.

**CHANGES/ADDITIONS TO THE AGENDA:**

Add: Executive session

Add: Excused absence of Councilmember Davenport-Smith

**PRESENTATIONS:****Volunteer Spotlight – Polly Bridgewater**

The issue before the Council is to recognize Polly Bridgewater as the City of Sultan's Volunteer Spotlight for January 2014.

When Polly Bridgewater joined the Sultan Elementary School's Read-at-Home Program initially started by Jan Gill, she immediately saw the value of offering incentives to kids to get them more excited about reading books in their free time. After her first year of volunteering, she quickly realized that there was incredible potential for growth in the program, but much of that potential lay outside the walls of the school. That's when she starting going out into the community asking for donations, coupons, and other means of support so that she could offer the kids more substantial rewards. Most of all, she spread a community-wide awareness of this valuable program.

Kids who meet their reading goal of 300 minutes of extracurricular reading per month are eligible for prizes, which grow incrementally as reading accomplishments gain significance and consistency. If an entire class of kids meets that 300-minute monthly reading goal, the whole class gets to celebrate with a popcorn party. This year, between 5 to 7 classes per month have been achieving popcorn parties. The class-wide incentives also build in momentum, so if an entire class can achieve 100 percent student participation for three consecutive months, they're honored with a gigantic chocolate chip cookie which Polly bakes herself.

Last year, she enhanced the Reader-of-the-Month Program, which is meant to acknowledge kids for meeting a significant milestone in relation to reading. The Reader-of-the-Month program is sponsored by Sultan Veterinary Clinic's Dr. Wendt. She has enlisted many local businesses and citizens to help support the program, such as the Flat Iron Gallery, Sahara Pizza, Sweet Indulgence in Monroe, Ace Hardware, Main Street Books, Miss Maggie's Desserts, Thrifty 4 You the Sky River Bakery, Dr. Max, Orthodontist, Extreme Consultants, family and friends, and many others including Vick's Burger Shack, this month's Business Spotlight.

This year Polly decided she wanted to bring back the classics, which is why she partnered with Vick's Burger Shack. Every student who reads a classic book and is able to pass a basic comprehension quiz gets a certificate for a free cheeseburger, fries and root beer compliments of Vick's. Approximately 200 of these free meals have been awarded.

Last year, the kids at Sultan Elementary School spent over 2 million minutes of their free time reading books and they are well on their way to achieving that goal again this year.

Polly has become a huge advocate of this amazing reading program, as well as an avid supporter of the school library. Polly often browses local thrift stores to see if she can find classics and other books that are in good condition, and when she finds them, she purchases them and donates them to the library.

She is already starting to think about new themes and ideas for next year, and is encouraging kids to continue their extracurricular reading throughout the summer months. "My goal is to bring entertainment and expose kids to what is possible and hope to get them ready for a higher education without them knowing it", commented Polly.

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014****Business Spotlight – Vic’s Burger Shack**

The issue before the Council is to recognize Vick’s Burger Shack as the City of Sultan’s Business Spotlight for April 2014. Vick’s Burger Shack, located at 930 US 2 in Sultan, is owned by the Vick family; Marc, Debbie, and their sons Kevin and Jeff; all equal partners.

In the 1990’s the Vick family lived in California and Marc was continually flying between California and Washington weekly for his job as a computer programmer. After 10 years of this commute, Marc and his wife Debbie decided to get an apartment in Issaquah, then eventually bought a home in Gold Bar. Their sons followed shortly thereafter.

The family initially was looking at buying a hot dog cart and selling hot dogs until they discovered the building now known as Vick’s Burger Shack. The family worked for 1 ½ years to bring the building that had been vacant for 4 years back up to code to cook and serve hamburgers. Marc admits that their sons did almost all of the work, even putting their own money that they made from part time work into remodeling the building.

Vick’s Burger Shack opened their doors on March 7, 2013, and they celebrated their one-year anniversary on March 7, 2014 by offering free root beer floats or brownie sundaes.

Vick’s Burger Shack serves all fresh beef burgers bought from Sysco who provides a specialty batch that Sysco tests to ensure the quality of meat is safe and good. They make all their own sauces and cook their French fries in an \$8,000 automated unit that cooks them exactly the same way, every time. They are famous for their root beer that they purchase from Big E Ales in Lynnwood, also a family owned business.

Vick’s Burger Shack donates gift certificates good for a Junior cheeseburger meal to Polly Bridgewater’s Read At Home Program. They have donated 200+ certificates to the program in the past year at a value of at least \$1,000. When Polly offered to spread it around if the program got too big, Marc Vick said to her, “No matter how big the program gets, you fill their minds and we’ll fill their bellies”.

Other programs that Vick’s Burger Shack supports are, the Index School Programs, Sultan High School Safe and Sober Grad Night, Sultan High School’s Annual Educational Excellence Awards and other local auctions.

Mayor Pro-tem Neigel presented certificates of appreciation.

**Polly:** The community is really great. As a kid, she did not like to read and her parents bribed her. She started the program with small gifts and needed something to get the kids excited about reading. She looked to the community for help and Vick’s stepped up. When the kids read a classic, they get a certificate for a meal. Wants the kids to have a good foundation for the future.

**Vick:** Polly stopped by and talked to his son and set up the program and he enjoys being part of the program. The City has been great and everyone has been helpful.

**COMMENTS FROM THE PUBLIC:**

**Al Wirta:** Has concerns the AWC Benefit Trust has rules that 4 officials must apply for insurance and the city must make a decision on cost. They should take care of issues not feather their own bed. If this is a requirement, the city must drop coverage. If approved they are corrupt and they should pay for their own insurance.

**Ray George:** The city is looking at spending \$10-15,000 for a lawnmower and they should consider have the parks department mow and have water/sewer pay a lease cost. Private business would not even consider spending this much, would pay less. At least one Councilmember thinks they deserve medical insurance. It is not right to vote for benefit worth more than the cost. Have a part time code enforcement that does not have insurance and it is hypocritical to vote for themselves.

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014**

Rob Criswell: When the city is doing good, not at meeting, when doing bad attends. Heard about the proposed health insurance and does not know of any organization paying that amount of money for part time help. This is not a good policy and they could not vote for pay raise when he was on council and this is part of a pay package. Can't vote to change except for mayor and she should get job if she wants insurance.

Tom Green: Never heard of part time job providing for health insurance. Concerned that people would run for office for the insurance, not to serve the community. Disappointed if the Council approves. The University of Oregon used a chemical on the grass that keeps it green but does not have to mowed.

Robert Keck: Baffled as to why they volunteer to run for council and then want to be provided with health care benefits. Volunteer to do good for the community. Disappointed the police are not in attendance tonight. Dyer Road has a large increase in crime due to drug issues and they don't know why they are not getting response.

Kay George: Sent e-mail regarding FTE's and supervisors and the pay rates. When charge rental fee for actual cost and all the other fees packed in, others will not want to rent the equipment. For everyone who mows the lawn there are two supervisors. Pay for one worker and three supervisors – ratepayers pay and so would renters.

Fred Seiner: His utility bill has doubled since 2001. City does not need separate mowers for each department, should rent out to each department from parks. Insurance would be for a part time job and amount is more than should be for part time person. Would have to pay four months of utility bill to pay for insurance. They could use the money to hire an employee and spend money on a roller. Need people on the streets to do the work. Volunteers don't get insurance and the city can't afford it.

Gerry Gibson: Written comments provided on marijuana issue, Timber Ridge, health insurance and the lawn mower.

**COUNCILMEMBER COMMENTS**

McCarty: The medical insurance will be considered by the Council. When he worked for state, part timers had to work 40 hours per week to have coverage. Does not see any reason to proceed with the benefit.

Naslund: Asked if the Council would support her attendance at the School Board meetings. (Consensus was yes).

Beeler: When they run the city correctly, no one attends and when they have interesting topics people attend – should attend more often. Council is not full time so why have insurance. He does support an increase in pay for the meetings as he puts in 25 hours a month. Appointed as the LEOFF board representative for the city. Police have not been attending – miss the presence. Have cut costs by not having employees attend council meeting.

Neigel: Community Transit has been providing emergency services to the Darrington area. They are looking at restoring other services that were cut in the past.

Ken Walker, City Administrator: The Police Chief is not here as he is putting on the Citizens Academy for 13 weeks. USGS provided info on the OSO landslide area which has had 19 major landslides since last glacier age. There has not been a landslide in Sultan in the same time frame. Health insurance is offered to part time employees.

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014**

**STAFF REPORTS** – Written Reports Submitted and are on file in the Office of the City Clerk.

- 1) Code Enforcement
- 2) Planning Board Minutes
- 3) Community Development – Meeting with Craig Sears
- 4) Police Report

**HEARINGS:**

Ordinance 1190-14 - Production and Processing of Marijuana. Minutes are under separate report.

**CONSENT AGENDA:** The following items are incorporated into the consent agenda and approved by a single motion of the Council. On a motion by Councilmember Naslund, seconded by Councilmember Seehuus, the consent agenda was approved as amended. McCarty – aye, abstain on vouchers; Seehuus – aye; Walker – aye; Davenport-Smith – aye, Neigel – aye; Naslund – aye; Beeler - aye.

- 1) Approval of the Council Meeting Minutes
- 2) Approval of Vouchers in the amount of \$42,829.62 and payroll through March 28, 2014 in the amount of \$51,983.25 to be drawn and paid on the proper accounts.
- 3) Adoption of Ordinance 1191-14 - Extend Timber Ridge Building Moratorium
- 4) Excused Absence of Councilmember Davenport-Smith from the April 10, 2014 Council meeting.

**ACTION ITEMS:****Ordinance 1192-14 - Amendment to SMC 9.08**

The issue is to consider adoption of Ordinance 1192-14, amending SMC 9.08, Marijuana, to bring the provisions of SMC Chapter 9.08 into conformance with provisions of State Initiative 502, and RCW 69.50. The existing Chapter 9.08 was adopted prior to State voting and adoption of Initiative 502 concerning the legalization of Marijuana. Staff has prepared amendments to Chapter 9.08 that retain the provisions of this chapter that are in conformance with the new State law, RCW 69.50, and amend the provisions that need to be changed to come into conformance with that law.

Discussion: Can Sultan make it more restrictive? Per City Attorney, no.

On a motion by Councilmember Walker, seconded by Councilmember Naslund, Ordinance 1192-14 was adopted. Ayes: McCarty, Seehuus, Walker, Naslund. Nay: Beeler, Neigel

**Ordinance 1190-14 Production and Processing Marijuana**

The issue is to consider adoption of Ordinance No. 1190-14, adopting SMC 16.58, a new chapter enacting provisions for permitting and regulation of marijuana production and processing businesses in conformance with RCW 69.50 and WAC 314-55.

The Planning Board recommends that the City Council adopt the attached Draft SMC Chapter 16.58 with such changes as the Council determines to be appropriate.

Having conducted a public hearing under Agenda Item H-1 of this agenda, the Council is now able to consider the input from the public, make changes to the draft code as determined appropriate, and consider a motion to adopt

Discussion;

**Beeler:** This is a very emotional issue and there are pros and cons. Majority of Sultan voters said yes to marijuana and he was in the minority. Only one person in the audience supports and rest say no, they don't want in the town. Need to consider what they are doing when it starts with production and processing and then future retail. Everyone has stories of friends or relatives that have had problems and died from drugs. The City needs to take a strong stand and they don't want the burden and extra policing.

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014**

Discussion:

Naslund: Can't dictate peoples opinion.

Walker: Has been in favor and he has used it in the past. The problem is when it is not legal, the dealers are selling and making the money. If the state or city has more control, they can get it out of the hands of the drug cartels. Will support.

McCarty: Only production and processing will be allowed in the city. Can they restrict the signage so outsiders don't know the product is there. (Signs can not be visible from the street.)

Seehuus: Will the city lose liquor revenue if no action is taken? (The bill was defeated so liquor revenue will not be lost.)

Beeler: If the City does not enact the ordinance, can they be located anywhere? (Under current zoning, an application would have to be approved. This is a zoning ordinance and they can control where they are located)

Neigel: The majority of the prior council was in favor of banning all aspects of marijuana and the current council has a different feeling. No retail will be allowed. Marijuana is an addictive drug and the number one reason youth is admitted for treatment. Weather it is legal or not, will still have to pay for it. His answer is no but he appreciates the work of the planning board.

On a motion by Councilmember Naslund, seconded by Councilmember Walker, Ordinance 1190-14 was adopted. Ayes – McCarty, Seehuus, Walker, Naslund. Nay – Beeler, Neigel

**Notice of Intent – Local Options**

The issue before the Council is to authorize staff to submit a Notice of Intent to the State Local Options program to purchase a vactor truck.

At the March 22, 2014 Council Retreat, a discussion was held regarding capital equipment needs for the City. The consensus of the Council was to move forward with process to obtain funding through the State Local Options program to purchase a Vactor truck in late 2014.

The State accepts a Notice of Intent to purchase no later than January 10th and June 20th of each year. After the Notice of Intent is approved, the city proceeds with the documents required to complete the loan process and determines the term of the loan. Loan payments are made twice a year. The city has previously used this program to purchase the street sweeper.

The Notice of Intent does not obligate the City to proceed with the purchase of the equipment. Prior to final financing, the City must complete and submit a credit application and Authorizing Resolution to the State. To proceed with a purchase in 2014, this process would need to be completed by June 20<sup>th</sup> with funds available in late August.

On a motion by Councilmember Beeler, seconded by Councilmember Naslund, staff was authorized to submit a Notice of Intent to the State Local Options program to purchase a vactor truck. All ayes.

**Water Plant – Electrical Bid Award**

The issue before the council is to authorize the Mayor to approve the expenditure to Wyatt Electric for the installation of electrical outlets on the north and east walls of the Water Treatment Plant. These outlets are to supply power to the recently purchased chemical scales as well as the new soda ash station.

The proposed scope of work includes installing conduit and wiring for:

- The new weigh scale power outlets.
- The timer controlled outlet for soda ash mixer motor.
- The new soda ash metering pump outlet.

Approving the installation of the electrical outlets and timer will complete the upgrade project of new scales and the soda ash station.

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014**

Highly recommended, last November the city installed our new soda ash station. It has been in the test phase and has produced excellent results. We have provided these results to the state and upon final approval, it will be necessary to have the new outlets installed. During the testing phase, we had the scales, mixer and pump powered from outlets 25 feet away using extension cords. The final upgrade for the soda ash project will complete the project

Our first option is to hire Markley Electric to complete the job, but Gary Markley is currently out of state at the time and will not be available for approximately 2 months. This is the second alternative for this job.

On a motion by Councilmember Naslund, seconded by Councilmember Walker, staff was authorized to hire Wyatt Electric to complete the electrical outlet installation in the amount not to exceed \$1665.00 plus sales tax. All ayes.

**Alder Avenue – Construction Management Contract with Gray & Osborne**

The issue before the council is to authorize the Mayor to sign Supplemental Agreement Number 1 with Gray & Osborne, Inc. to provide professional engineering and related services necessary for construction management, inspection services, and materials testing for the Alder Avenue Reconstruction Project. The fee to complete these services is not to exceed \$86,000 without prior written authorization by the City Council.

The City of Sultan has received grant funding for the design and reconstruction of Alder Avenue from 5<sup>th</sup> Street to 8<sup>th</sup> Street. The City has received the following

The City selected Gray & Osborne over six other consulting firms to prepare the design of the Alder Avenue Reconstruction project based on their qualifications. Gray & Osborne has completed the design drawings and specifications and are ready to advertise the project for bid.

The contract with Gray & Osborne did not include construction management or inspection services. To address this issue, The City selected three consulting firms from the Municipal Research & Services Center website with experience in construction management and requested a letter of interest. The firms selected were Gray & Osborne, KBA, Inc. and Harris & Associates. Harris & Associates did not respond.

City staff conducted phone interviews with Gray & Osborne, and KBA, Inc. and developed a rating sheet. Gray & Osborne was the unanimous choice to provide construction management, inspection services, and materials testing for the Alder Avenue Reconstruction Project.

On a motion by Councilmember Beeler, seconded by Councilmember Naslund, the Mayor was authorized to sign Supplemental Agreement Number 1 with Gray & Osborne, Inc. to provide construction management, inspection services, and materials testing for the Alder Avenue Reconstruction improvements for an amount not to exceed \$86,000 without prior written authorization by the City Council. All ayes.

**Water Plant Mower Purchase**

The issue before the council is to authorize the mayor to approve the expenditure of a Kubota BX2370 lawnmower for the Water Treatment Plant. The current lawnmower that the Water Plant uses, has been in service over 20 years and is overdue to be replaced. The engine burns a lot of oil and barely runs. Needless to say, the mower has over 25,000 hours on it, and they do not make parts because it is obsolete to purchase repair parts. The 2014 Budget allows the purchase of a replacement mower this year, and would like to replace the 1989 725 JD mower currently at the plant.

The Kubota BX2370 is the best option for the price. We purchased the same model in 2007 and it has had very few mechanical issues. The Kubota BX 2379 has a 25 horsepower diesel engine which has enough power to run attachments, such as a scraper box for the rear or a loader bucket for the front. These are two items we would like to budget for 2015 to purchase. Not only would we use this mower to cut grass, but we could also use it for small projects around the Water Plant. (road repair, spreading the debris pile, etc.)

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014**

Discussion: Number of acres (20); use of a cheaper mower; time allotment for employees is an issue; has other uses than lawn mowing; have planned for the purchase over several years; water department has used for many years; park department uses different type of mower.

On a motion by Councilmember Beeler, seconded by Councilmember Neigel, staff was authorized to purchase a Kubota BX 2379 for \$10,729. Ayes – Walker, Neigel, Naslund and Beeler; nay McCarty; Seehuus – abstained.

**Medical Insurance – Elected Officials**

The issue before the Council is to discuss adding Medical Insurance coverage for elected officials to the City's medical plan. In accordance with the AWC Benefit trust underwriting rules, 50% of the elected officials must apply to obtain coverage (4 minimum). The City does provide coverage for part time employees.

For employees, the City pays 95% of the employee's coverage (\$698.49 per month). The employee coverage is based on the current Union contract and ordinance for non-represented employees. The Council would need to decide on the amount the city will pay for elected officials. The Council needs to authorize staff to update the Employer Master Participation Agreement with AWC Employee Benefit Trust to add the coverage.

**Discussion included:**

Increase in pay (not consider pay by IRS), impacts of the Health care act and the current policy; coverage determination is made by the AWC Benefit trust; coverage and cost provided to employees; full time versus part time employees.

Councilmember Seehuus moved to table the matter, seconded by Councilmember Naslund. All ayes, Councilmember Beeler abstained.

**PUBLIC COMMENTS**

Rob Criswell: Concerned about when they bring insurance up again and will they have public input? Understands they work hard but stressed they need to get people involved and it does have to come out of the public pocket. Water bill increased and then employees wanted a raise. Consider the public when spending money and not just the staff input. The City Administrator sounded bias on the insurance.

Kay George: Thanked Rocky Walker for running against her as there was a time when people did not want to run. There are plenty of people qualified to be on council they don't need health insurance as incentive. She gave her money to charity. Everyone can get insurance and it should not be considered.

Fred Seiner: On the lawn mower, only small portion is mowed and current mower is gas. The city is paying for a mower for each department and they don't have enough people to use the mowers all the time. Health insurance – town can't afford as they already raised rates to buy the mower. Hire employee with the money to benefit the town. If they can afford to buy equipment, the rates must be too high.

Al Wirta: Drove up to the water plant and there are maybe two acres to mow. Has a mower he paid \$3000 for and it works just fine. Can't see spending \$10,000 for a mower. Taking too much money from the public.

**COUNCIL RESPONSE TO COMMENTS**

Beeler: The City has set a budget and planned ahead for the needs of the departments. Set budget for a reason so they can effectively accomplish goals. If save up for a vacation and then have to spend, it is hard to see the money go. Voted for because 25 years is good use.

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014**

Naslund: Feels fortunate that she has insurance but it cost \$780 a month for her spouse before he got a job that provides coverage. She hears from others at the school that they can't afford to go to the doctor or dentist.

Seehuus: thanks for coming and input.

McCarty: Does not need insurance. Mower – if half the price would have supported.

**EXECUTIVE SESSION:** On a motion by Councilmember Beeler, seconded by Councilmember Walker, the Council adjourned to executive session for twenty-five minutes to discuss pending litigation. All ayes.

**Adjournment:** On a motion by Councilmember Beeler, seconded by Councilmember Naslund, the meeting adjourned at 9:35 PM. All ayes.

---

Carolyn Eslick, Mayor

---

Laura J. Koenig, City Clerk

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

---

ITEM NO: Consent C 2  
DATE: April 24, 2014  
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director 

**SUMMARY:**

Attached are the minutes of the April 10, 2014 Public Hearing on Ordinance 1190-14, regulation of marijuana business as on file in the office of the City Clerk.

**RECOMMENDED ACTION:**

Approve as submitted

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014****PUBLIC HEARING:**

The Public Hearing on Ordinance 1190-14 adding SMC 16.58, Production/Processing of Marijuana was called to order by Mayor Pro-tem Neigel.

Councilmembers present: McCarty, Seehuus, Walker, Blair and Beeler.

**Staff:**

The Planning Board recommends that the City Council adopt SMC Chapter 16.58 with such changes as the Council determines to be appropriate

The City of Sultan is currently operating under a moratorium prohibiting the location of any marijuana businesses, dispensaries, or collective gardens in the City. The moratorium was adopted to allow time for the City to prepare and adopt regulations in conformance with State law concerning such business operations.

The Planning Board conducted a public hearing on March 4, 2014 to gather public input on the draft code. Upon consideration of input gathered at the hearing, the board voted to forward the draft code to the City Council with a recommendation for adoption.

Given the importance of this topic to the public, the City Council, at the March 27, 2014 meeting, set a public hearing on the draft code. The purposes and supporting background for this action are presented in the recitals of the draft ordinance. The recitals are hereby adopted as the City Council's findings in support of the moratorium.

1. The City of Sultan has the authority to adopt a moratorium pursuant to RCW 35A.63.220; and
2. On November 6, 2012, Initiative 502 was passed by the voters of the State of Washington, providing a framework under which marijuana producers, processors, and retailers can become licensed by the State of Washington; and
3. Initiative 502 directs the Washington State Liquor Control Board (LCB) to develop rules and regulations to:
  1. Determine the number of producers, processors and retailers of marijuana by county;
  2. Develop licensing and other regulatory measures;
  3. Issue licenses to producers, processors, and retailers at locations which comply with the Initiative's distancing requirements prohibiting such uses within one thousand feet of schools and other designated public facilities; and
  4. Establish a process for the City to comment prior to the issuance of such licenses.
4. Initiative 502 prohibits marijuana-related uses within 1,000 feet of certain uses and buildings, such as child care centers, public parks and recreation centers or facilities, but does not address whether LCB-licensed marijuana businesses must comply with land use and zoning restrictions of local jurisdictions; and
5. The adoption of land use and zoning regulations is a valid exercise of the City's police power and is specifically authorized by RCW 35A.63.100; and
6. Section 69.51A.140 RCW, enacted as part of Washington's medical cannabis act, delegates authority to cities and towns to adopt and enforce zoning requirements, business licensing requirements, health and safety requirements, and business taxes related to the production, processing, or dispensing of cannabis or cannabis products as exercises of the City's police powers and does not necessarily limit such restrictions to medical marijuana-related uses; and

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014**

7. The Sultan Municipal Code does not currently have specific provisions addressing licensing, producing, processing or retailing of recreational marijuana; and
8. The Sultan Planning Board has considered a draft code, SMC Chapter 16.58, a code to regulate the type, location, and operation of marijuana production and processing businesses in conformance with the provisions of RCW 69.50 and WAC 314-55; and
9. The Planning Board scheduled and conducted a public hearing on draft Chapter 16.58 on March 4, 2014; and
10. The Planning Board, after consideration of public testimony delivered at the hearing of March 4, 2014, determined that the draft Chapter 16.58 should be adopted for the protection of public health and safety, and voted to forward the draft code to the City Council with a recommendation for adoption by the Council; and
11. The City Council of the City of Sultan properly scheduled and conducted a public hearing on April 10, 2014; and
12. The City Council of the City of Sultan having considered the input received the Planning Board's recommendation, and the public testimony received at the public hearing of April 10, 2014, has determined that adoption of the proposed Chapter 16.58 is in the best interest and protection of the public health and safety of the citizens of Sultan;

**Public Input**

**Rob Criswell:** His experience with marijuana is zero and he has never used drugs. The Ordinances is for legal marijuana and if allowed in the city it will attract undesirables. Don't think the community needs to attract those type of people. Some may need for medical use. Same opinion since 1969.

**Kay George:** A lot people think there is money to be made but the state will be taking the lions shared and the city will be left with the cost to enforce. With the problems with youth, this will action will put a stamp of approval on it for kids. The Liquor Control Board has not determined the amount of tax that will be received and have not determined how it will be distributed. Don't have to come to Sultan to get marijuana, we should be an island of non use.

**Robert Keck:** Surprised that marijuana products within 1000 feet of certain facilities is not allowed but the list does not include schools. Medical marijuana users can get a prescription if they find the right doctor. Distribution of legal marijuana will not be stopped but hope the city can control it.

**Polly Bridgewater:** Lives across the river and sees a lot of meth use. Would not like to see more drugs in town. It used to be less concentrated and the city will see more problems with the kids at the schools. More use is legalized and makes it more available and that is scary.

**Al Wirta:** Has been a business owner and resident for 32 years and there has always been a drug problem and he sees no reason to add to the problem by allowing distribution.

**Bart Dalmasso:** His nephew Micheal lived with him and was a heavy pot smoker and user. He sold it when it was legal for medical purposes and then went back to illegal sales. He could not stay away from pot and his parole was revoked. Was a heavy user and borrowed money to

**CITY OF SULTAN COUNCIL MEETING – April 10, 2014**

Bart Dalmasso: buy drugs. His wife died from exposure to drugs even though she did not use them and he also died from drug use.

Kevin Pettelle: This is an emotional issues and there are deep feelings on both sides. This is legal and the Liquor Control Board is putting a lot of effort into contorls and accoutability. Retail sales are not allowed in Sultan. There are economic potentials if the business grows. This is a legal and economic issue.

On a motion by Councilmember Seehuus, seconded by Councilmember Naslund, the public hearing was closed. All ayes.

---

Carolyn Eslick, Mayor

---

Laura J. Koenig, City Clerk

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

---

**ITEM #:** Consent 3  
**DATE:** April 24, 2014  
**SUBJECT:** Voucher Approval - 2014

**CONTACT PERSON:** Laura Koenig, Clerk/Deputy Finance Director 

**SUMMARY:**

Attached are the vouchers for approval in the amount of \$121,865.85 and payroll through April 11, 2014 in the amount of \$77,707.90 to be drawn and paid on the proper accounts.

**FISCAL IMPACT:** \$199,573.75

**RECOMMENDATION:**

Approve the payment of vouchers as submitted.

---

**City Of Sultan  
Voucher Approval  
April 24, 2014**

I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered, or the labor performed as described hereon, and that the claim is just, due and an unpaid obligation against the City of Sultan, and that I am authorized to authenticate and certify to said claim.

\_\_\_\_\_  
Laura J. Koenig, Clerk/Deputy Finance Director

We, the undersigned City Council of Sultan Washington, do hereby certify that the merchandise or services hereinafter specified have been received and the claims are approved for payment in the following amounts:

Payroll Check #29180,191-94	\$ 5,235.36
Direct Deposit #8	\$ 24,689.93
Benefits Check #29183-189	\$ 35,849.23
Tax Deposit #PR 7	\$ 11,933.38
Accounts Payable Checks #29138,43,195-246	\$ 113,052.03
ACH Transactions - DOR	\$ 8,813.82
<b>TOTAL</b>	<b>\$ 199,573.75</b>

\_\_\_\_\_  
Bob McCarty, Councilmember

\_\_\_\_\_  
John Seehuus, Councilmember

\_\_\_\_\_  
Rocky Walker, Councilmember

\_\_\_\_\_  
Sarah Davenport-Smith, Councilmember

\_\_\_\_\_  
Joe Neigel, Councilmember

\_\_\_\_\_  
Marianne Naslund, Councilmember

\_\_\_\_\_  
Jeffrey Beeler, Councilmember

# Accounts Payable

## Check Register Totals Only

User: laura.koenig  
 Printed: 4/21/2014 - 2:09 PM



Check	Date	Vendor No	Vendor Name	Amount	Voucher
29195	04/24/2014	amtest	AM Test	145.00	0
29196	04/24/2014	Aramark	Aramark Uniform Services - AUS We	391.18	0
29197	04/24/2014	App	Associated Petroleum Products Inc	1,026.38	0
29198	04/24/2014	awc	AWC	375.00	0
29199	04/24/2014	CentralW	Central Welding Supply, Inc	152.98	0
29200	04/24/2014	Code	Code Publishing Company	180.00	0
29201	04/24/2014	Comcast	Comcast	259.40	0
29202	04/24/2014	costco	Costco	110.00	0
29203	04/24/2014	DOE	Department of Ecology - Cashiering S	177.03	0
29204	04/24/2014	DOL1	Department of Labor & Industries	198.10	0
29205	04/24/2014	dnd	DND Glass	53.15	0
29206	04/24/2014	dynacco	Dynacco	3,186.60	0
29207	04/24/2014	EconAll	Economic Alliance Snohomish County	1,000.00	0
29208	04/24/2014	Frontier	Frontier	634.19	0
29209	04/24/2014	groco	Groco, Inc	2,359.68	0
29210	04/24/2014	Kenyon	Kenyon Disend PLLC	5,160.25	0
29211	04/24/2014	Kool	Kool Change Printing Inc.	242.99	0
29212	04/24/2014	lacial	Lacal Equipment, Inc.	388.94	0
29213	04/24/2014	lowes	Lowe's	139.59	0
29214	04/24/2014	napa	Monroe Parts House	282.24	0
29215	04/24/2014	MotorTru	Motor Trucks Inc	247.72	0
29216	04/24/2014	mrrsc	Municipal Research	120.00	0
29217	04/24/2014	NorthSaf	Northern Safety Co Inc.	379.13	0
29218	04/24/2014	NorthSta	Northstar Chemical, Inc.	931.00	0
29219	04/24/2014	NWCas	Northwest Cascade Inc	113.45	0
29220	04/24/2014	OASYS	Oasys Office Automation Systems	215.13	0
29221	04/24/2014	OfcDepot	Office Depot	739.01	0
29222	04/24/2014	Pitney	Pitney Bowes	578.27	0
29223	04/24/2014	Ponderos	Ponderosa Pacific, Inc.	6,720.17	0
29224	04/24/2014	PUD 1	PUD	3,487.43	0
29225	04/24/2014	PSE	Puget Sound Energy	816.27	0
29226	04/24/2014	qcl	QCL, Inc.	181.25	0
29227	04/24/2014	rh2	RH2 Engineering, Inc.	2,554.57	0
29228	04/24/2014	SkyValle	Sky Valley Family Medicine	465.00	0
29229	04/24/2014	SCpubwor	Snohomish County Finance	15,509.00	0
29230	04/24/2014	Snopac	Snopac	5,372.63	0
29231	04/24/2014	SoundPub	Sound Publishing Inc	531.20	0
29232	04/24/2014	USBank	US Bank	32.00	0
29233	04/24/2014	usps	USPS	224.00	0
29234	04/24/2014	UULC	Utilities Underground Location Center	12.32	0
29235	04/24/2014	ValGenH	Valley General Hospital	559.00	0
29236	04/24/2014	visa	Visa	1,599.07	0
29237	04/24/2014	visa	Visa	145.40	0
29238	04/24/2014	visa	Visa	157.43	0
29239	04/24/2014	visa	Visa	169.77	0
29240	04/24/2014	wfoa	Washington Finance Officers Associat	60.00	0
29241	04/24/2014	Wetrc	WETRC	465.00	0
29242	04/24/2014	wh	WH Pacific	4,492.13	0
29243	04/24/2014	wh	WH Pacific	45,422.36	0
29244	04/24/2014	wlj	White Lightning Janitorial	660.00	0

Check	Date	Vendor No	Vendor Name	Amount	Voucher
29245	04/24/2014	Whitney	Whitney Equipment	223.01	0
29246	04/24/2014	wyatt	Wyatt Electric Inc.	3,298.61	0
				<u>112,944.03</u>	
Check Total:				<u>112,944.03</u>	

# Payroll

## Computer Check Register

User: laura.koenig  
Printed: 04/03/2014 - 10:49AM  
Batch: 00002-04-2014 Computer



Check No	Check Date	Employee Information	Amount
29180	04/03/2014	019 Michael Matheson	1,446.42
Total Number of Employees: 1		Total for Payroll Check Run:	1,446.42

# Payroll

## Computer Check Register

User: julie.addington  
Printed: 04/15/2014 - 3:23PM  
Batch: 00003-04-2014 Computer

PKS



Check No	Check Date	Employee Information	Amount
29191	04/18/2014	024 Michael Williams	2,228.47
29192	04/18/2014	029 James Barns	1,375.78
29193	04/18/2014	073 Sarah Davenport-Smith	138.52
29194	04/18/2014	095 Marianne Naslund	46.17
Total Number of Employees: 4		Total for Payroll Check Run:	3,788.94

Accounts Payable  
 Check Register Totals Only

User: laura.koenig  
 Printed: 3/21/2014 - 10:41 AM



Check	Date	Vendor No	Vendor Name	Amount	Voucher
29138	03/21/2014	WFOA	Washington Finance Officers Associat	50.00	0
				Check Total:	
				50.00	

Accounts Payable  
 Check Register Totals Only

User: laura.koenig  
 Printed: 3/31/2014 - 2:32 PM



Check	Date	Vendor No	Vendor Name	Amount	Voucher
29143	03/31/2014	JStrauss	Jason Strauss	58.00	0
				Check Total:	
				58.00	

# Accounts Payable

## Check Register Totals Only

User: laura.koenig  
 Printed: 4/4/2014 - 2:34 PM



Check	Date	Vendor No	Vendor Name	Amount	Voucher
29183	04/04/2014	Retire	Department of Retirement	2,600.00	0
29184	04/04/2014	Retire	Department of Retirement	6,003.65	0
29185	04/04/2014	AWCben	AWC Employee Benefit Trust	18,597.84	0
29186	04/04/2014	AWCben	AWC Employee Benefit Trust	24.00	0
29187	04/04/2014	L&I	Department of Labor & Industries	5,650.03	0
29188	04/04/2014	Unemploy	Employment Security Department	1,519.71	0
29189	04/04/2014	WATeamTr	Washington Teamsters Welfare Trust	1,454.00	0
Check Total:				35,849.23	

# Payroll

## ACH Check Register

User: 'julie.addington'  
 Printed: 04/15/2014 - 3:28PM  
 Batch: 3-4-2014  
 Include Partial: FALSE

PK8



Check Date	Check Number	Employee No	Employee Name	Amount
04/18/2014	0	001	Laura Koenig	1,924.77
04/18/2014	0	004	Donna Murphy	1,342.06
04/18/2014	0	005	Robert Martin	1,705.20
04/18/2014	0	007	Julie Addington	1,425.23
04/18/2014	0	010	Cindy Donk	1,522.60
04/18/2014	0	011	Janice Mann	1,121.76
04/18/2014	0	013	Rosemary Murphy	1,196.41
04/18/2014	0	015	Kenneth Walker	2,154.07
04/18/2014	0	019	Michael Matheson	2,693.33
04/18/2014	0	020	Connie Dunn	1,938.93
04/18/2014	0	025	John Harris	1,789.19
04/18/2014	0	028	Todd Strom	1,629.26
04/18/2014	0	049	Victoria Forte	1,575.68
04/18/2014	0	120	Matthew Wood	1,351.24
04/18/2014	0	121	Jason Strauss	1,320.20
Total Employees:			15	Total: 24,689.93

## Checks for Approval

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
29182	04/04/2014	UTILITY WATER FUND	Communication	USPS	225.08
29182	04/04/2014	UTILITY SEWER FUND	Communication	USPS	225.08
29182	04/04/2014	UTILITY GARBAGE FUND	Communication	USPS	225.07
29182	04/04/2014	STORMWATER UTILITY FUND	Communication	USPS	75.03
29183	04/04/2014	CEMETERY FUND	Deferred Comp Payable	Department of Retirement	1.50
29183	04/04/2014	BUILDING MAINTENANCE FUND	Deferred Comp Payable	Department of Retirement	7.51
29183	04/04/2014	UTILITY WATER FUND	Deferred Comp Payable	Department of Retirement	58.24
29183	04/04/2014	UTILITY SEWER FUND	Deferred Comp Payable	Department of Retirement	44.00
29183	04/04/2014	UTILITY GARBAGE FUND	Deferred Comp Payable	Department of Retirement	19.51
29183	04/04/2014	STORMWATER UTILITY FUND	Deferred Comp Payable	Department of Retirement	21.25
29183	04/04/2014	GENERAL FUND	Deferred Comp Payable	Department of Retirement	1,044.51
29183	04/04/2014	STREET FUND	Deferred Comp Payable	Department of Retirement	97.50
29183	04/04/2014	CEMETERY FUND	Deferred Comp Payable	Department of Retirement	4.00
29183	04/04/2014	BUILDING MAINTENANCE FUND	Deferred Comp Payable	Department of Retirement	26.49
29183	04/04/2014	UTILITY WATER FUND	Deferred Comp Payable	Department of Retirement	354.52
29183	04/04/2014	UTILITY SEWER FUND	Deferred Comp Payable	Department of Retirement	546.99
29183	04/04/2014	UTILITY GARBAGE FUND	Deferred Comp Payable	Department of Retirement	120.74
29183	04/04/2014	STORMWATER UTILITY FUND	Deferred Comp Payable	Department of Retirement	105.25
29183	04/04/2014	GENERAL FUND	Deferred Comp Payable	Department of Retirement	121.49
29183	04/04/2014	STREET FUND	Deferred Comp Payable	Department of Retirement	26.50
29184	04/04/2014	GENERAL FUND	PERS Payable	Department of Retirement	86.68
29184	04/04/2014	GENERAL FUND	PERS Payable	Department of Retirement	47.06
29184	04/04/2014	GENERAL FUND	PERS Payable	Department of Retirement	439.52
29184	04/04/2014	STREET FUND	PERS Payable	Department of Retirement	108.91
29184	04/04/2014	CEMETERY FUND	PERS Payable	Department of Retirement	19.53
29184	04/04/2014	BUILDING MAINTENANCE FUND	PERS Payable	Department of Retirement	23.74
29184	04/04/2014	UTILITY WATER FUND	PERS Payable	Department of Retirement	512.68
29184	04/04/2014	UTILITY SEWER FUND	PERS Payable	Department of Retirement	446.41
29184	04/04/2014	UTILITY GARBAGE FUND	PERS Payable	Department of Retirement	275.99
29184	04/04/2014	STORMWATER UTILITY FUND	PERS Payable	Department of Retirement	126.98
29184	04/04/2014	GENERAL FUND	PERS Payable	Department of Retirement	822.69
29184	04/04/2014	STREET FUND	PERS Payable	Department of Retirement	204.00
29184	04/04/2014	CEMETERY FUND	PERS Payable	Department of Retirement	36.54
29184	04/04/2014	BUILDING MAINTENANCE FUND	PERS Payable	Department of Retirement	44.43
29184	04/04/2014	UTILITY WATER FUND	PERS Payable	Department of Retirement	959.72
29184	04/04/2014	UTILITY SEWER FUND	PERS Payable	Department of Retirement	835.62
29184	04/04/2014	UTILITY GARBAGE FUND	PERS Payable	Department of Retirement	516.72
29184	04/04/2014	STORMWATER UTILITY FUND	PERS Payable	Department of Retirement	237.66

29184	04/04/2014	GENERAL FUND	PERS Payable	Department of Retirement	1.80
29184	04/04/2014	STREET FUND	PERS Payable	Department of Retirement	11.71
29184	04/04/2014	BUILDING MAINTENANCE FUND	PERS Payable	Department of Retirement	0.90
29184	04/04/2014	UTILITY WATER FUND	PERS Payable	Department of Retirement	28.39
29184	04/04/2014	UTILITY SEWER FUND	PERS Payable	Department of Retirement	26.12
29184	04/04/2014	UTILITY GARBAGE FUND	PERS Payable	Department of Retirement	5.41
29184	04/04/2014	STORMWATER UTILITY FUND	PERS Payable	Department of Retirement	15.77
29184	04/04/2014	GENERAL FUND	PERS Payable	Department of Retirement	3.37
29184	04/04/2014	STREET FUND	PERS Payable	Department of Retirement	21.93
29184	04/04/2014	BUILDING MAINTENANCE FUND	PERS Payable	Department of Retirement	1.68
29184	04/04/2014	UTILITY WATER FUND	PERS Payable	Department of Retirement	53.13
29184	04/04/2014	UTILITY SEWER FUND	PERS Payable	Department of Retirement	48.92
29184	04/04/2014	UTILITY GARBAGE FUND	PERS Payable	Department of Retirement	10.12
29184	04/04/2014	STORMWATER UTILITY FUND	PERS Payable	Department of Retirement	29.52
29185	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	Department of Retirement	802.35
29185	04/04/2014	STORMWATER UTILITY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	39.14
29185	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	50.31
29185	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	1.07
29185	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	1.07
29185	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	AWC Employee Benefit Trust	1.08
29185	04/04/2014	UTILITY GARBAGE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	389.10
29185	04/04/2014	STORMWATER UTILITY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	407.28
29185	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	1,261.47
29185	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	55.80
29185	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	13.65
29185	04/04/2014	CEMETERY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	0.88
29185	04/04/2014	BUILDING MAINTENANCE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	3.20
29185	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	31.25
29185	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	AWC Employee Benefit Trust	25.74
29185	04/04/2014	UTILITY GARBAGE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	13.14
29185	04/04/2014	STORMWATER UTILITY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	13.32
29185	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	29.55
29185	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	11.41
29185	04/04/2014	CEMETERY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	4.76
29185	04/04/2014	BUILDING MAINTENANCE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	0.84
29185	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	189.18
29185	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	AWC Employee Benefit Trust	104.05
29185	04/04/2014	UTILITY GARBAGE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	69.39
29185	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	13.63
29185	04/04/2014	CEMETERY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	0.88
29185	04/04/2014	BUILDING MAINTENANCE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	3.24
29185	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	31.22

29185	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	AWC Employee Benefit Trust	25.76
29185	04/04/2014	UTILITY GARBAGE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	13.12
29185	04/04/2014	STORMWATER UTILITY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	13.32
29185	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	29.56
29185	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	11.40
29185	04/04/2014	CEMETERY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	4.78
29185	04/04/2014	BUILDING MAINTENANCE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	0.82
29185	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	189.19
29185	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	55.81
29185	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	AWC Employee Benefit Trust	104.03
29185	04/04/2014	UTILITY GARBAGE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	69.38
29185	04/04/2014	STORMWATER UTILITY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	39.16
29185	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	850.26
29185	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	166.32
29185	04/04/2014	CEMETERY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	68.52
29185	04/04/2014	BUILDING MAINTENANCE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	31.61
29185	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	4,248.55
29185	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	AWC Employee Benefit Trust	2,682.03
29185	04/04/2014	UTILITY GARBAGE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	1,615.78
29185	04/04/2014	STORMWATER UTILITY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	916.41
29185	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	50.32
29185	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	1.07
29185	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	1.07
29185	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	AWC Employee Benefit Trust	1.07
29185	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	1,584.23
29185	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	447.71
29185	04/04/2014	CEMETERY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	27.46
29185	04/04/2014	BUILDING MAINTENANCE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	118.11
29185	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	1,015.23
29185	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	26.84
29185	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	26.85
29185	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	AWC Employee Benefit Trust	26.83
29185	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	13.35
29185	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	3.11
29185	04/04/2014	CEMETERY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	0.58
29185	04/04/2014	BUILDING MAINTENANCE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	0.62
29185	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	13.28
29185	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	AWC Employee Benefit Trust	10.91
29185	04/04/2014	UTILITY GARBAGE FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	8.57
29185	04/04/2014	STORMWATER UTILITY FUND	Med/Den/Vision/Life Payable	AWC Employee Benefit Trust	3.58
29185	04/04/2014	GENERAL FUND	Benefits - Disability Insuranc	AWC Employee Benefit Trust	513.24
29186	04/04/2014	GENERAL FUND	Miscellaneous Payroll Ded	AWC Employee Benefit Trust	1.80

29186	04/04/2014	UTILITY WATER FUND	Miscellaneous Payroll Ded	AWC Employee Benefit Trust	2.87
29186	04/04/2014	UTILITY SEWER FUND	Miscellaneous Payroll Ded	AWC Employee Benefit Trust	2.05
29186	04/04/2014	UTILITY GARBAGE FUND	Miscellaneous Payroll Ded	AWC Employee Benefit Trust	2.64
29186	04/04/2014	STORMWATER UTILITY FUND	Miscellaneous Payroll Ded	AWC Employee Benefit Trust	2.64
29186	04/04/2014	GENERAL FUND	Miscellaneous Payroll Ded	AWC Employee Benefit Trust	1.80
29186	04/04/2014	UTILITY WATER FUND	Miscellaneous Payroll Ded	AWC Employee Benefit Trust	2.88
29186	04/04/2014	UTILITY SEWER FUND	Miscellaneous Payroll Ded	AWC Employee Benefit Trust	2.04
29186	04/04/2014	UTILITY GARBAGE FUND	Miscellaneous Payroll Ded	AWC Employee Benefit Trust	2.63
29186	04/04/2014	STORMWATER UTILITY FUND	Miscellaneous Payroll Ded	AWC Employee Benefit Trust	2.65
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	50.09
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	41.31
29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	26.97
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	6.33
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	21.51
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	7.45
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	65.65
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	25.49
29187	04/04/2014	CEMETERY FUND	L&I Payable	Department of Labor & Industries	7.07
29187	04/04/2014	BUILDING MAINTENANCE FUND	L&I Payable	Department of Labor & Industries	5.42
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	178.92
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	148.01
29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	93.96
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	18.25
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	139.04
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	58.63
29187	04/04/2014	CEMETERY FUND	L&I Payable	Department of Labor & Industries	13.80
29187	04/04/2014	BUILDING MAINTENANCE FUND	L&I Payable	Department of Labor & Industries	13.21
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	306.69
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	245.47
29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	177.19
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	44.98
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	35.32
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	13.06
29187	04/04/2014	CEMETERY FUND	L&I Payable	Department of Labor & Industries	3.20
29187	04/04/2014	BUILDING MAINTENANCE FUND	L&I Payable	Department of Labor & Industries	3.09
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	74.76
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	48.94
29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	41.03
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	11.66
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	108.17
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	45.23
29187	04/04/2014	CEMETERY FUND	L&I Payable	Department of Labor & Industries	11.50

29187	04/04/2014	BUILDING MAINTENANCE FUND	L&I Payable	Department of Labor & Industries	10.99
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	267.47
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	173.53
29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	143.90
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	35.27
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	32.52
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	11.84
29187	04/04/2014	CEMETERY FUND	L&I Payable	Department of Labor & Industries	2.92
29187	04/04/2014	BUILDING MAINTENANCE FUND	L&I Payable	Department of Labor & Industries	2.43
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	70.51
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	54.96
29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	34.60
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	11.02
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	97.53
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	40.87
29187	04/04/2014	CEMETERY FUND	L&I Payable	Department of Labor & Industries	10.36
29187	04/04/2014	BUILDING MAINTENANCE FUND	L&I Payable	Department of Labor & Industries	8.42
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	252.15
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	196.51
29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	120.41
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	33.26
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	25.64
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	11.67
29187	04/04/2014	CEMETERY FUND	L&I Payable	Department of Labor & Industries	2.63
29187	04/04/2014	BUILDING MAINTENANCE FUND	L&I Payable	Department of Labor & Industries	2.72
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	69.76
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	53.69
29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	34.07
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	11.28
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	77.12
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	40.72
29187	04/04/2014	CEMETERY FUND	L&I Payable	Department of Labor & Industries	9.32
29187	04/04/2014	BUILDING MAINTENANCE FUND	L&I Payable	Department of Labor & Industries	9.65
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	250.26
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	192.35
29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	119.10
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	34.58
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	30.12
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	12.80
29187	04/04/2014	BUILDING MAINTENANCE FUND	L&I Payable	Department of Labor & Industries	3.04
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	67.13
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	55.64

29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	41.30
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	10.81
29187	04/04/2014	GENERAL FUND	L&I Payable	Department of Labor & Industries	92.66
29187	04/04/2014	STREET FUND	L&I Payable	Department of Labor & Industries	45.09
29187	04/04/2014	CEMETERY FUND	L&I Payable	Department of Labor & Industries	11.77
29187	04/04/2014	BUILDING MAINTENANCE FUND	L&I Payable	Department of Labor & Industries	10.97
29187	04/04/2014	UTILITY WATER FUND	L&I Payable	Department of Labor & Industries	241.19
29187	04/04/2014	UTILITY SEWER FUND	L&I Payable	Department of Labor & Industries	200.47
29187	04/04/2014	UTILITY GARBAGE FUND	L&I Payable	Department of Labor & Industries	147.08
29187	04/04/2014	STORMWATER UTILITY FUND	L&I Payable	Department of Labor & Industries	33.50
29187	04/04/2014	CEMETERY FUND	L&I Payable	Department of Labor & Industries	-0.97
29188	04/04/2014	UTILITY GARBAGE FUND	Employment Security Payable	Employment Security Department	315.00
29188	04/04/2014	STORMWATER UTILITY FUND	Employment Security Payable	Employment Security Department	154.86
29188	04/04/2014	GENERAL FUND	Employment Security Payable	Employment Security Department	292.43
29188	04/04/2014	STREET FUND	Employment Security Payable	Employment Security Department	132.91
29188	04/04/2014	CEMETERY FUND	Employment Security Payable	Employment Security Department	23.78
29188	04/04/2014	BUILDING MAINTENANCE FUND	Employment Security Payable	Employment Security Department	28.95
29188	04/04/2014	UTILITY WATER FUND	Employment Security Payable	Employment Security Department	325.20
29188	04/04/2014	UTILITY SEWER FUND	Employment Security Payable	Employment Security Department	244.38
29188	04/04/2014	GENERAL FUND	Employment Security Payable	Employment Security Department	2.20
29189	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	Washington Teamsters Welfare Trust	36.35
29189	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	Washington Teamsters Welfare Trust	36.35
29189	04/04/2014	GENERAL FUND	Med/Den/Vision/Life Payable	Washington Teamsters Welfare Trust	130.96
29189	04/04/2014	STREET FUND	Med/Den/Vision/Life Payable	Washington Teamsters Welfare Trust	72.71
29189	04/04/2014	CEMETERY FUND	Med/Den/Vision/Life Payable	Washington Teamsters Welfare Trust	23.98
29189	04/04/2014	BUILDING MAINTENANCE FUND	Med/Den/Vision/Life Payable	Washington Teamsters Welfare Trust	7.26
29189	04/04/2014	UTILITY WATER FUND	Med/Den/Vision/Life Payable	Washington Teamsters Welfare Trust	475.45
29189	04/04/2014	UTILITY SEWER FUND	Med/Dental/Vis Payable	Washington Teamsters Welfare Trust	399.86
29189	04/04/2014	UTILITY GARBAGE FUND	Med/Den/Vision/Life Payable	Washington Teamsters Welfare Trust	157.65
29189	04/04/2014	STORMWATER UTILITY FUND	Med/Den/Vision/Life Payable	Washington Teamsters Welfare Trust	113.43
29190	04/11/2014	UTILITY GARBAGE FUND	Communication	USPS	548.62
29195	04/24/2014	UTILITY WATER FUND	Water - Testing	AM Test	120.00
29195	04/24/2014	UTILITY WATER FUND	Water - Testing	AM Test	25.00
29196	04/24/2014	UTILITY WATER FUND	Operating Supply	Aramark Uniform Services	21.09
29196	04/24/2014	UTILITY SEWER FUND	Operating Supplies	Aramark Uniform Services	21.09
29196	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Aramark Uniform Services	21.09
29196	04/24/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	21.09
29196	04/24/2014	STREET FUND	Office/Operating Supplies	Aramark Uniform Services	21.09
29196	04/24/2014	UTILITY WATER FUND	Operating Supply	Aramark Uniform Services	11.95
29196	04/24/2014	UTILITY SEWER FUND	Operating Supplies	Aramark Uniform Services	11.94
29196	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Aramark Uniform Services	11.95
29196	04/24/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	11.94

29196	04/24/2014	STREET FUND	Office/Operating Supplies	Aramark Uniform Services	11.95
29196	04/24/2014	UTILITY WATER FUND	Operating Supply	Aramark Uniform Services	21.55
29196	04/24/2014	UTILITY SEWER FUND	Operating Supplies	Aramark Uniform Services	21.54
29196	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Aramark Uniform Services	21.55
29196	04/24/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	21.54
29196	04/24/2014	STREET FUND	Office/Operating Supplies	Aramark Uniform Services	21.55
29196	04/24/2014	UTILITY WATER FUND	Operating Supply	Aramark Uniform Services	11.91
29196	04/24/2014	UTILITY SEWER FUND	Operating Supplies	Aramark Uniform Services	11.92
29196	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Aramark Uniform Services	11.91
29196	04/24/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	11.92
29196	04/24/2014	STREET FUND	Office/Operating Supplies	Aramark Uniform Services	11.91
29196	04/24/2014	UTILITY WATER FUND	Operating Supply	Aramark Uniform Services	11.74
29196	04/24/2014	UTILITY SEWER FUND	Operating Supplies	Aramark Uniform Services	11.74
29196	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Aramark Uniform Services	11.74
29196	04/24/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	11.74
29196	04/24/2014	STREET FUND	Office/Operating Supplies	Aramark Uniform Services	11.74
29197	04/24/2014	UTILITY GARBAGE FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	592.31
29197	04/24/2014	UTILITY SEWER FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	72.31
29197	04/24/2014	UTILITY WATER FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	272.38
29197	04/24/2014	CEMETERY FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	17.83
29197	04/24/2014	STREET FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	17.83
29197	04/24/2014	GENERAL FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	17.83
29197	04/24/2014	UTILITY GARBAGE FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	10.73
29197	04/24/2014	GENERAL FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	17.95
29197	04/24/2014	UTILITY SEWER FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	1.31
29197	04/24/2014	UTILITY WATER FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	4.93
29197	04/24/2014	CEMETERY FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	0.32
29197	04/24/2014	STREET FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	0.33
29197	04/24/2014	GENERAL FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	0.32
29197	04/24/2014	GENERAL FUND	Travel and Seminars	AWC	375.00
29199	04/24/2014	STREET FUND	Office/Operating Supplies	Central Welding Supply, Inc	152.98
29200	04/24/2014	GENERAL FUND	Organization Dues	Code Publishing Company	180.00
29201	04/24/2014	STREET FUND	Communication	Comcast	51.88
29201	04/24/2014	UTILITY WATER FUND	Communication	Comcast	51.88
29201	04/24/2014	UTILITY SEWER FUND	Communication	Comcast	51.88
29201	04/24/2014	UTILITY GARBAGE FUND	Communication	Comcast	51.88
29201	04/24/2014	STORMWATER UTILITY FUND	Communication	Comcast	51.88
29202	04/24/2014	GENERAL FUND	Office/Operating Supplies	Costco	110.00
29203	04/24/2014	STORMWATER UTILITY FUND	Miscellaneous	Department of Ecology - Cashiering Section	177.03
29204	04/24/2014	BUILDING MAINTENANCE FUND	Repair and Maintenance	Department of Labor & Industries	198.10
29205	04/24/2014	GENERAL FUND	Office/Operating Supplies	DND Glass	53.15
29206	04/24/2014	UTILITY WATER FUND	Operating Supply	Dynacore	3,186.60

29207	04/24/2014	GENERAL FUND	Economic Development	Economic Alliance Snohomish County	1,000.00
29208	04/24/2014	GENERAL FUND	Communication	Frontier	79.74
29208	04/24/2014	STREET FUND	Communication	Frontier	79.74
29208	04/24/2014	UTILITY WATER FUND	Communication	Frontier	79.74
29208	04/24/2014	UTILITY SEWER FUND	Communication	Frontier	79.74
29208	04/24/2014	UTILITY GARBAGE FUND	Communication	Frontier	79.74
29208	04/24/2014	UTILITY SEWER FUND	Communication	Frontier	235.49
29209	04/24/2014	UTILITY SEWER FUND	Services - Sludge Hauling	Groco, Inc	2,359.68
29210	04/24/2014	GENERAL FUND	Legal - Litigation Fees	Kenyon Disend PLLC	5,160.25
29211	04/24/2014	STREET FUND	Office/Operating Supplies	Kool Change Printing Inc.	242.99
29212	04/24/2014	STREET FUND	Vehicle Operation/Maintenance	Lacal Equipment, Inc.	388.94
29213	04/24/2014	UTILITY WATER FUND	Operating Supply	Lowes	139.59
29214	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Monroe Parts House	12.04
29214	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Monroe Parts House	45.59
29214	04/24/2014	UTILITY GARBAGE FUND	Vehicle Operation/Maintenance	Monroe Parts House	58.62
29214	04/24/2014	GENERAL FUND	Vehicle Maintenance	Monroe Parts House	11.78
29214	04/24/2014	STREET FUND	Vehicle Operation/Maintenance	Monroe Parts House	11.78
29214	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Monroe Parts House	11.79
29214	04/24/2014	UTILITY WATER FUND	Vehicle Operation/Maintenance	Monroe Parts House	11.79
29214	04/24/2014	UTILITY SEWER FUND	Vehicle Operation/Maintenance	Monroe Parts House	11.79
29214	04/24/2014	STREET FUND	Vehicle Repair	Monroe Parts House	107.06
29215	04/24/2014	UTILITY GARBAGE FUND	Vehicle Operation/Maintenance	Motor Trucks Inc	247.72
29216	04/24/2014	GENERAL FUND	Organization Dues	Municipal Research	120.00
29217	04/24/2014	GENERAL FUND	Office/Operating Supplies	Northern Safety Co Inc.	63.19
29217	04/24/2014	STREET FUND	Office/Operating Supplies	Northern Safety Co Inc.	63.19
29217	04/24/2014	UTILITY WATER FUND	Operating Supply	Northern Safety Co Inc.	63.19
29217	04/24/2014	UTILITY SEWER FUND	Operating Supplies	Northern Safety Co Inc.	63.19
29217	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Northern Safety Co Inc.	63.19
29217	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Northern Safety Co Inc.	63.19
29217	04/24/2014	UTILITY WATER FUND	Operating Supplies	Northern Safety Co Inc.	63.18
29218	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Northern Safety Co Inc.	63.18
29219	04/24/2014	UTILITY SEWER FUND	Operating Supply	Northstar Chemical, Inc.	931.00
29220	04/24/2014	UTILITY WATER FUND	Rentals	Northwest Cascade Inc	113.45
29220	04/24/2014	UTILITY WATER FUND	Repair and Maintenance	Oasys Office Automation Systems	35.86
29220	04/24/2014	UTILITY SEWER FUND	Repair and Maintenance	Oasys Office Automation Systems	35.86
29220	04/24/2014	UTILITY GARBAGE FUND	Repair and Maintenance	Oasys Office Automation Systems	35.87
29220	04/24/2014	STORMWATER UTILITY FUND	Repair and Maintenance	Oasys Office Automation Systems	35.86
29220	04/24/2014	UTILITY WATER FUND	Repair and Maintenance	Oasys Office Automation Systems	35.84
29220	04/24/2014	GENERAL FUND	Office/Operating Supplies	Oasys Office Automation Systems	35.84
29221	04/24/2014	STREET FUND	Office Supplies	Office Depot	26.66
29221	04/24/2014	GENERAL FUND	Office/Operating Supplies	Office Depot	106.63
29221	04/24/2014	UTILITY WATER FUND	Office Supplies	Office Depot	26.66
29221	04/24/2014	UTILITY SEWER FUND	Office Supplies	Office Depot	26.66
29221	04/24/2014	UTILITY GARBAGE FUND	Office Supplies	Office Depot	26.66

29221	04/24/2014	UTILITY WATER FUND	Operating Supply	Office Depot	36.25
29221	04/24/2014	UTILITY SEWER FUND	Operating Supplies	Office Depot	36.24
29221	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Office Depot	36.25
29221	04/24/2014	STREET FUND	Office/Operating Supplies	Office Depot	36.24
29221	04/24/2014	GENERAL FUND	Office/Operating Supplies	Office Depot	36.25
29221	04/24/2014	UTILITY WATER FUND	Office Supplies	Office Depot	5.78
29221	04/24/2014	UTILITY SEWER FUND	Office Supplies	Office Depot	5.77
29221	04/24/2014	UTILITY GARBAGE FUND	Office Supplies	Office Depot	5.78
29221	04/24/2014	STREET FUND	Office Supplies	Office Depot	5.77
29221	04/24/2014	GENERAL FUND	Office/Operating Supplies	Office Depot	23.10
29221	04/24/2014	UTILITY WATER FUND	Office Supplies	Office Depot	37.29
29221	04/24/2014	UTILITY SEWER FUND	Office Supplies	Office Depot	37.29
29221	04/24/2014	UTILITY GARBAGE FUND	Office Supplies	Office Depot	37.29
29221	04/24/2014	STREET FUND	Office Supplies	Office Depot	37.29
29221	04/24/2014	GENERAL FUND	Office/Operating Supplies	Office Depot	149.15
29222	04/24/2014	GENERAL FUND	Communication	Pitney Bowes	202.39
29222	04/24/2014	GENERAL FUND	Communication	Pitney Bowes	86.75
29222	04/24/2014	STREET FUND	Communication	Pitney Bowes	72.28
29222	04/24/2014	UTILITY WATER FUND	Communication	Pitney Bowes	72.28
29222	04/24/2014	UTILITY SEWER FUND	Communication	Pitney Bowes	72.29
29222	04/24/2014	UTILITY GARBAGE FUND	Communication	Pitney Bowes	72.28
29223	04/24/2014	UTILITY WATER FUND	Repair and Maintenance	Ponderosa Pacific, Inc.	5,380.17
29223	04/24/2014	UTILITY SEWER FUND	Repair and Maintenance	Ponderosa Pacific, Inc.	1,340.00
29224	04/24/2014	UTILITY WATER FUND	Utilities	PUD	83.10
29224	04/24/2014	UTILITY SEWER FUND	Utilities	PUD	83.10
29224	04/24/2014	UTILITY GARBAGE FUND	Utilities	PUD	83.10
29224	04/24/2014	STREET FUND	Utilities	PUD	83.10
29224	04/24/2014	STREET FUND	Utilities	PUD	54.41
29224	04/24/2014	GENERAL FUND	Utilities	PUD	154.40
29224	04/24/2014	UTILITY SEWER FUND	Utilities	PUD	2,946.22
29225	04/24/2014	GENERAL FUND	Utilities	Puget Sound Energy	216.56
29225	04/24/2014	STREET FUND	Utilities	Puget Sound Energy	43.31
29225	04/24/2014	UTILITY WATER FUND	Utilities	Puget Sound Energy	43.31
29225	04/24/2014	UTILITY SEWER FUND	Utilities	Puget Sound Energy	43.32
29225	04/24/2014	UTILITY GARBAGE FUND	Utilities	Puget Sound Energy	43.31
29225	04/24/2014	GENERAL FUND	Utilities	Puget Sound Energy	43.31
29225	04/24/2014	GENERAL FUND	Utilities	Puget Sound Energy	105.45
29225	04/24/2014	GENERAL FUND	Utilities	Puget Sound Energy	90.84
29225	04/24/2014	STREET FUND	Utilities	Puget Sound Energy	46.72
29225	04/24/2014	UTILITY WATER FUND	Utilities	Puget Sound Energy	46.71
29225	04/24/2014	UTILITY SEWER FUND	Utilities	Puget Sound Energy	46.72
29225	04/24/2014	UTILITY GARBAGE FUND	Utilities	Puget Sound Energy	46.71

29226	04/24/2014	UTILITY WATER FUND	Miscellaneous	QCL, Inc.	45.32
29226	04/24/2014	UTILITY SEWER FUND	Miscellaneous	QCL, Inc.	45.31
29226	04/24/2014	UTILITY GARBAGE FUND	Miscellaneous	QCL, Inc.	45.31
29226	04/24/2014	STREET FUND	Miscellaneous	QCL, Inc.	45.31
29227	04/24/2014	UTILITY WATER FUND	Professional Service - General	RH2 Engineering, Inc.	2,378.35
29227	04/24/2014	UTILITY WATER FUND	Professional Service - General	RH2 Engineering, Inc.	88.11
29227	04/24/2014	UTILITY SEWER FUND	Professional Service	RH2 Engineering, Inc.	88.11
29228	04/24/2014	UTILITY SEWER FUND	Operating Supplies	Sky Valley Family Medicine	232.50
29228	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Sky Valley Family Medicine	232.50
29229	04/24/2014	UTILITY GARBAGE FUND	Intergovernmental - Recycle	Snohomish County Finance	15,509.00
29230	04/24/2014	GENERAL FUND	Intergovernmental - SNOPAC	Snopac	5,124.71
29230	04/24/2014	GENERAL FUND	Intergovernmental - SNOPAC	Snopac	247.92
29231	04/24/2014	GENERAL FUND	Advertising and Legal Notices	Sound Publishing Inc	29.24
29231	04/24/2014	GENERAL FUND	Advertising and Legal Notices	Sound Publishing Inc	24.08
29231	04/24/2014	GENERAL FUND	Advertising and Legal Notices	Sound Publishing Inc	22.36
29231	04/24/2014	GENERAL FUND	Advertising and Legal Notices	Sound Publishing Inc	36.40
29231	04/24/2014	UTILITY WATER FUND	Miscellaneous	Sound Publishing Inc	104.78
29231	04/24/2014	UTILITY SEWER FUND	Miscellaneous	Sound Publishing Inc	104.78
29231	04/24/2014	UTILITY GARBAGE FUND	Miscellaneous	Sound Publishing Inc	104.78
29231	04/24/2014	STORMWATER UTILITY FUND	Miscellaneous	Sound Publishing Inc	52.39
29231	04/24/2014	STREET FUND	Miscellaneous	Sound Publishing Inc	52.39
29232	04/24/2014	GENERAL FUND	Bank Fees	US Bank	32.00
29233	04/24/2014	GENERAL FUND	Office/Operating Supplies	USFS	224.00
29234	04/24/2014	UTILITY WATER FUND	Miscellaneous	Utilities Underground Location Center	6.16
29234	04/24/2014	UTILITY SEWER FUND	Miscellaneous	Utilities Underground Location Center	6.16
29235	04/24/2014	UTILITY WATER FUND	Miscellaneous	Valley General Hospital	111.80
29235	04/24/2014	UTILITY SEWER FUND	Miscellaneous	Valley General Hospital	111.80
29235	04/24/2014	UTILITY GARBAGE FUND	Miscellaneous	Valley General Hospital	111.80
29235	04/24/2014	GENERAL FUND	Miscellaneous	Valley General Hospital	111.80
29235	04/24/2014	STREET FUND	Miscellaneous	Valley General Hospital	111.80
29236	04/24/2014	UTILITY WATER FUND	Office Supplies	Visa	21.72
29236	04/24/2014	UTILITY SEWER FUND	Office Supplies	Visa	21.72
29236	04/24/2014	UTILITY GARBAGE FUND	Office Supplies	Visa	21.72
29236	04/24/2014	STREET FUND	Office/Operating Supplies	Visa	21.72
29236	04/24/2014	GENERAL FUND	Office/Operating Supplies	Visa	86.86
29236	04/24/2014	STREET FUND	Travel and Seminars	Visa	45.00
29236	04/24/2014	UTILITY WATER FUND	Travel and Seminars	Visa	45.00
29236	04/24/2014	UTILITY SEWER FUND	Travel and Seminars	Visa	45.00
29236	04/24/2014	STORMWATER UTILITY FUND	Travel and Seminars	Visa	45.00
29236	04/24/2014	UTILITY WATER FUND	Travel and Seminars	Visa	433.83
29236	04/24/2014	UTILITY SEWER FUND	Travel and Seminars	Visa	433.83
29236	04/24/2014	GENERAL FUND	Office/Operating Supplies	Visa	149.31

29236	04/24/2014	STREET FUND	Office/Operating Supplies	Visa	37.32
29236	04/24/2014	UTILITY GARBAGE FUND	Operating Supplies	Visa	37.32
29236	04/24/2014	UTILITY SEWER FUND	Operating Supplies	Visa	37.32
29236	04/24/2014	UTILITY WATER FUND	Operating Supply	Visa	37.35
29236	04/24/2014	UTILITY WATER FUND	Travel and Seminars	Visa	30.41
29236	04/24/2014	UTILITY SEWER FUND	Travel and Seminars	Visa	48.64
29237	04/24/2014	GENERAL FUND	Travel and Seminars	Visa	91.88
29237	04/24/2014	STREET FUND	Travel and Seminars	Visa	91.88
29237	04/24/2014	GENERAL FUND	Travel and Seminars	Visa	43.57
29237	04/24/2014	STREET FUND	Travel and Seminars	Visa	43.57
29237	04/24/2014	GENERAL FUND	Travel and Seminars	Visa	-62.75
29237	04/24/2014	STREET FUND	Travel and Seminars	Visa	-62.75
29238	04/24/2014	GENERAL FUND	Travel and Seminars	Visa	37.54
29238	04/24/2014	GENERAL FUND	Travel and Seminars	Visa	119.89
29239	04/24/2014	GENERAL FUND	Travel and Seminars	Visa	133.38
29239	04/24/2014	GENERAL FUND	Bank Fees	Visa	36.39
29240	04/24/2014	GENERAL FUND	Travel and Seminars	Washington Finance Officers Association	60.00
29241	04/24/2014	UTILITY WATER FUND	Travel and Seminars	WETRC	465.00
29242	04/24/2014	STORMWATER IMPROVEMENT FUND	Professional Service Engineeri	WH Pacific	2,648.63
29242	04/24/2014	TIMBER RIDGE SETTLEMENT FUND	Professional - Legal	WH Pacific	1,843.50
29243	04/24/2014	STREET IMPROVEMENT FUND	Sultan River Bridge Project	WH Pacific	45,422.36
29244	04/24/2014	GENERAL FUND	Professional Services	White Lightning Janitorial	540.00
29244	04/24/2014	UTILITY GARBAGE FUND	Repair and Maintenance	White Lightning Janitorial	120.00
29245	04/24/2014	UTILITY SEWER FUND	Operating Supplies	Whitney Equipment	223.01
29246	04/24/2014	INSURANCE CLAIMS FUND	Professional Services	Wyatt Electric Inc.	3,298.61

150,092.14

## SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

---

**ITEM NO:** D-1

**DATE:** April 24, 2013

**SUBJECT:** Garbage Collection Review

**CONTACT PERSON:** Ken Walker, City Administrator

**ISSUE:**

The issue before the city council is to discuss proposed changes to the Sultan Garbage Service, the method to calculate the effects on revenues and expenditures, along with corresponding effects in garbage rates.

**STAFF RECOMMENDATION:**

Allow staff to build the analysis using the Garbage Cost of Service Study prepared by FCS Group dated March 11, 2010 as a base reference. The most recent FCS Garbage Cost Service analysis is valid, requiring identification of only the specific changes in operations, and the resulting changes in expenditures.

**SUMMARY:**

On March 25, 2010, Ordinance number 1074-10 adopting Garbage Rates based on the FCS Group study was introduced. The city hired FCS Group to evaluate the city's garbage utility to ensure adequate revenues were generated to match expenses. The study proposed several actions that included (but not limited to) rate increases, cost-of-rate structures based on actual administration and operation costs, establishing a 60-day operating reserve, and setting aside funds to replace the garbage truck in 2015.

The base assumptions of this study are still valid for administration and operation of the city's garbage utility. City administration is proposing accelerating the replacement of the garbage truck with a new truck designed to operate more efficiently. The proposed truck is designed to collect and dump the residential garbage receptacle automatically without requiring direct handling. The result should be reduced labor hours. Additional savings will result from a reduced contribution to the Capital Budget designed to replace the new garbage truck in the year 2023. The ability to achieve these cost savings is the result of long range planning and policies adopted by the Council.

The newer automated garbage truck will only require one operator, as opposed to the two-man operating crew on the current truck. This will result in a long term labor savings. This table displays the actual services contracted for November 2013, with 342 commercial pickups and 4,823 residential pickups per month. Residential services will no longer require labor to collect and dump the garbage container, representing a significant savings in expenses. Commercial pickups will continue to require two persons, but this represents only 6.6% of the total.

Current records indicate usage levels as follows:

SERVICE			# ACCT	2014 RATE	2014 EXTENDED
C12	Commercial	1YD2XM	5	53.34	3,200.40
C14	Commercial	1YD1XW	16	104.51	20,065.92
C18	Commercial	1YD2XW	1	199.54	2,394.48
C22	Commercial	2YD2XM	9	80.23	8,664.84
C24	Commercial	2YD1XW	23	162.78	44,927.28
C28	Commercial	2YD2XW	2	316.08	7,585.92
C32	Commercial	3YD2XM	3	107.13	3,856.68
C34	Commercial	3YD1XW	22	221.05	58,357.20
C38	Commercial	3YD2XW	4	432.62	20,765.76
CW	Commercial	1XWEEK	4	22.57	1,083.36
R1	Residential	1XMO	143	11.14	19,116.24
R2	Residential	2XMO	160	14.57	27,974.40
R4	Residential	1XWEEK	925	22.57	250,527.00
R8	Residential	2XWEEK	74	38.56	34,241.28
RS	Residential	SENIOR	17	10.96	2,235.84

An additional item for consideration is that the proposed garbage truck operates with a standard 64 gallon container, instead of the current 32 gallon container in use by Sultan. This change presents an opportunity for most citizens to change the garbage collection service that they use. For instance R2 currently has two 32 gallon containers per month. It would be anticipated that anyone currently using R2 would migrate to R1 at a lower cost but representing the same volume of collection. Likewise I would anticipate all R8, two 32 gallon containers twice a week, customers to migrate to R4, one 64 gallon container once a week. For our analysis I have also made the assumption that 50% of the R4 customers would change to would change to R2. While this change would necessitate a change from weekly to bi-weekly, it represents the same volume on a monthly basis. The following table represents the anticipated service composition changes and the resulting fiscal impact.

SERVICE			# ACCT	2014 RATE	2014 EXTENDED
C12	Commercial	1YD2XM	5	53.34	3,200.40
C14	Commercial	1YD1XW	16	104.51	20,065.92
C18	Commercial	1YD2XW	1	199.54	2,394.48
C22	Commercial	2YD2XM	9	80.23	8,664.84
C24	Commercial	2YD1XW	23	162.78	44,927.28
C28	Commercial	2YD2XW	2	316.08	7,585.92
C32	Commercial	3YD2XM	3	107.13	3,856.68
C34	Commercial	3YD1XW	22	221.05	58,357.20
C38	Commercial	3YD2XW	4	432.62	20,765.76
CW	Commercial	1XWEEK	4	22.57	1,083.36
R1	Residential	1XMO	303	11.14	40,505.04
R2	Residential	2XMO	462	14.57	80,776.08
R4	Residential	1XWEEK	537	22.57	145,441.08
R8	Residential	2XWEEK	0	38.56	0.00
RS	Residential	SENIOR	17	11.29	2,303.16

#### **FISCAL IMPACT:**

The initial cost of replacing the garbage truck is estimated to be \$300,000 and the cost of replacing the residential garbage receptacles to be \$100,000. These funds have been set aside in the Capital Equipment Replacement Fund, enabling the purchase to be made interest free.

Due to planning and adoption during the middle of equipment life, the existing plans were implemented requiring a 5 year purchase plan. Now 2014 plans can be implemented on the full 10 year replacement cycle, resulting in a reduced amount of yearly contributions to the Capital Equipment Replacement Fund.

Additional savings will result from lower labor requirements to operate the equipment. The employee time saved in garbage will be utilized and charged to other service areas, principally to the General Fund. The city has not filled the seasonal utility worker position which represents 1040 labor hours per year. The actual garbage labor hours estimated to be saved are approximately 728.

This savings will be passed on to garbage customers. The fiscal impact of replacing the garbage truck has a total estimated savings in the range of \$60,000 to \$65,000 per year.

With the change in collection method allowed by the proposed garbage truck, the newer service types will allow customers to save an estimated \$65,000, directly passed on to

the customer. The amount of savings will range between 14.57% if going from R2 to R1, 22.57% from R4 to R2, and 38.56% from R8 to R4.

With the new equipment and the resulting changes available to rate payers in Sultan an updated Garbage Rate Comparison is warranted. The following table is a comparison with sister cities in the Sky Valley

SERVICE	SNOHOMISH	MONROE	SULTAN
64 Gallon 1 W	52.25	22.23	22.57
Recycle	13.25	4.41	9.25

The information presented for Snohomish is a contract with Allied Waste for garbage pickup and represents potential cost if Sultan was to contract for garbage services.

**ALTERNATIVES:**

1. Direct staff to perform a more detailed analysis.
2. Direct staff to obtain bids for an outside analysis.

**RECOMMENDED ACTION:**

Authorize staff to proceed with the budgeted garbage operation changes resulting from the planned equipment replacement scheduled for the latter half of 2014. An updated Garbage Rate Study will be needed before the June 30, 2015 expiration of the existing one performed by FCS Group.

# SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

---

**ITEM No :** Action A 1

**DATE:** April 24, 2014

**SUBJECT:** Agreement to Provide Recycling Collection and Hauling Services with Rabanco LTD dba Republic Services of Lynnwood

**CONTACT PERSON:** Laura Koenig, Clerk/Finance *LK*

**ISSUE:**

The issue before the Council is authorizing the Mayor to sign the agreement with Rabanco, LTD dba Republic Services of Lynnwood to extend the current agreement for an additional five years. The current contract will expire on August 31, 2014.

Section 2.2, Term of Agreement, provides for a five year extension upon mutual consent of both parties.

**STAFF RECOMMENDATION:**

Authorize the Mayor to sign the agreement with Rabanco, LTD dba Republic Services of Lynnwood to extend the current agreement for an additional five years.

**SUMMARY:**

In 2003 the City entered into a franchise agreement with Rabanco Connections dba as Lynnwood Disposal to provide curbside recycling services and residential yard waste collection. A separate franchise for roll off drop collection, compactor services and commercial recycling was also approved. These were five year franchise agreements that expired in April 2008. The council awarded a seven-year contract to Rabanco on July 23, 2009. The contract went into effect in September 2009.

The following are the changes suggested by Rabanco:

Suggested changes should be in track changes format and are primarily as follows:

- 1) A number of date and name changes
- 2) We changed the language of the term to better represent the opportunity for a 5 year contract with unlimited mutually agreeable extensions.
- 3) In section 8.2 we are required to have an additional CSR for 90 days at the start of the contract – I don't think this is applicable anymore and have deleted the requirement since we have been servicing the City for some time now.
- 4) We did not make this change in the document – section 8.4 requires an annual survey. Does this requirement still add value to the City on an annual basis. Do we want to eliminate and/or move it to a more periodic requirement in the contract. We wouldn't fall on our swords for this one but want to make sure you still find value in it.

**ACTION:**

Authorize the Mayor to sign the agreement with Rabanco, LTD dba Republic Services of Lynnwood to extend the current agreement for an additional five years.

**ATTACHMENTS:** A: Agreement (mark up version)

AGREEMENT TO PROVIDE RECYCLING  
COLLECTION AND HAULING SERVICES

RESIDENTIAL, COMMERCIAL, INDUSTRIAL, MULTI-FAMILY AND INSTITUTIONAL

RECYCLING SERVICES AGREEMENT

BETWEEN

CITY OF Sultan City Hall

AND

RABANCO, LTD DBA ~~ALLIED WASTE~~ REPUBLIC SERVICES OF LYNNWOOD

DATED: ~~SEPTEMBER 1, 2009~~ SEPTEMBER 1, 2014

**TABLE OF CONTENTS**

PREAMBLE-----1

ARTICLE I      DEFINITIONS

    Section 1.1      Definitions-----2

    Section 1.2      Rules of Construction-----3

ARTICLE II      SERVICE AREA AND TERM OF AGREEMENT

    Section 2.1      Service Area-----4

    Section 2.2      Term of Agreement-----4

ARTICLE III      SCOPE OF SERVICES

    Section 3.1      Hours/Days of Collection-----4

    Section 3.2      Recycling Services-----5

    Section 3.3      Yard Debris and Food Waste Services-----5

    Section 3.4      Service to the City-----5

    Section 3.5      Private Services-----6

    Section 3.6      Revenue Collection-----6

    Section 3.7      Excluded and Exempted Services-----6

    Section 3.8      Modification of Required Services-----6

ARTICLE IV      RECYCLING COLLECTION AND DISPOSAL

    Section 4.1      Recyclable Materials Collection Service-----6

    Section 4.2      Single Family and Multi-Family Recycling Service-----7

    Section 4.3      Commercial, Industrial and Institutional Recycling Service-----7

    Section 4.4      Private Recycling Service-----8

    Section 4.5      Schedule and Location Collection-----8

ARTICLE V      YARD DEBRIS AND FOOD WASTE COLLECTION AND DISPOSAL

    Section 5.1      Yard Debris and Food Waste Collection Services-----8

    Section 5.2      Single Family and Multi-Family -----9

    Section 5.3      Commercial, Industrial and Institutional Services-----9

ARTICLE VI      COMPENSATION AND REVENUE COLLECTION

    Section 6.1      Compensation to the Contractor-----9

    Section 6.2      Annual Consumer Price Index Modifications-----10

    Section 6.3      Administrative Fee-----11

ARTICLE VII      TITLE TO WASTE

    Section 7.1      Title to Recyclable Materials, Debris, and Waste-----11

ARTICLE VIII CUSTOMER SERVICE STANDARDS

Section 8.1 Service Options; Changes in Service-----12  
Section 8.2 Office and Telephone-----12  
Section 8.3 Minimum Customer Service Standards-----12  
Section 8.4 Customer Service Survey-----13

ARTICLE IX REPORTING

Section 9.1 Monthly Reporting-----14  
Section 9.2 Annual Reports-----14

ARTICLE X BREACH; EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Breach by Contractor-----15  
Section 10.2 Breach by City-----16  
Section 10.3 Events of Default and Remedies of City-----16  
Section 10.4 Events of Default and Remedies of Contractor-----17  
Section 10.5 Liquidated Damages-----18

ARTICLE XI INSURANCE AND INDEMNIFICATION

Section 11.1 Insurance-----18  
Section 11.2 Indemnification-----19

ARTICLE XII MISCELLANEOUS

Section 12.1 Non-Assignability-----19  
Section 12.2 Equal Employment Opportunity-----19  
Section 12.3 Performance Bond-----20  
Section 12.4 Equipment to be Used by Contractor-----20  
Section 12.5 Compliance with Laws-----21  
Section 12.6 Care and Performance-----21  
Section 12.7 No Alcohol or Drugs-----22  
Section 12.8 Governing Law-----22  
Section 12.9 Severability-----22  
Section 12.10 Entire Agreement-----22  
Section 12.11 Notices-----23  
Section 12.12 Publicity-----23  
Section 12.13 Dispute Resolution-----23

EXHIBITS

EXHIBIT A Pricing Sheet  
EXHIBIT B Insurance Provisions  
EXHIBIT C Form of Performance Bond  
EXHIBIT D Liquidated Damages

This Solid Waste and Recycling Agreement ("Agreement") is made and entered into as of the 1st day of ~~September, 2009~~September 2014 by and between \_\_\_\_\_ Rabanco, Ltd dba ~~Allied Waste~~Republic Services of Lynnwood, 1600 127<sup>th</sup> Avenue NE, Bellevue, WA 98005, (the "Contractor") and the City of Sultan, Washington (the "City").

**PREAMBLE**

WHEREAS, the City, in order to protect the public health and welfare of its residents and commercial, industrial and institutional entities, has deemed it necessary to collect, transport and dispose of recyclable materials, yard debris and food waste; and

WHEREAS, the City is authorized pursuant to the provisions of Sultan Municipal Code 13.12 to provide for the method or methods of collection, transportation and disposal of municipal waste located within its boundaries and to provide that the method chosen may be the exclusive method to be used within its boundaries; and

WHEREAS, the City desires to provide municipal recycling collection, transportation and disposal services to its residential, multi-family, commercial, industrial and institutional entities and to impose on its residents and commercial, industrial and institutional entities rates and charges relating to such services; and

WHEREAS, the City has determined that it is in the best interests of its residents and its commercial, industrial and institutional entities to contract with a single waste hauler to collect, transport and dispose of (or sell) recycling waste; and

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained:

## ARTICLE I DEFINITIONS

### Section 1.1 Definitions

Whenever used in this Agreement, the following terms shall have the following meanings unless a different meaning is required by the context:

- a) "Breach" means a breach of this Agreement by either the City or the Contractor in a manner described in Sections 10.1 or 10.2 of this Agreement.
- b) "City" means the City of Sultan, Washington.
- c) "City Code" means Sultan Municipal Code as amended.
- d) "Contractor" means Rabanco, Ltd, dba ~~Allied Waste~~Republic Services of Lynnwood, a Washington Corporation and its successors and assignees.
- e) "Customer" means an individual multi-family, commercial, industrial or institutional entity to which the Contractor provides Services pursuant to this Agreement.
- f) "Event of Default" means a declaration of default by either the City or the Contractor, as described in greater detail in Sections 10.3 and 10.4 of this Agreement.
- g) "Food Waste" means all compostable pre- and post-consumer food scraps,, such as whole or partial pieces of produce, meats, bones, cheese, bread, cereals, coffee grounds, egg shells, and food-soiled paper accepted by the Contractor's selected composting site. Food waste does not include dead animals, plastics, diapers, kitty litter, liquid wastes, ashes, pet wastes or other materials prohibited by the selected composting facility.
- h) "Hazardous Waste" means any hazardous, toxic or dangerous waste, substance or material, or contaminant, pollutant or chemical, known or unknown, defined or identified as such in any existing or future, local, state or federal law, statute, code, ordinance, rule, regulation, guideline or order relating to human health or the environment or environmental condition.
- i) "Multi-family" means any multi-family structure, mobile home park or building that contains a minimum of at least five (5) dwelling units.
- j) "Private Service" means the collection of commercial waste by the Contractor from Customers, pursuant to separate agreements or arrangements between a Customer and the Contractor.
- k) "Recyclable Materials" means aluminum cans, tin, steel and bi-metal cans, clear, green and brown glass bottles and jars, newspapers, magazines, mixed papers (junk mail, chipboard, white and colored paper, brown kraft paper bags):

corrugated cardboard, #1 PETE plastic containers and #2 HPDE plastic containers, #3 - #7 plastic containers and bags, aseptic beverage containers, six-pack rings and twelve-pack bands, landscape waste and any other material or materials which the City identifying as a "Recyclable Material" subsequent to the execution of this Agreement.

- l) "Recycling Services" means collection, transportation, processing, sale, and disposal of single-family, multi-family, commercial, industrial, and institutional refuse, Recyclable Materials, Yard Debris, Food Waste and any other similar materials designated by the City for collection.
- m) "Single-family Residence (Residential)" means all one-unit houses, duplexes, triplexes and four-plexes or mobile homes not defined as multi-family on a public street or private road.
- n) "State" means the State of Washington.
- o) "Yard Debris" means anything that grows in the yard or garden, including grass clippings, leaves, weeds, and small branches less than four (4) inches in diameter or three (3) feet in length.

#### **Section 1.2 Rules of Construction**

- a) Grammatical Usage and Construction. In construing this Agreement, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa and plural terms shall be substituted for singular and singular for plural, in any place in which the context so requires.
- b) Defined Terms. All capitalized words and phrases throughout this Agreement shall have the meanings set forth in Section 1.1 and the other provisions of this Agreement.
- c) Headings. The headings, titles and captions in this Agreement have been inserted only for convenience and in no way define, limit, extend or describe the scope or intent of this Agreement.
- d) Calendar Days. Unless otherwise provided in this Agreement, any reference in this Agreement to "day" or "days" shall mean calendar days and not business days. If the date for giving of any notice required to be given or the performance of any obligation under this Agreement falls on a Saturday, Sunday or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday or federal holiday.

**ARTICLE II  
SERVICE AREA AND TERM OF AGREEMENT**

**Section 2.1 Service Area**

The Contractor shall provide all services pursuant to this Contract throughout the entire incorporated city limits.

If, during the term of the Contract, additional territory is added to the incorporated city limits through annexation or other means, upon notification, the Contractor shall from the date of annexation make collection in such annexed area(s) in accordance with the provisions of this Contract at the unit prices and service levels set forth in this Contract.

**Section 2.2 Term of Agreement**

The initial term of this Agreement shall commence on September 1, ~~2009~~2014 ("Commencement Date"), and end on ~~September 30, 2014~~. The Rates in Exhibit A will be effective on October 1, ~~2009~~2014. Upon mutual consent of both parties, this Agreement can be extended for an additional five (5) year terms.

**ARTICLE III  
SCOPE OF SERVICES**

**Section 3.1 Hours/Days of Collection**

- a) All collection from single-family and multi-family customers shall be made between the hours of 7:00am and 6:00pm on a consistent weekday, unless the City authorizes a temporary extension of hours or days. Same-day make-up collections for customers notifying the Contractor of a missed collection by 6:00pm may be performed until 8:00pm. Saturday collection is allowed to the extent consistent with make-up collections, holidays and inclement weather schedules.
- b) All collections from commercial, industrial and institutional customers shall be made between the hours of 5:00am and midnight, with the exception of customers near residential neighborhoods or areas zone residential, which shall be made between the hours of 7:00am and 6:00pm. Exemptions to the hour requirements may be granted in writing by the City to accommodate the special needs of commercial customers.
- c) Collections from commercial customers shall occur based on customer needs and prior arrangement Monday through Friday, with Saturday collections allowed as needed to maintain adequate service.
- d) The City's noise ordinance, as amended from time to time, may further restrict these terms and hours of collection.
- e) During inclement weather which poses a danger to the Contractor's staff, area residents or property, the Contractor shall collect only in areas that do not pose a danger. The Contractor shall notify the City of the areas not served due to inclement weather

conditions by 9:00am on the same business day. When service is resumed, the Contractor shall collect reasonably accumulated excess volumes of materials from customers at no extra charge.

### **Section 3.2 Recycling Services**

The Contractor shall provide, on behalf of the City, weekly service for designated collection, transportation and disposal (or sale) of Recycled Materials for residential and multi-family customers at the service rates set forth in Exhibit A. Recycling Services are mandatory for residential and multi-family customers.

The Contractor shall provide recycling services to commercial, institutional and industrial customers in accordance with the service level selected by the customer and at the service rates set forth in Exhibit A. Recycling Services are voluntary for commercial, institution and industrial customers.

### **Section 3.3 Yard Debris and Food Waste Services**

Yard Debris and Food Waste Services are voluntary for all residential, multi-family, commercial, industrial and institutional entities in the City.

The Contractor shall provide weekly curbside collection of single-family residential yard debris and food waste to participating customers at the service rates set forth in Exhibit A.

The Contractor shall provide yard debris and food waste collection services to multi-family, commercial, institutional and industrial customers in accordance with the service level selected by the customer and at the service rates set forth in Exhibit A.

### **Section 3.4 Service to the City**

The Contactor shall provide weekly collection of Recyclable Materials, Yard Debris and Food Waste at six (6) designated city locations at no charge to the City. Additional City facilities may be added during the term of the Agreement including new facilities and facilities in future annexations.

The Contractor shall provide collection of Recyclable Materials for City-sponsored special events at no charge to the City or users including but not limited to Shindig.

The Contractor shall provide support at one (1) City special drop-off collection events scheduled each year. The Contractor shall provide Drop-box or Detachable Containers for Recyclable Materials, Yard Debris and Food Waste collected at the events. The Contract shall provide all equipment, staffing, collection, transportation, and recycling and/or disposal fees at no additional charge to the City.

**Section 3.5 Private Services**

The Contractor shall, on its own behalf (and not on behalf of the City), provide for the collection, transportation and disposal of all Private Service waste in accordance with the provisions of Section 4.2 of this Agreement.

**Section 3.6 Revenue Collection**

The Contractor shall, on behalf of the City, provide revenue collection services in accordance with Article VI under this Agreement, including, without limitation, monthly service billing and the administration fee recompensed to the City.

**Section 3.7 Excluded and Exempted Services**

Roll-off services and construction/demolition debris collection and disposal services are not included within this Agreement.

Recycling collection, transportation and disposal from any commercial, industrial and institutional account within the City are not included within this Agreement, if the City approves the exemption of any such services under the terms of the applicable provisions of the City Code.

**Section 3.8 Modification of Required Services**

The City reserves the right to adjust or expand the scope of the Recycling Services required under this Agreement, upon thirty (30) days prior written notice to the Contractor, to accommodate changes in the definition of recycled waste. The City and the Contractor agree to negotiate an equitable adjustment to the Contractor's compensation under this Agreement required as a result of any adjustment or expansion of the scope of the Recycling Services.

**ARTICLE IV  
RECYCLING COLLECTION AND DISPOSAL**

**Section 4.1 Recyclable Materials Collection Service**

- a) Beginning on the Commencement Date of this Agreement, the Contractor shall provide Recycling Services to all Customers with whom the Contractor has a pre-existing agreement for the provision of Services. After the Commencement Date, the Contractor shall commence the provision of Recycling Services to all residential, multi-family, commercial, industrial and institutional entities in the City, upon receipt of a written request by an entity therefore.
- b) The Contractor shall collect Recyclable Materials in accordance with the schedule and at the service rates referenced in Exhibit A of this Agreement and Recyclable Materials shall be sorted, processed and transported for sale (with an intermediate diversion for processing permitted) or processing in a manner that meets the requirements of the State of Washington and United States governmental agencies.

- c) The Contractor shall retain all income (and fully bear all losses) resulting from the disposition of Recyclable Materials.
- d) The City shall have the right to add materials to the list of Recyclable Materials listed in Section 1.1(l) of this Agreement, pending the availability of disposal or resale markets for the added materials.
- e) The Contractor, as agent for the City, shall ensure that all Recyclable Materials collected are properly processed and marketed. No collected Recyclable Materials shall be land filled or incinerated, unless advance authorization to do so is given by the corporate authorities of the City.
- f) The Contractor shall sell all Recyclable Materials other than yard debris and food waste that are collected under this Agreement. If changes in the market for the sale of any particular Recyclable Material makes continued collection of such Recyclable Material not economically feasible, the Contractor shall consult with the City regarding the market changes of the affected Recyclable Material. The City may in its discretion, agree to remove from the list of Recyclable Materials any economically infeasible item upon such market change.

**Section 4.2 Single Family and Multi-family Recycling Service**

- a) The Contractor shall collect Recyclable Materials weekly from all single-family and multi-family residences. Recyclable Materials shall be collected on the same day as yard debris and food waste collection.
- b) Collections shall be made from residences on a regular schedule on the same day and as close to a consistent time as possible. The Contractor shall collect on public streets and private roads in the same location as garbage collection services.
- c) The Contractor shall collect all properly prepared Recyclable Materials. No limits shall be placed on set-out volumes for Recyclable Materials.

**Section 4.3 Commercial, Industrial and Institutional Recycling Service**

- a) Recyclable Materials shall be collected by the Contractor in accordance with the service level selected by the customer and at the service rates provided in Exhibit A of this Agreement. Recyclable Materials shall be transported to a facility meeting the requirements of the State of Washington and federal regulatory agencies.
- b) Collections shall be made on a regular schedule on the same day(s) of the week and as close to a consistent time as possible to minimize customer and tenant confusion.

**Section 4.4 Private Service Recycling Service**

- a) In addition to the Recycling Services provided by the Contractor on behalf of the City under Section 4.1 of this Agreement, the Contractor shall also make available to the City and all other Customers, Private Service, at the rates set forth in Exhibit A, for all types of solid waste not otherwise covered by this Agreement, not including Hazardous Waste as defined by the Resource Conservation and Recovery Act, 42 U.S.C. §§6901-6992k. The Contractor shall have the right to reject any hazardous waste provided by the customer and title to such waste shall not pass to the Contractor.
- b) For services provided pursuant to this Section 4.4, the Contractor agrees to keep available tractor loaders, trailers and other necessary equipment. Upon the request of a Customer, the Contractor shall furnish an estimate for the cost of removal of any materials in connection with Private Services to be provided by the Contractor.

**Section 4.5 Schedule and Location of Collection**

- a) Recycling Service waste shall be collected in compliance with all applicable provisions of the City Code. The Contractor acknowledges that the City may amend certain provisions of Sultan Municipal Code and agrees to comply with provisions of the City Code as may be amended.
- b) Private Service waste shall be collected in accordance with the provisions of Section 4.4 of this Agreement on days to be mutually agreed upon by the respective Customer and the Contractor.
- c) The City agrees to cooperate in providing information, if any, relating to property vacancies or any other information that will assist the Contractor in the performance of its obligations under this Agreement.

**ARTICLE V  
YARD DEBRIS AND FOOD WASTE COLLECTION AND DISPOSAL**

**Section 5.1 Yard Debris and Food Waste Collection Services**

- a) Beginning on the Commencement Date of this Agreement, the Contractor shall provide Yard Debris and Food Waste collection services to all Customers with whom the Contractor has a pre-existing agreement for the provision of Services. After the Commencement Date, the Contractor shall commence the provision of Yard Debris and Food Waste collection services to all residential, multi-family, commercial, industrial and institutional entities in the City, upon receipt of a written request by an entity therefore.
- b) The Contractor shall collect Yard Debris and Food Waste collection services in accordance with the service level selected by the Customer and at the service rates referenced in Exhibit A of this Agreement. Yard Debris and Food Waste shall be collected, processed and transported in a manner that meets the requirements of the State of Washington and United States governmental agencies.

- c) The Contractor shall retain all income (and fully bear all losses) resulting from the disposition of Yard Debris and Food Waste.

**Section 5.2 Single Family and Multi-family**

- d) The Contractor shall collect Yard Debris and Food Waste from all single-family and multi-family residences in accordance with the service level selected by the Customer and at the service rates set forth in Exhibit A. Yard Debris and Food Waste shall be collected on the same day as Recyclable Materials collection.
- e) Collections shall be made from residences on a regular schedule on the same day and as close to a consistent time as possible. The Contractor shall collect on public streets and private roads in the same location as garbage collection services.

**Section 5.3 Commercial, Industrial and Institutional Yard Debris and Food Waste Services**

- c) Yard Debris and Food Waste shall be collected by the Contractor in accordance with the service level selected by the customer and at the service rates provided in Exhibit A of this Agreement. Yard Debris and Food Waste shall be transported to a facility meeting the requirements of the State of Washington and federal regulatory agencies.
- d) Collections shall be made on a regular schedule on the same day(s) of the week and as close to a consistent time as possible to minimize customer and tenant confusion.

**ARTICLE VI  
COMPENSATION AND REVENUE COLLECTION**

**Section 6.1 Compensation to the Contractor**

- a) The Contractor shall receive as compensation from each Customer the rates set forth in Exhibit A attached to this Agreement, except as provided in Section 6.2 of this Agreement.
- b) The Contractor shall be responsible for billing the City monthly for all single-family and multi-family recycling customers only after Recyclable Materials have been collected. The City will remit a lump sum payment to the Contractor no later than sixty (60) days from receipt of an invoice by the Contractor.

The Contractor's invoice to the City will itemize the number of customers served and all services, fees, taxes and extra charges if any separated by Customer type (i.e. single-family, multi-family, yard debris vouchers, etc.).

If the City objects to all or any portion of any invoice, it shall notify the Contractor of the same within thirty (30) days from the date of receipt and shall pay that portion of the invoice not in dispute. The parties shall immediately make every effort to settle the disputed portion.

- c) The City shall be responsible for billing and collecting funds for all residential and multi-family recycling customers only including an administrative/overhead fee charged by the City.
- d) The Contract shall be responsible for billing and collecting funds from Customers for all other services (single-family/multi-family yard debris and food waste; commercial, industrial, institutional recycling, yard debris and food waste services; private services).

All Customers shall be billed at least monthly. Billing and account costs associated with customer invoicing shall be borne by the Contractor and included in the service fees in Exhibit A. The Contractor may bill to Customers late payments and insufficient funds charges as well as the costs of bad debt collection at rates and amounts approved by the City.

Customers may temporarily suspend service due to vacations or other reasons for as long as and as often as desired in one (1) week increments and be billed pro-rata for actual services received.

The Contractor's invoice to the customer will itemize all services, fees, taxes and extra charges if any separately. Charges for excess Yard Debris, container rental and/or delivery, etc. shall be itemized on the customer invoices separately.

- e) The Contractor is responsible for determining if each Customer is receiving sufficient service in terms of frequency of collection and on-site containers. If the Contractor deems that the capacity of on-site storage at the site of a Customer is exceeded regularly, it shall recommend to the City an increase in collection frequency or an upgrade of the container size.

**Section 6.2 Annual Consumer Price Index Modifications**

- a) Notwithstanding the rates set forth in Exhibit A to this Agreement, no Customer shall be charged for Recycling, Yard Debris or Food Waste Services under this Agreement at a rate greater than that paid by the Customer for similar services in the calendar month prior to the date on which the Contractor commenced the provision of Services to that Customer ("Prior Rate"). If Customer's Prior Rate shall continue to apply in the period through and including September 30, 2010~~5~~. Beginning on October 1, 2010~~5~~, each such Customer shall pay the applicable rate set forth in Exhibit A as adjusted pursuant to Section 6.2(b) below.
- b) The rates identified in Exhibit A may increase or decrease annually based on the change in the 12 previous months (June through June) Consumer Price Index (CPI-U) for US Cities Average – All Items, each October 1, beginning in 2010~~5~~.
- c) The Contractor shall submit to the City in writing a rate adjustment statement calculating new rates for the next year (October to October) on or before August 1 of each year starting August 1, 2010~~2015~~. The City will review and verify the new rates

within ten (10) business days and notify the Contractor of any questions and/or concerns. The City's review and verification will not be unreasonably delayed.

- d) On City review and verification, the new rates shall take effect on October 1 of the current year beginning October 1, ~~2010~~2015. The Contractor shall notify all Customers in accordance with RCW 35.21.157 prior to the new rate. Should Customers not receive notification by September 1, due to missed deadlines by the Contractor or failure by the City to verify the rates, implementation of the new rates shall be delayed one (1) month without opportunity for recovery of lost revenue.

**Section 6.2 Administrative Fee**

The Contractor shall remit to the City an administrative fee of 5% gross revenues in four quarterly payments. The administrative fee shall be included in the rates listed in Exhibit A of this Agreement and shall not be separately listed on the monthly bills to the Customers.

In addition to the administrative fee, the City or other agency may, from time to time, impose other fees or taxes that shall be assessed and payable as directed by City ordinance or legislation of another governmental agency or jurisdiction.

**ARTICLE VII  
TITLE TO RECYCLABLE MATERIALS, DEBRIS AND WASTE**

**Section 7.1 Title to Waste**

The Contractor shall retain title to all Recyclable Materials, Yard Debris and Food Waste collected pursuant to this Agreement.

**ARTICLE VIII  
CUSTOMER SERVICE STANDARDS**

**Section 8.1 Service Options; Changes in Service**

The Contractor at its expense, shall be required to develop, print and distribute to all existing Customers, prior to the commencement date and to all new Customers establishing regular service during the term of this Agreement, a brochure approved by the City explaining the recycling programs provided under this Agreement and the procedures for the Customers to modify or cancel the services provided by the Contractor. The brochure shall be updated and distributed whenever there is a change in the service or programs provided or as directed by the City.

**Section 8.2 Office and Telephone**

The Contractor shall maintain an office and telephone, toll free, for receipt of service calls or complaints and shall be available for such calls on all business days from 8:00 a.m. to 5:00 p.m. ~~The Contractor shall retain the services of at least one temporary customer service representative to handle the addition of Customers to the Contractor's service base during the first ninety days of the term of this Agreement.~~ Additional customer service representatives shall be added as necessary to meet the minimum customer service standards set forth in Section 8.3 of this Agreement.

**Section 8.3 Minimum Customer Service Standards**

- a) Complaints Generally. The Contractor shall cooperate with the City in minimizing complains from the Customers. A consistent pattern of failure to address complains or violations of Sections 8.3(a) through 8.3(h) of this Agreement shall entitle the City to exercise the remedies provided to it pursuant to Section 8.3(h) and/or Article X of this Agreement.

- b) Initial Response. The Contractor shall give prompt and courteous attention to all customer complaints that it may receive. The Contractor shall respond personally to every Customer from whom a complaint is received within twenty-four (24) hours or the next business day after receipt of such complaint; except that if the Contractor receives a complaint about a missed scheduled collection, then the Contractor shall immediately investigate such complaint and if such scheduled collection was not made in accordance with the terms of this Agreement, then the Contractor shall cause such collection to be made within twenty-four (24) hours or the next business day after receipt of such complaint.

Where any dispute arises between a Customer and the Contractor as to the manner of placing waste or the nature of the contents or the like, the Contractor shall and does hereby agree in the specific instance to remove the waste even though in its opinion, it is improperly placed or contained. Thereafter, the Contractor shall immediately report the controversy to the City for settlement before additional collection becomes necessary in order to avoid further disputes or disagreements between Customers and the Contractor.

- c) Referral to City. If the Contractor is unable to resolve a complaint in a manner satisfactory to both the Contractor and the Customer, then the Contractor, within forty-eight (48) hours after receipt of such complaint, shall deliver notice of such complaint to the Public Works Director which notice shall include the name and address of the Customer, the date and hour the complaint was received, the nature of the complaint and the Contractor's response to the complaint. The Mayor or his or her designee shall arbitrate each such complaint and the Mayor's or his or her designee's decision concerning each such complaint shall be final and binding on the Contractor and the Customer.
- d) Answering Calls. During normal business hours and under normal operating conditions, a customer service representative employed by the Contractor shall answer the telephone access line. Ninety percent (90%) of the calls made to the customer service center shall be answered within thirty (30) seconds. The thirty (30) second maximum includes wait time or time spent "holding" for a customer service representative.
- e) Busy Signals. Customers placing calls to the customer service center shall receive a busy signal no more than five percent (5%) of the time.
- f) Transferring Calls. During normal business hours, if after initially addressing a Customer's concern, the customer service representative determines the call should be transferred to another representative of the Contractor, the Customer shall be connected with a customer service representative within thirty (30) seconds thereof.
- g) Hang-ups. Incoming telephone calls from Customers shall not exceed an abandonment rate of five percent (5%).
- h) Compliance Rate. During normal business hours, the minimum standards set forth in this Section 8.3 shall be met no less than ninety percent (90%) of the time, measured on

a monthly basis. Reports shall be provided to the City on a monthly basis providing a log of inquiries received and action taken to address each complaint and call. The Contractor shall also distribute to the City a log providing data which tracks the customer service representative' adherence to the standards set forth in Section 8.3(a) through 8.3(g) of this Contract, then the City reserves the right to require the Contractor to implement modifications to its customer service center to bring it into compliance with the requirements of this Section 8.3.

#### **Section 8.4 Customer Service Survey**

The Contractor will, in each calendar year, conduct a customer service survey resulting in a statistically meaningful sample set of Customers at no cost to the City to assess the Contractor's service performance under the contract, in a form, of a content and administered in a manner to be approved in advance by the City.

The annual customer service survey shall include the following two parts: 1) A review of the Contractor's performance relative to requirements and standards established in this Agreement; and 2) Identified questions of customers regarding specific performance parameters. Should the City determine that the Contractor fails to meet the Contract performance requirements and standards, the City shall give the Contractor written notice of deficiency. The Contractor shall have sixty (60) days from receipt of notice to correct deficiencies to the City's satisfaction. Failure to correct deficiencies in a timely manner will constitute Breach by Contractor in accordance with Article X.

### **ARTICLE IX REPORTING**

#### **Section 9.1 Monthly Reporting**

- a) The Contractor shall provide to the City a monthly report with the current month, prior months and a year-to-date total on the weight (in tons to two decimal places) of all Recyclable Materials collected from Customers under this Agreement. The report shall also contain a weight breakdown by tons, of the types of Recyclable Materials collected and an approximate count of the number of Customers from which Recyclable Materials have been collected. The monthly report shall be detailed by customer type (i.e. residential, multi-family, commercial, industrial and institutional).
- b) The Contractor shall provide a monthly summary with the current month, prior months and year-to-date total of total yard debris, food waste, and construction and demolition debris volumes and quantities collected (in tons to two decimal places) for each customer type. The summary shall include the names(s) of the facility used to process yard debris and food waste and the volumes and quantities of yard debris and food waste collected and processed at the facility(ies).
- c) A summary of services provided for city facilities.

#### **Section 9.2 Annual Reports**

- a) By September 30 of each year, the Contractor shall provide an annual report containing the following information for the previous year:
  - a. A consolidated summary and tabulations of the monthly reports as described above;
  - ii. A discussion of highlights and other noteworthy experiences, along with measures taken to resolve problems, increase efficiency, and increase participation in recyclables, yard debris and food waste collection programs;

- iii. A discussion of opportunities and challenges expected during the current year, including steps to take advantage of opportunities and resolve challenges;
  - iv. A discussion of promotion, education, and outreach efforts and accomplishments for each;
  - v. A financial report, certified by the Contractor's area president, which includes a statement of gross income, excluding taxes itemized on customer bills, relating to all service provided under this Contract, and the total cost from the customer's perspective of each collection operation by customer type. Costs shall include all aspects of the operation for each sector, including disposal and processing of recycling and food waste;
  - vi. A discussion of the recyclables market conditions and the factors affecting commodity prices and revenues for the previous year;
  - vii. A summary of the monthly logs of customer requests, complaints, inquiries and site visits, and resolutions or results by complaint and customer type.
- b) The city may request from the Contractor ad hoc reports.

**ARTICLE X  
BREACH; EVENTS OF DEFAULT AND REMEDIES**

**Section 10.1 Breach by Contractor**

Each of the following shall constitute a Breach on the part of the Contractor:

- a) Failure of the Contractor to pay within thirty (30) days after notice from the City of such nonpayment, amounts which are undisputed or which are due to the City under this Agreement;
- b) Repeated failure of the Contractor to comply with Section 8.3 of this Agreement;
- c) Failure of the Contractor to perform in a timely fashion any obligation under this Agreement not referenced within Section 10.1(a) or 10.1(b) of this Agreement, except that such failure shall constitute a Breach only if such failure remains uncured for seven (7) days after notice to the Contractor from the City of such failure; provided however, that this seven (7) day notice with opportunity to cure shall not be required in the event of persistent and repeated failure to perform; or
- d) Any of the following: (1) the Contractor's being or becoming insolvent or bankrupt or ceasing to pay its debts as they mature or making an arrangement with or for the benefit of its creditors or consenting to or acquiescing in the appointment of a receiver, trustee or liquidator for a substantial part of its property, (2) a bankruptcy, reorganization, insolvency, arrangement or similar proceeding being instituted by the Contractor under the laws of any jurisdiction, (3) a bankruptcy, reorganization, insolvency, arrangement or similar proceeding being instituted against the Contractor under the laws of any jurisdiction, which proceeding has not been dismissed within one hundred twenty (120) days, (4) any action or answer by the Contractor approving of, consenting to or acquiescing in any such proceeding, or (5) the levy of any distress,

execution or attachment upon the property of the Contractor which shall (or which reasonably might be expected to) substantially interfere with its performance under this Agreement.

## **Section 10.2 Breach by City**

Each of the following shall constitute a Breach on the part of the City:

- a) The City's being or becoming insolvent or bankrupt or ceasing to pay its debts as they mature or making an arrangement with or for the benefit of its creditors or consenting to or acquiescing in the appointment of a receiver, trustee or liquidator for a substantial part of its property;
- b) A bankruptcy, reorganization, insolvency, arrangement or similar proceeding being instituted by the City under the laws of any jurisdiction;
- c) A bankruptcy, reorganization, insolvency, arrangement or similar proceeding being instituted against the City under the laws of any jurisdiction, which proceeding has not been dismissed within one hundred twenty (120) days;
- d) Any action or answer by the City approving of, consenting to or acquiescing in any such proceeding; or
- e) The levy of any distress, execution or attachment upon the property of the City which shall (or which reasonably might be expected to) substantially interfere with the City's performance hereunder.

## **Section 10.3 Events of Default and Remedies of City**

- a) If a Breach occurs under Section 10.1 of this Agreement, the City may declare an Event of Default and may thereafter exercise any one or more of the following remedies;
  - 1) The City may terminate this Agreement immediately, upon notice to the Contractor. Subject to the provisions of subparagraph (5) below, upon such termination, the Contractor shall cease providing services under this Agreement.
  - 2) The City may seek and recover from the Contractor any unpaid amounts due the City along with all of its substantiated costs for the failure of the Contractor to perform any obligation under this Agreement and all damages, whether based upon contract, work stoppage, strike, Contractor negligence (including tort), warranty, delay or otherwise arising out of the performance or non-performance by the Contractor of its obligations under this Agreement and whether incidental, consequential, indirect or punitive, resulting from the Breach. Strikes, labor disputes and work stoppage due to acts of God are considered as force majeure events and the Contractor's performance will be excused in such situations.

- 3) The City may (A) call upon the sureties to perform their obligations under the performance bond, or (B) in the alternative, after releasing the sureties from their obligations under the performance bond, take over and perform the required services by its own devices or may enter into a new agreement for the required services or any portion thereof or may use such other methods as shall be required in the opinion of the City for the performance of the required services.
  - 4) The City shall have the power to proceed with any right or remedy granted by federal laws and laws of the State as it may deem best, including any suit, action or special proceeding in equity or at law for the specific performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the City shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law.
  - 5) Upon any such termination of this Agreement, the Contractor shall for a period to be determined by the City in its sole and absolute discretion but no long than six (6) months, continue to perform the contractual services during which period the businesses shall pay the Contractor its scheduled compensation.
- b) No remedy by the terms of this Agreement conferred upon or reserved to the City is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the City. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.
- c) This Section 9.3 shall survive the termination of this Agreement.

#### **Section 10.4 Events of Default and Remedies of Contractor**

- a) If a Breach occurs under Section 10.2 of the Agreement, the Contractor may declare an Event of Default and terminate this Agreement immediately, upon notice to the City. In such event, the Contractor's sole remedy shall be to seek and recover from the City any unpaid amounts due the Contractor and any damages, whether incidental, consequential, indirect or punitive, resulting from the Breach. The Contractor shall not be entitled to specific performance or any other equitable remedies.
- b) This Section 10.4 shall survive termination of this Agreement.

#### **Section 10.5 Liquidated Damages**

In the event the Contractor fails to satisfactorily perform any duties of this Agreement, the City shall present a documented incident report to the Contractor detailing such unsatisfactory performance.

The Contractor and the City agree that upon receiving such report, the Contractor shall pay the sums set forth in Exhibit D, not as a penalty, but as liquidated damages for failure to satisfactorily perform its duties under this Agreement.

The City and the Contractor agree the City's damages would be difficult to prove in any litigation and these sums are a reasonable estimate of the damages sustained by the City as a result of the Contractor's failure to satisfactorily perform its duties under this Agreement.

Nothing in this section shall be construed as providing an exclusive list of the acts or omissions of the Contractor that shall be considered violations or breaches of the Contract, and the City reserves the right to exercise any and all remedies it may have with respect to these and other violations and breaches.

Liquidated damages, if assessed during a given month, shall be invoiced in writing by the City to the Contractor. The Contractor shall be required to pay the City the invoiced amount within sixty (60) days of billing. Failure to pay liquidated damages shall be considered a breach of the Contract.

Any liquidated damages assessed against the Contractor may be appealed by the Contractor to the City within thirty (30) days of being invoiced for assessed liquidated damages. The Contractor shall be allowed to present evidence as to why the amount of the assessed liquidated damages should be lessened or eliminated. The decision of the City shall be final.

## **ARTICLE XI INSURANCE AND INDEMNIFICATION**

### **Section 11.1 Insurance**

- a) The Contractor shall maintain for the duration of this contract any extensions thereof, insurance issued by a company or companies qualified to do business in the State of Washington and that meet the requirements set forth in Exhibit B. The Contractor shall provide the City with a certificate of insurance indicating that such insurance coverage meets the requirements contained in Exhibit B.
- b) Insurance premiums shall be paid by the Contractor and shall be without cost to the City.

### **Section 11.2 Indemnification/Hold Harmless**

The Contractor shall indemnify and hold the City and its agents, employees, and/or officers, harmless from and shall process and defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, loss, damages, or costs, of whatsoever kind or nature, including attorney fees (including those fees incurred to establish the City's right to indemnification), brought against the City arising out of, or in connection with, or incident to, the execution of this Contract and/or the Contractor's performance or failure to perform any aspect of this Contract; provided, however, that if such claims are caused by or result from the concurrent negligence of the City its agents, employees, and/or officers, this indemnity provisions shall be valid and enforceable only to the extent of the negligence of the Contractor and provided further, that nothing herein shall require the Contractor to

hold harmless or defend the City, its agents, employees, and/or officers for damages or loss caused by the City's sole negligence.

The City shall not be liable to the Company for, and the Company hereby releases the City from all liability for, any injuries, damages or destruction to all or a part of any property owned or claimed by the Company that directly or indirectly results from, arises from or is related to the Company's rights or obligations under this Agreement, unless that liability as between the City and the Company arises from the negligence or intentional acts of the City or its agents or employees.

The provisions of this section shall survive the expiration or termination of this Agreement.

**ARTICLE XII  
MISCELLANEOUS**

**Section 12.1 Non-Assignability**

The Contractor shall not assign this Agreement or any part thereof without the prior written consent of the City. Such consent shall not be unreasonably withheld, delayed or modified by the City. Approval, if any, for such assignment shall be made by the corporate authorities of the City. The Contractor shall not assign or subcontract this Agreement or the work hereunder or any part thereof, to any other person, firm or corporation without prior written consent of the City but the Contractor may perform its obligations hereunder through its subsidiaries or divisions. Such assignment shall not relieve the Contractor from its obligations or change the terms of Agreement.

**Section 12.2 Equal Employment Opportunity**

- a) In the event of the Contractor's noncompliance with the provisions of this Section 12.2, the Washington Human Rights Act or the Washington Department of Human Rights Rules and Regulations, the Contractor may be declared ineligible for future contracts or subcontracts with the State or any of its political subdivisions or municipal corporations and this Agreement may be canceled or voided in whole or in part and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation.
  
- b) During the performance of this Agreement, the Contractor agrees as follows:
  - 1) That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability or an unfavorable discharge from military service; and further, that it will examine all job classifications to determine if minority persons or women are under utilized and will take appropriate affirmative action to rectify any such under-utilization.
  
- c) During the term of this Agreement, the Contractor shall comply in all respects with the Equal Employment Opportunity Act. The Contractor shall have a written equal employment opportunity policy statement declaring it does not discriminate on the basis of race, color, religion, sex, national origin, disability or age. Findings of non-compliance with applicable State or federal equal employment opportunity laws and regulations may be sufficient reason for revocation or cancellation of this Agreement.

**Section 12.03 Performance Bond**

The Contractor shall furnish a performance bond for the faithful performance of this Agreement, in substantially in the form attached to this Agreement as Exhibit C, to be executed by a responsible surety company and to be in the penal sum of the value of the contract. Such performance bond shall be furnished annually by the Contractor for the following contract year and shall indemnify the City against any loss resulting from any failure of performance by the Contractor. The initial bond shall be posted on

or before the Commencement Date and each successive bond shall be posted not later than October 1 of each successive calendar year.

**Section 12.04****Equipment to be Used by Contractor**

- a) The Contractor shall be responsible for paying the cost of procuring, ordering, assembling, affixing instructional information onto, maintaining inventories of, and distributing and maintaining Recycling, Yard Debris and Food Waste containers for use by Customers.
- b) The Contractor shall procure and distribute Recycling, Yard Debris and Food Waste containers to all residential and multi-family Customers prior to the Commencement Date of this Agreement.
- c) The Contractor shall provide 64 and 96 gallon wheeled carts for the respective level collection of single-family Recycled Materials. The Contractor may offer optional recycling container sizes to residential customers requiring less or additional capacity than provided by the standard 64- or 96-gallon container. Only 96 gallon carts shall be provided by the Contractor for Yard Debris and Food Waste collection.
- d) The Contractor shall provide and distribute to all requesting single-family residential customers that opt to participate in the Food Waste collection program a city approved kitchen food waste collection container. The Contractor shall include instructional materials with the container.
- e) Multi-family and commercial, industrial and institutional customers shall be offered a full range of containers and service options for Recyclable Materials, Yard Debris and Food Waste including 64- and 96-gallon wheeled carts and one (1) through ten (10) cubic yard detachable containers. The Contractor shall provide containers and collection services capable of servicing all customer sites. The Contractor shall provide and distribute household and desktide containers for the collection of Recyclable Materials and Food Waste to multi-family and commercial customer owner/manager and/or directly to tenants.
- f) The Contractor agrees to collect all materials described in this Agreement in fully enclosed, leak-proof, modern trucks. All vehicles and collection equipment will be kept in safe, operable condition. Any equipment used by the Contractor that is determined to be unsafe or in an overall poor condition by the City, shall be replaced at the request of the City. Equipment used for Private Service may be open-body trucks, dump trucks and similar type equipment. When open-body trucks are used, the Contractor shall take such action as is necessary to prevent littering and blowing debris as required by State law.
- g) Containers used in connection with the provision of Services by the Contractor pursuant to this Agreement shall be operable, safe and free of graffiti. Any container in disrepair of this sort shall be replaced within three (3) days of notification by the Customer. Containers with plastic lids that are ill-fitted or warping shall be replaced within three (3) days of notification by the Customer in order to maintain a tight fitting seal to prevent access by pests. All containers will be adequately demarcated with the Contractor's logo. Each container will have an inventory control number demarcated on each container that is cross-referenced to a service matrix.

- h) All equipment used by Contractor for the provision of Services and pursuant to this Agreement shall be properly licensed by the State and shall conform to all federal and State equipment safety standards.

**Section 12.05 Compliance with Laws**

- a) The Contractor shall comply at all times with all applicable federal, State and municipal laws, ordinances and regulations at any time applicable to the Contractor's operations under this Agreement, with no increase to the Contractor's compensation as set forth in this Agreement.
- b) The Contractor shall obtain at its own expense; all permits and licenses required by law or ordinance and maintain the same in full force and effect.

**Section 12.06 Care and Performance**

The Contractor shall undertake to perform all services rendered hereunder in a neat, thorough and competent manner without supervision by the City and to use care and diligence in the performance of all specified services and to provide neat, orderly, uniformed and courteous employees and personnel on its crews.

If the Contractor causes damages to the streets and/or alleys of the City, the City shall prepare a cost estimate to repair the damage. The Contractor shall have the right but not the obligation to provide written comment to the cost estimate within thirty (30) days after receipt of the City's estimate. The Contractor shall remit the cost to repair the damage to the City within thirty (30) days after receipt of a final written cost of the repair is sent to the Contractor.

**Section 12.07 No Alcohol or Drugs**

The Contractor shall prohibit and use its best efforts to enforce the prohibition of any drinking of alcoholic beverages or use of illegal drugs by its drivers and employees while on duty or in the course of performing their duties under this Agreement.

**Section 12.08 Governing Law**

This Agreement and the rights of the City and the Contractor under this Agreement shall be interpreted according to the internal laws but not the conflict of laws rules of the State of Washington.

**Section 12.09 Severability**

The provisions of this Agreement shall be interpreted when possible to sustain their legality and enforceability as a whole. In the event a provision of this Agreement shall be held invalid, illegal or unenforceable by a court of competent jurisdiction, in whole or in part, neither the validity of the remaining part of such provision nor the validity of any other provisions of this Agreement shall be in any way affected thereby. The unenforceability of any provision of this Agreement in a specific situation shall not affect the enforceability of that provision in any other situation.



---

---

Municipal Manager

Republic Services of Lynnwood

1600 127<sup>th</sup> Ave NE

Bellevue, WA 98005

---

---

**Section 12.12 Publicity**

The City's name or insignia, photographs of the City or any other publicity pertaining to the provision of the Commercial Services shall not be used in any magazine, trade paper, newspaper or other medium without the express written consent of the City.

**Section 12.13 Dispute Resolution**

The parties shall attempt to resolve any and all disputes to the mutual satisfaction of both parties by good faith negotiations. Throughout the duration of a dispute, the Contractor shall continue providing all services included in this Contract.

Disputes not resolved in accordance with other provisions of this Contract or through good faith negotiations shall, within one (1) year of the first notification of such dispute, be submitted to non-binding mediation before one (1) mediator selected from a list of mediators acceptable to both the City and the Contractor. The laws of the state of Washington shall apply to any dispute. The parties reserve the right to seek review of any dispute. All costs of mediation, including attorney's fees, shall be paid for by the Contractor.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized representative, all on the day and year first above written.

[CONTRACTOR]

[CITY]

By: \_\_\_\_\_ Mike Huycke By: \_\_\_\_\_

Its: \_\_\_\_\_ Vice President Its: \_\_\_\_\_

ATTEST:

ATTEST:

By: \_\_\_\_\_ Jeff Borgida By: \_\_\_\_\_

Its: \_\_\_\_\_ General Manager Its: \_\_\_\_\_

**EXHIBIT A**

**PRICING SHEET  
EFFECTIVE OCTOBER 1, 2009**

**Residential & Multi-Family Recycle Rates**

**Residential Recycling Services  
Single-Family, Duplex, Tri-plex and Four-plex**

	<b>Per dwelling unit rate</b>
64 gallon toter	\$ 7.73
96 gallon toter	\$ 7.73

**Multi-Family Recycling Services  
Five-plex +, mobile home parks, apartments and  
condominiums**

	<b>Per dwelling unit rate</b>
64 gallon toter/unit	\$ 7.73
96 gallon toter/unit	\$ 7.73
1.0 cubic yard/complex	\$ 27.06
1.5 cubic yard/complex	\$ 40.58
2.0 cubic yard/complex	\$ 54.11

**Miscellaneous Fees  
Residential and Multi-Family Recycling**

	<b>Per dwelling unit rate</b>
Return Trip	\$ 5.80
Drive-in Charge	\$ 2.50
Redelivery Fee (carts)	\$ 36.00
Replacement Fee (carts)	\$ 72.00
Carry-out Surcharge (per 25 feet)	\$ 0.95

**EXHIBIT B**

**INSURANCE PROVISIONS**

**A. Insurance Requirements**

The Contractor shall procure and maintain the following insurance during the entire term of the agreement described in Section 3.1:

Type of Insurance	Required Limits of Liability
1. Workers Compensation	Statutory
2. Employers' Liability	\$1,000,000 per accident \$1,000,000 disease (policy limit) \$1,000,000 disease (each employee)
3. Commercial General Liability, including "occurrence" coverage for:  a. Premises and operations, independent Contractors protective, contractual liability, broad form property damage and XCU hazards  b. Products and completed operations (including broad form property damage)  c. Personal injury liability	  \$1,000,000 per occurrence for bodily injury and property damage combined. \$1,000,000 annual aggregate per location for bodily injury and property damage combined.  \$1,000,000 per occurrence for bodily injury and property damage combined. \$2,000,000 annual aggregate for bodily injury and property damage combined.  \$1,000,000 per occurrence \$2,000,000 annual aggregate
4. Business Auto liability (including owned, non-owned and hired vehicles and coverage for environmental liability)	\$1,000,000 per accident for bodily injury and property damage combined.
5. Umbrella/Excess liability (to apply as excess over 2, 3 and 4 above)	\$5,000,000 per occurrence \$5,000,000 annual aggregate

**B. Miscellaneous Provisions**

1. The insurance policies set forth in Sections A3 and A5 of this Exhibit C shall continue to be maintained for a period of two (2) years following the termination of the Agreement.
2. Equivalent insurance must be maintained by each subcontractor of the Contractor.
3. All insurance companies must be reasonably acceptable to the City and may include self-insurance obtained by the Contractor. Minimum insurance carrier requirements include

a current rating from \_\_\_\_\_ (or any successor publication of comparable standing within the industry) of "A VIII" and a license to do business in the State of Washington.

4. All liability coverage's shall be written on an occurrence basis.
5. Prior to commencing Services under the agreements, the Contractor shall deliver or cause to be delivered to the City, certificates of insurance (and other evidence of insurance requested by the City) which the Contractor is required to purchase and maintain pursuant to this Schedule. The Contractor shall deliver certificates of renewal or replacement policies or coverage no less than ten (10) days prior to the effective date of each renewal or replacement policy or coverage.
6. All insurance coverage required to be purchased and maintained shall contain a provision or endorsement providing that the coverage afforded will not be cancelled, materially reduced or altered or renewal refused until at least thirty (30) days prior written notice has been given to the City by certified mail.
7. The Contractor shall be responsible for promptly reporting all claims to the appropriate insurer on behalf of itself, the City and the additional insured's set forth below.
8. The insurance policies set forth in Sections A3, A4 and A5 of this Exhibit C shall be endorsed to include the City, the directors, officers, employees, agents and members of the City, SWALCO and the directors, officers, employees, agents and members of SWALCO as additional named insured's for all activities of the Contractor in the performance of the Agreement. Such insurance is to be primary and non-contributory with any insurance secured and maintained by such additional named insured's.

**EXHIBIT C**

**FORM OF PERFORMANCE BOND**

Any singular reference to Contractor, Surety, City or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

SURETY (Name and Principal Place of Business):

CITY (Name and Address or City):

RECYCLING SERVICES AGREEMENT ("AGREEMENT")

Date:

Amount:

Description (Name and Location):

BOND

Date (Not earlier than In-Service Date):

Amount:

CONTRACTOR AS PRINCIPAL:

Company: (Corporate Seal)

Signature:

Name and Title:

SURETY

Company: (Corporate Seal)

Signature:

Name and Title:

.....

(Any additional signatures appear on page \_\_\_\_\_)

(FOR INFORMATION ONLY – Name, Address and Telephone)

AGENT or BROKER:

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

- I. The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the City for the performance of the Agreement, which is incorporated herein by reference.
- II. If the Contractor performs all of its obligations under the Agreement, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph III (a) of this Performance Bond.
- III. The Surety's obligation under this Bond shall arise after:
  - 1.1 The City has notified the Contractor and the Surety at its address described in Paragraph 10 below that the City is considering declaring a Contractor Event of Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen (15) days after receipt of such notice to discuss methods of performing the Agreement. If the City, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Agreement, but such an agreement shall not waive the City's right, if any, subsequently to declare a Contractor Event of Default; and
  - 1.2 The City has declared a Contractor Event of Default and formally terminated the Contractor's right to complete the contract. Such Contractor Event of Default shall not be declared earlier than twenty (20) days after the Contractor and the Surety have received notice as provided in Subparagraph III (a) of this Performance Bond.
  - 1.3 The City has agreed to pay the balance of the agreement price to the Surety in accordance with the terms of the Agreement or to a Contractor selected to perform the Agreement in accordance with the terms of the City.
- IV. When the City has satisfied the conditions of Paragraph III of this Performance Bond, the Surety shall, promptly and at the Surety's expense, take one of the following actions:
  - a. Arrange for the Contractor, with consent of the City, to perform and complete the Agreement; or
  - b. Undertake to perform and complete the Agreement itself, through its agents or through independent contractors; or
  - c. Obtain bids or negotiated proposals from qualified contractors acceptable to the City for a contract for performance and completion of the Agreement, arrange for a contract to be prepared for execution by the City and the contractor selected with the City's concurrence to be secured with a performance bond executed by a qualified surety equivalent to the bond issued on the Agreement and pay to the City the amount of damages as described in Paragraph VI of this Performance Bond in excess of the balance of the agreement price incurred by the City resulting from the Contractor's default; or
- 1.4 Waive its right to perform and complete, arrange for completion or obtain a new contractor and with reasonable promptness under the circumstances:

1. After investigation, determine the amount for which it may be liable to the City and as soon as practicable after the amount is determined, tender payment therefore to the City; or
  2. Deny liability in whole or in part and notify the City citing reasons therefore.
- V. If the Surety does not proceed as provided in Paragraph IV of this Performance Bond with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen (15) days after receipt of an additional written notice from the City of the Surety demanding the Surety perform its obligations under this Bond and the City shall be entitled to enforce any remedy available to the City. If the Surety proceeds as provided in Subparagraph IV (d) of this Performance Bond and the City refuses the payment tendered or the Surety has denied liability in whole or in part, without further notice the City shall be entitled to enforce any remedy available to the City.
- VI After the City has terminated the Contractor's right to complete the Contract and if the Surety elects to act under Subparagraph IV (a), IV (b) or IV (c) of this Performance Bond, then the responsibilities of the Surety to the City shall not be greater than those of the Contractor under the Agreement and the responsibilities of the City to the Surety shall not be greater than those of the City under the Agreement. To the limit of the amount of this Bond but subject to commitment by the City of the Balance of the Contract Price to mitigation of costs and damages on the Agreement, the Surety is obligated without duplication for:
  - a) The responsibilities of the Contractor for correction of defective work and completion of the Agreement;
  - b) Additional costs resulting from the Contractor's Event of Default and resulting from the actions or failure to act of the Surety under Paragraph IV of this Performance Bond;
  - c) Liquidated damages as provided in the Agreement or if no liquidated damages are provided for in the Agreement for such event, actual damages caused by delayed performance or non-performance of the Contractor.
  - d) The responsibilities of the Contractor for obtaining the insurance specified in the Solid Agreement and for fulfilling the indemnification obligations undertaken by the Contractor in the Agreement.
- VII. The Surety shall not be liable to the City or others for obligations of the Contractor that are unrelated to the Agreement and the balance of the agreement price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the City or its heirs, executors, administrators or successors.
- VIII. The surety hereby waives notice of any addition, alteration, modification or change, including changes of time, to the Agreement or to related subcontracts, purchase orders and other obligations.
- IX. Any proceeding legal or equitable under this Bond is required to be instituted in the Circuit Court of Snohomish County and shall be instituted within two (2) years after the date of the

Contractor Breach or within two (2) years after the Contractor ceased working or within two (2) years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitations available to sureties as a defense prescribed by Washington State law shall be applicable.

- X. Notice to the Surety, the City or the Contractor shall be mailed or delivered to the address shown on the signature page.

(Space is provided below for additional signatures of added parties other than those appearing on the coverage page.)

**CONTRACTOR AS PRINCIPAL**

Company: (Corporate Seal)

Signature: \_\_\_\_\_  
Name and Title:  
Address:

**SURETY**

Company: (Corporate Seal)

Signature: \_\_\_\_\_  
Name and Title:  
Address:

**Exhibit D**  
**Liquidated Damages**

The Public Works Director or his/her designee shall notify the Contractor for each violation of the Agreement reported to or discovered by him/her for the City. It shall be the duty of the Contractor to take whatever steps may be necessary to remedy the cause of the complaint and notify the City in writing of its disposition within twenty-four (24) hours after receipt of complaint.

The following acts or omissions shall be considered a Breach of Contract and for the purpose of computing damages under these contract provisions.

1. Failure to clean up solid waste spilled by Proposer within six (6) hours of oral or written notification.....\$50.00 each instance
2. Failure to maintain vehicle in a manner which prevents nuisances such as leaky seals or hydraulics.....\$100.00 each instance
3. Failure or neglect to collect solid waste, recycling, (or yard waste/bulky goods if part of the proposal) at those times provided by the Agreement within 24 hours after either oral or written notice by municipality...\$50.00 each instance
4. Failure or neglect to provide notice to resident upon solid waste refused for collection for cause .....\$25.00 each instance
5. In addition to above, failure or neglect to correct chronic problems will be considered a Breach of Contract.....\$50.00 each instance

Chronic problems shall be construed to be three or more occurrences of items (1), (2) or (3) immediately above at the same address within any period of six (6) consecutive months whether or not remedied within 24 hours or four hours in the case of spilled solid waste.

6. Failure to collect recyclables which are properly prepared and placed for collection as part of the collection program.....\$25.00 each instance
7. Missing entire blocks/neighborhoods. A missed block is defined as a block where residents from at least three (3) households within two intersections of that block or cul-de-sac report that their material was out before 7:00 a.m., the material was not picked up and the addresses did not appear on the records as unacceptable setouts .....\$250.00 each instance
8. City-wide collection not completed. The failure to complete majority (50% or more) of pickups within the municipality or collection district on the scheduled collection day without following proper notification procedure...\$2,500.00 per instance

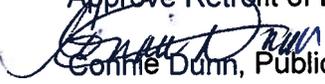
**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

---

DATE: April 24, 2014

ITEM NO: A – 2

SUBJECT: Purchase of Automated Garbage Truck  
Purchase Curbside Collection Carts  
Approve Retrofit of Existing Truck with a Cart Tipper

CONTACT PERSON:  Connie Dunn, Public Works Field Supervisor

**ISSUE:**

The issue before the council is to authorize the expenditure, using the State Bid option, of an AutoCar/Heil automated garbage truck; toter curbside collection carts; and the retrofit of the the 2006 International/Heil truck with a manual cart tipper.

**STAFF RECOMMENDATION:**

Authorize the purchase of the necessary equipment using the State Bid option. Purchasing the AutoCar/Heil automated garbage truck, Toter brand curbside collection carts, and the retrofit on the 2006 International/Heil garbage truck with a manual cart tipper.

**ALTERNATIVES:**

1. Stay status quo
2. Purchase the necessary new equipment
3. Contract garbage service out

**SCOPE OF WORK:**

The City has the option of writing specifications for all purchases of equipment; using the Washington State Bid Program; or piggybacking onto another municipality's purchase. For the purchases being recommended, staff is proposing to use the State Bid Program in lieu of preparing specifications and requesting bids.

**BACKGROUND:**

The City of Sultan has been setting money aside for the last several years for the purchase of this garbage truck and toters. Connie Dunn and Jim Barns have thoroughly researched the types and costs of trucks available, and are recommending the purchases outlined below. The purchase of the garbage equipment was discussed at the council retreat on March 22, 2014.

**FISCAL IMPACT:**

<b>Balance of Equipment Replacement Fund 2014</b>		<b>+\$440,089.00</b>	
Purchase of Cab & Chassis	2015 AutoCar Xpeditor	-\$173,697.75	Attachment A
Purchase Body	Heil DuralPack 7000	-\$162,551.98	Attachment B
Curbside Collection Carts	Toter – Gray	-\$88,667.61	Attachment C
Retrofit 2006 Heil	Bayne	-\$8,145.00	Attachment D
Balance after Purchases		+\$7,026.66	

**COUNCIL ACTION:**

Approval of the purchase of the necessary equipment using the State Bid option. Purchasing the AutoCar/Heil automated garbage truck, Toter brand curbside collection carts, and the retrofit on the 2006 International/Heil garbage truck with a manual cart tipper.

**ATTACHMENTS:**

Attachment A – Western PeterBilt, Inc.

Attachment B – Western Systems Street Refuse & Recycling Solutions

Attachment C – Toter National IPA

Attachment D – Western Systems Street Refuse & Recycling Solutions

**WESTERN PETERBILT, INC.**  
**CUSTOMER PURCHASE ORDER**  
**- For New & Used Vehicles -**

Date: APRIL 7, 2014  
 Seller: WESTERN PETERBILT, INC.  
 City/State: SEATTLE WASHINGTON, INC.

Purchaser: CITY OF SULTAN  
319 MAIN STREET, SUITE 200  
SULTAN, WA 98294  
CONNIE DUNN-PW FIELD SUPERVISOR

I hereby order from you, subject to all terms and conditions contained herein and the ADDITIONAL PROVISIONS printed on Page 2 of this form, the following equipment for delivery on or about: \_\_\_\_\_

QTY	Year	New/ Used	MAKE	MODEL	STOCK#		PRICE W/O F.E.T. AND SST
1	2015	NEW	AUTOCAR	ACX64	NEW ORDER		<b>\$159,750.00</b>

**CHASSIS BUILD SLOTS ARE AVAILABLE IN MID TO LATE JUNE 2014.**  
**CHASSIS PRICE IS F.O.B. HEIL IN FORT PAYNE, ALABAMA.**  
**CHASSIS SPECIFICATION BUILT FOR A HEIL DURAPACK 28 YD FULL EJECT AUTOMATED SIDE LOADER.**  
**PLEASE REFERENCE THE ATTACHED CHASSIS SPECIFICATIONS.**

NO TRADES	NO TRADES

If a trade-in is delivered to Dealer in a different condition than appraised, or its parts or attachments have been removed or substituted, then it shall be reappraised, and the difference in value shall be paid in cash to Dealer. Purchaser warrants that ownership, and titles of trade-ins are free and clear of all liens and encumbrances except as noted and will pay in cash to Dealer any undisclosed amounts owed. If any such cash adjustment is not paid on demand, purchaser authorizes Dealer to repossess the

CASH PRICE (F.E.T. EXEMPT)	<b>\$159,750.00</b>
ESTIMATED STATE SALES TAX	<b>\$14,217.75</b>
TITLE AND DOCK FEE	<b>NOT INCLUDED</b>
OTHER	<b>NOT INCLUDED</b>
ESTIMATED LICENSING	<b>NOT INCLUDED</b>
<b>TOTAL CASH PRICE</b>	<b>\$173,967.75</b>

<b>CASH DUE ON DELIVERY</b>	<b>\$173,967.75</b>

If the unpaid balance of cash price stated above is the proceeds of a time payment agreement as noted below, all items and conditions of that agreement are hereto made part of and an attachment to this order by this reference.

**NOTE: USED VEHICLES ARE SOLD "AS IS" WITH NO WARRANTY, unless otherwise certified by Seller in Writing.**

**PURCHASER ACKNOWLEDGES RECEIPT OF AN EXACT COPY OF THIS ORDER, and the additional provisions printed on page 2.**

NOTE: This order is subject to written acceptance of the Seller by a manager as indicated below. Purchaser's deposit will be refunded if not accepted, otherwise, deposit is nonrefundable.

**CUSTOMER ACCEPTANCE:**

**WPI MANAGER ACCEPTANCE:**

STU FOX-SALES MANAGER

**AUTOCAR**  
*Always Up*



# XPEDITOR

The Most Versatile Refuse Truck on the Planet



## Custom Engineered and Built Right – The First Time

Autocar specifically engineers your custom configurations directly into its trucks. Our trucks are then built, tested and validated the right way the first time on our production line. Unlike the modify and re-work approach used by others, Autocar does things once and does them right the first time. This results in a purposeful integration of industry best components into a quality built system specifically designed and engineered with your performance needs in mind.

## Striving For Perfection Through Continuous Improvement

Autocar's industry-leading array of choices is the result of a tradition of continuous innovation, based on input from our customers and engineered by the best design team in the business. A steady stream of advances has made the Xpeditor the most versatile refuse truck on the planet, with a host of productive features designed to boost your bottom line. Among the most remarkable are an unprecedented range of powertrain choices and the ability to meet strict exhaust emission level requirements with flexible exhaust locations. We have introduced a range of new options to improve value and performance including a new generation of transmission mounted power take offs. For front loader applications, Autocar engineered a stronger, lighter front end and moved the front axle position forward in the Xpeditor to accept heavier engines and still maintain the ability to haul the maximum payload. We have further optimized the weight distribution for each body that is mounted on an Autocar.

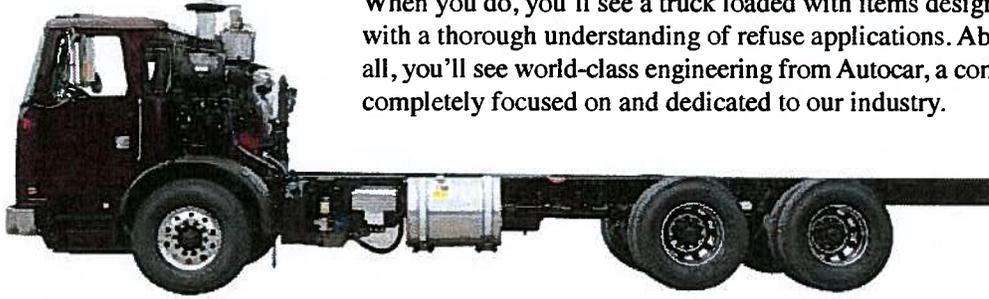
## Factory Warranty

The Xpeditor is backed by factory warranties which are supported by Cummins, Allison and a host of other business partners. This translates into a truck that has an industry-leading warranty to help assure that your vehicle is Always Up!



## Consider the Best

If you haven't looked at an Autocar Xpeditor recently, then you owe it to yourself to consider the best truck on the market. When you do, you'll see a truck loaded with items designed with a thorough understanding of refuse applications. Above all, you'll see world-class engineering from Autocar, a company completely focused on and dedicated to our industry.



### Turning Radius

Autocar measures above the curve!

A tighter turning radius allows operators to avoid accidents while improving efficiency and productivity. Xpeditor has the best turning radius in the industry! Spending less time in reverse improves efficiency and fuel economy and also keeps drivers safer from accidents. From concept through design and refinement, Autocar leads the way. Listening, understanding, then delivering to our customers is what we do best!

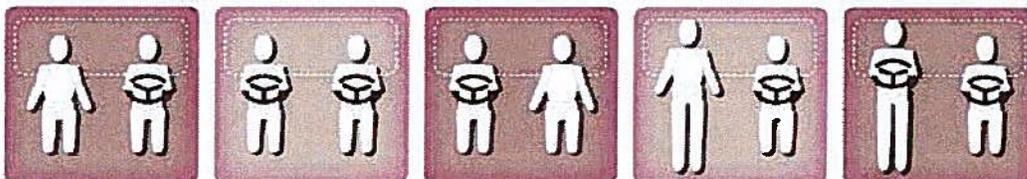
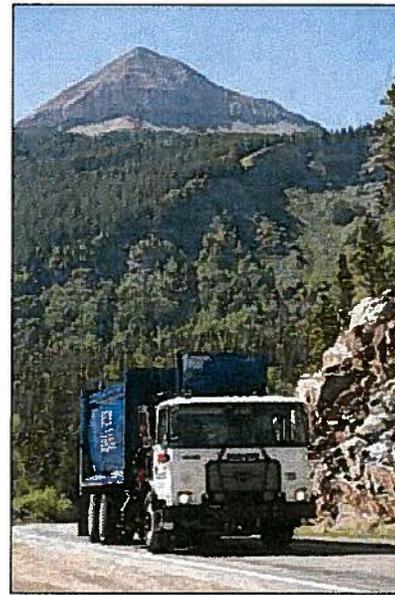
### Greater Choice. More Versatility

More drivetrain and operating options

- Multiple diesel engine displacements with numerous horsepower and torque ratings.
- Leading natural gas engine options.
- Exhaust options: left-side vertical, right-side vertical and horizontal.
- Flexible component placement and sizing.
- Allison medium-duty (3000 series) or heavy-duty (4000 series) transmission.
- Rear axle ratings from 23,000 lbs to 72,000 lbs. (10,400 kg to 32,700 kg).
- 890 transmission mount PTO.

### More Cab Configurations

At Autocar, we know that no two routes are the same. That's why we offer a cab configuration for all of your applications, along with options to help you handle jobs on any route.



XPEDITOR... THE INTELLIGENT CHOICE

## Corrosion Protection

All Xpeditor cabs receive maximum corrosion protection. Each cab is built from corrosion-resistant steel, before receiving our state-of-the-art, 18-stage, cathodic epoxy E-Dip system in an iron phosphate pre-treatment. After the E-Dip process, pre-paint caulk is applied to external and internal seams prior to finish coat. The result is a corrosion resistant vehicle that we can confidently back with a 3-year corrosion warranty and a 5-year structural warranty.



## Tough Durable Cab

The Xpeditor cab is not only larger, it's also stronger. The complete cab and doors are a fully welded, two-sided galvanized steel structure providing unmatched strength making it one of the safest cabs on the market.

## Factory Installed

Autocar offers a full range of factory installed options including PTO's, auxiliary axles, drop frame and natural gas fuel systems. We simplify customization – order the options and Autocar installs them right on the assembly line.



## Frame Strength

The Xpeditor frame provides an industry-leading strength range of 3.5 to 4.2 million RBM just below the arm torque tube on a front loader or the automated arm mount on an automated side loader which are the most critical sections, respectively.

## Superior Visibility

The Xpeditor cab offers minimum obstructions in the 360° view. A curved windshield minimizes "A" pillar front obstruction. A one-piece rear window, curved corner windows and lowered engine emission components minimize blind spots. Integrated controls eliminate body control boxes on the dash, enhancing the cross-cab view.



## Larger Ergonomic Cab

Autocar provides a larger cab environment. The position of the cab and the floor height are lowered and ingress/egress is significantly improved. A tilt steering wheel is standard on single-drive Xpeditors. Each precision instrument and control is ergonomically designed and located.



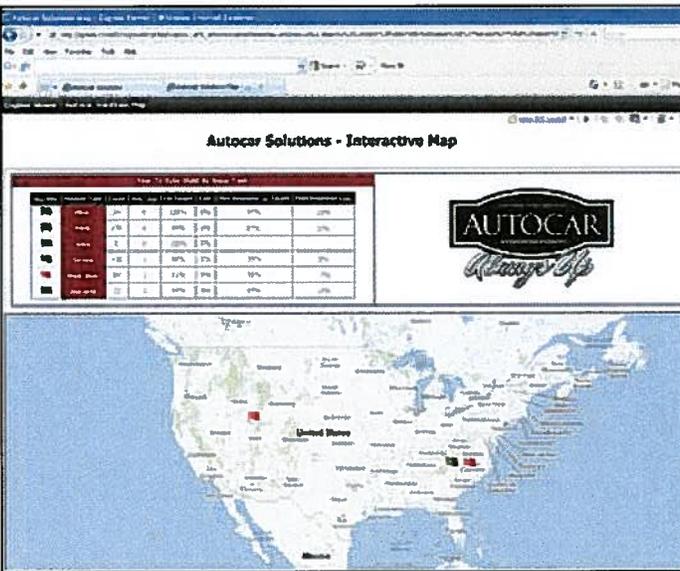
## Chassis Body Integration

Autocar provides a complete system, rather than merely a body mounted on a chassis. Xpeditors arrive at the body company with chassis components in the right place and room for the body company to install their integrated controls into our dash. Autocar will also offer pre-punched frame holes to minimize efforts for body installation.



## Functional Styling

The Xpeditor front grill has been updated to be more functional and to provide better aesthetics. At Autocar, styling never comes at the expense of functionality or maintenance costs.



# CONTACT US FIRST!

When you contact us first, we track your repair and manage your downtime event. By getting us involved first you get trained factory technicians to help troubleshoot and diagnose the issue. We respond fast and work with you to get your truck back up and running!

**Immediate Technical Assistance by Logging on to Our Website**



[www.autocartruck.com/autocarsolutions](http://www.autocartruck.com/autocarsolutions)

**Autocar Solutions™ offers an unsurpassed range of support services to keep your fleet on the road including:**



Service Technician Specialists see what you see LIVE! The benefit of seeing your situation is a great asset to us and makes calls more efficient and effective.



Autocar offers complete OEM Genuine and "All Makes" product lines, supported by over 1,000 suppliers. Use our easy online parts identification/ordering systems, or call our parts hotline at:

**1-866-878-5980 (USA Toll Free)  
or 1-765-489-5499**



## Training Classes

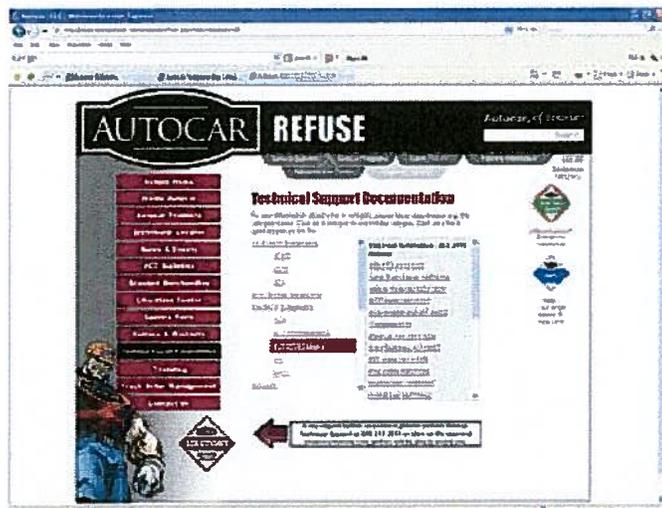
A schedule of on-line LIVE, INTERACTIVE training classes is available on our website. Classes are designed for technicians servicing a variety of Autocar trucks. Registration is easy and classes are very informative and beneficial to every participant. Go to our website and click on the Training button for a schedule of classes.



Our new online library of technical documentation gives you 24/7 access to the information you need to diagnose and troubleshoot issues with your fleet. Request a login and try it!

## Technical Support Documentation

The comprehensive technical information feature on the Autocar website provides you with more access to technical information than ever before. Search for electrical schematics, air system schematics, service manuals, PM manuals, body builder information, videos, troubleshooting trees and more. This easy-to-use library of technical data will help you diagnose, troubleshoot, train your technicians and develop preventive maintenance checks for your fleet.



EXTENSIVE SUPPORT SERVICES

# QUOTATION

Attachment B



**Customer:** City of Sultan  
 Connie M. Dunn  
 319 Main St. Suite 200  
 Sultan WA 98294  
**Phone:** 360-793-2231  
**Fax:** 360-793-3344

**Quote Number:** 1364  
**Salesperson:** Shane  
**Cell:** 503-729-0632

Quantity	Description	Price	Total
1	Heil DuraPack 28 cu. yd. Full Eject - Automated Side Loader To include the following: "Standard Equipment Features" <ul style="list-style-type: none"> <li>• Full Factory Mount on customer supplied chassis that meets HEIL mounting requirements</li> <li>• Soft Touch Automated Grabbers to accommodate 60-95 Gallon automated Barrels</li> <li>• Lift Cycle Counter in Cab</li> <li>• Joystick for lift controls</li> <li>• Lift Feathering Kit</li> <li>• Remote Lift Controls – Air Toggles – Mounted under seat on RH Side</li> <li>• Operate In Gear At Idle – front mount tandem vane pump</li> <li>• Hopper &amp; Lift Work Lights – 2 lights – in-cab switch</li> <li>• LED Light Package for Entire Unit – FMVSS #108</li> <li>• Peterson Multi-Function (SMART ) LED Strobe/Turn Lamps</li> <li>• Body Side Backing Assist Lights – Reverse Activated</li> <li>• Service Hoist Kit for Eject Models</li> <li>• Strobe Light Amber in cab switch pump on and reverse activated.</li> <li>• Hydraulic Sliding Top Door w/Lift Interlock &amp; Indicator Light in cab</li> <li>• Hopper &amp; Body Floor Liner (3/16" – 150,000 PSI)</li> <li>• Severe Duty Packer Wear Bar Kit – Hopper Only</li> <li>• Mud Flaps – anti sail / anti splash ahead of rear tires</li> <li>• Broom and Shovel Brackets (mounted under body)</li> <li>• Hydraulic Pressure Gauge Kit</li> <li>• Safety Triangles</li> <li>• Rear Caution Decal</li> <li>• Tool box (18"x 18"x 24") Rear Bumper Mounted</li> <li>• 20 lbs Fire Extinguisher with Bracket</li> <li>• 3<sup>rd</sup> Eye Double Camera and LCD Monitor (Hopper and rear tailgate)</li> <li>• Body Paint – Dupont Imron N0006EA White to match cab</li> <li>• One (1) Year Warranty</li> </ul>	\$148,195.00	\$148,195.00
	<b>NJPA DISCOUNT</b>	(5,927.80)	(5,927.80)
	Estimated Drive-out from Fort-Payne, AL (good faith estimate at date of quote)	\$7000.00	\$7000.00
	FET EXEMPT		
	WA State Sales Tax @ 8.9%		\$13,284.78

# QUOTATION



Quantity	Description	Price	Total
		Grand Total:	<b>\$162,551.98</b>

- Above pricing is valid until for 30 days
- Terms of sale: Net due upon delivery
- Current lead time is approximately 60 to 75 days after receipt of chassis at Heil factory (Fort Payne, Alabama)

Authorized By:	
Date:	
P.O. number:	



# DuraPack<sup>®</sup> 7000

Automated Side Loader



## Standard Equipment Features included in Base Price

- 4.0 yd<sup>3</sup> hopper
- 72 in. lift reach
- 2,000 lb. lift capacity
- Street side access door with step and grab
- Under hopper liquid sump with 2 clean-out doors and steel rake
- Body service props for dump or service hoist models
- Tailgate service props
- Fully automatic Shur-Lock<sup>™</sup> tailgate locks
- O.I.G.A.I. front mount tandem vane pump system
- Lift cylinders cushioned up and down with chrome plated rods
- Chassis frame-mounted oil tank with level/temperature gauge and Oil suction shut-off valve
- 3-micron return line filter with magnetic trap and in-cab filter bypass monitor
- 140-micron suction line strainer
- Fabric guard hose protection for all high pressure hoses
- In-cab packing controls, electric/air
- Air operated in-cab lift controls, lever style
- In-cab hoist controls for dumping models, electric over air
- In-cab eject controls, electric
- Air operated in-cab tailgate controls
- Cortex Controller<sup>™</sup> with InSight<sup>™</sup> diagnostic display
- In-cab function and indicator lights
- Select-O-Pack
- Arm rest
- Lift reach warning
- Backup alarm
- Backup and license plate lights
- Center-mounted brake light
- Duplicate high and low mount stop, turn, and tail lights
- Mid-body turn signals
- FMVSS #108 clearance lights and reflectors
- ICC reflective tape
- Rear mudflaps - anti-sail/anti-splash
- Rear underride guard
- Rear camera bracket and flood lights - reverse activated
- Body undercoating
- Customer's choice of one color finish paint
- Standard 1-year (2,000 hours of operation) warranty
- ANSI Z 245.1-1999 compliant
- Cavity coat and joint sealer
- Remote packer lube kit





841 Meacham Rd, Statesville, NC, 28677  
 PHONE: 800-424-0422 FAX: 704-878-0734 toterpo@wastequip.com  
 Quote Number: WQ-0016016

QUOTATION			
<b>Sell To:</b>		<b>Ship To:</b>	
Customer Contact	Connie Dunn	Ship To Name	
Customer Name	City Of Sultan	Shipping Address	703 1st St
			Sultan, WA 98294
Billing Address	Po Box 1199	Customer Job Reference	
	Sultan, WA 98294-1199		
Email	connie.dunn@ci.sultan.wa.us		
Phone	(360) 793-1114		

Salesperson	Brannon Yeldell	Created Date	03/25/2014
Email	byeldell@wastequip.com	Expiration Date	04/24/2014
			WQ-0016016
Phone	(503) 310-9242	Quote Number	Please Reference Quote Number on all Purchase Orders

Product Description	QTY	Unit Price	Extended Price
Model 79264 - Toter 64 Gallon EVR II Universal/Nestable Cart	1,728	\$42.45	\$73,353.60
---Body Color - (125) Gray	1,728	\$0.00	\$0.00
---Lid Color - (125) Gray	1,728	\$0.00	\$0.00
---Body Hot Stamp on Both Sides (New)	1,728	\$0.00	\$0.00
---Lid Hot Stamp Insert - Read from Street (Existing)	1,728	\$0.00	\$0.00
---Toter Serial Number Hot Stamped on Front of Cart Body in White	1,728	\$0.00	\$0.00
---2/3 Assembled with Lid (down), Stop Bar and Axle Factory Installed	1,728	\$0.00	\$0.00
---Wheels - 10" Sunburst	1,728	\$0.00	\$0.00
---Warranty - 10 Year Unprorated	1,728	\$0.00	\$0.00
---One Time Die Charge for New Lid Hot Stamp	1	\$300.00	\$300.00

Subtotal	\$73,653.60
Freight (F.O.B)	\$8,679.80
Tax	\$6,334.21
<b>Total</b>	<b>\$88,667.61</b>

Special Instructions
----------------------



# CART SPECIFICATIONS

# Toter®

Tel: 800.424.0422 | [toter@toter.com](mailto:toter@toter.com)  
[www.toter.com](http://www.toter.com)



## 96 GALLON EVR® II UNIVERSAL / NESTABLE

**Part Number:**  
79296

**Description**  
96 GALLON EVR® II CART

**Size (l x w x h)**  
35.25" X 29.75" X 43.25"

**Load Rating**  
335 LBS/151.9 KG

**Wheel Diameter**  
10"

### STANDARD COLORS



### UPSCALE GRANITE COLORS AVAILABLE



## 64 GALLON EVR® II UNIVERSAL / NESTABLE

**Part Number:**  
79264

**Description**  
64 GALLON EVR® II CART

**Size (l x w x h)**  
31.75" X 24.25" X 41.75"

**Load Rating**  
224 LBS/101.6 KG

**Wheel Diameter**  
10"



## 32 GALLON EVR® UNIVERSAL

**Part Number:**  
76532\*

**Description**  
32 GALLON EVR® CART

**Size (l x w x h)**  
24.25" X 19.25" X 38.50"

**Load Rating**  
112 LBS/50.8 KG

**Wheel Diameter**  
10"

\* 32 gallon is original EVR design and does not nest fully assembled.



## 48 GALLON EVR® II UNIVERSAL / NESTABLE

**Part Number:**  
79248

**Description**  
48 GALLON EVR® II CART

**Size (l x w x h)**  
28.75" X 23.50" X 37.50"

**Load Rating**  
168 LBS/76.3 KG

**Wheel Diameter**  
10"



## 24 GALLON EVR® II UNIVERSAL

**Part Number:**  
79224\*

**Description**  
24 GALLON EVR® II CART

**Size (l x w x h)**  
24.00" X 19.75" X 34.50"

**Load Rating**  
84.0 LBS/38.1 KG

**Wheel Diameter**  
10"

\* 24 gallon does not nest fully assembled.

## Curbside Collection Carts



Color Options:

- Available in 24, 32, 48, 64 and 96 gallon sizes. See full cart [specifications](#)
- Virtually maintenance-free carts feature the lowest lifecycle cost in the industry
- Rugged Rim design and bottom wear strip provide added strength where it's needed most
- Up to 50% recycled content
- Carts nest when fully assembled (48, 64 and 96 gallon only) for savings on shipping and storage
- Universal design is compatible with automated and semi-automated lifters
- Available ready-to-roll – fully assembled – for reduced labor and delivery expense
- More flexible and impact resistant than injection molded carts
- Available in 9 granite colors and 5 standard colors
- Easy to tilt and roll



### REQUEST MORE INFORMATION

Contact us for questions about purchasing, leasing, cart maintenance and more.

[MORE INFO ▶](#)



### TOTER PRODUCTS AVAILABLE AT RETAIL

Toter Carts are available at retail outlets throughout North America. Find out where to purchase them.

[MORE INFO ▶](#)



### EASY PURCHASING, NO BIDDING REQUIRED

Government and non-profit agencies can purchase Toter carts without going through the bid process.

[MORE INFO ▶](#)



### SUSTAINABILITY CALCULATOR

Find out how Toter carts save you money while supporting sustainability initiatives.

[MORE INFO ▶](#)

## Product Downloads

### EVR II Literature



[Product Video »](#)



911 N. Thierman Rd.  
Spokane Valley, WA. 99212

## Estimate

Date	Estimate #
3/27/2014	1358

Name / Address
City of Sultan 319 MAIN ST. # 200 PO Box 1199 Sultan, WA 98294-1199 US

Rep
SPG

Item	Description	Qty	Rate	Total
Tippers	BTL 1110 Bayne Cart Tipper Installed on 2006 HEIL PT1000	1	7,500.00	7,500.00T

<b>Subtotal</b>			\$7,500.00
<b>Sales Tax (8.6%)</b>			\$645.00
<b>Total</b>			\$8,145.00

This Quotation is valid for 30 day. Thereafter it is subject to change without notice.

Phone #
509-922-1300



# BTL Series

## Mobile Refuse Cart Lifter

The **BTL series** is one of the best selling lines of lifters from **Bayne Premium Lift Systems**. This lifter was specifically designed to offer greater ground clearance for rear load applications, thus reducing the risk of damaging the lifter on uneven terrain such as alley entrances, landfills, etc. This additional ground clearance makes the BTL a perfect choice for rear load applications with commercial container lift bars. BTL lifters may be combined with a vertical assembly to make a VBTL lifter. VBTL models add 9" of vertical travel and 3 1/2" of thickness to the BTL lifter.

- Powered by the patented Thinline® rack and pinion rotary actuator for smooth operation
- Compatible with standard domestic style 2-bar carts
- Over 21" of ground clearance
- Thinline design works in conjunction with most commercial container lift bars
- Dumps cart higher and deeper inside the hopper opening to prevent spillage and increase route stops before cycling packer blade
- Self-lubricating composite bearings at main pivot points
- Powder-coated finish for durability
- 2-Year Limited Warranty



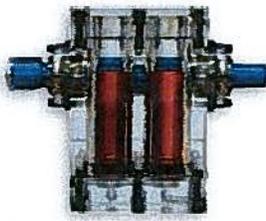
Premium Lift Systems

Precision, Quality and...Patented Engineering!

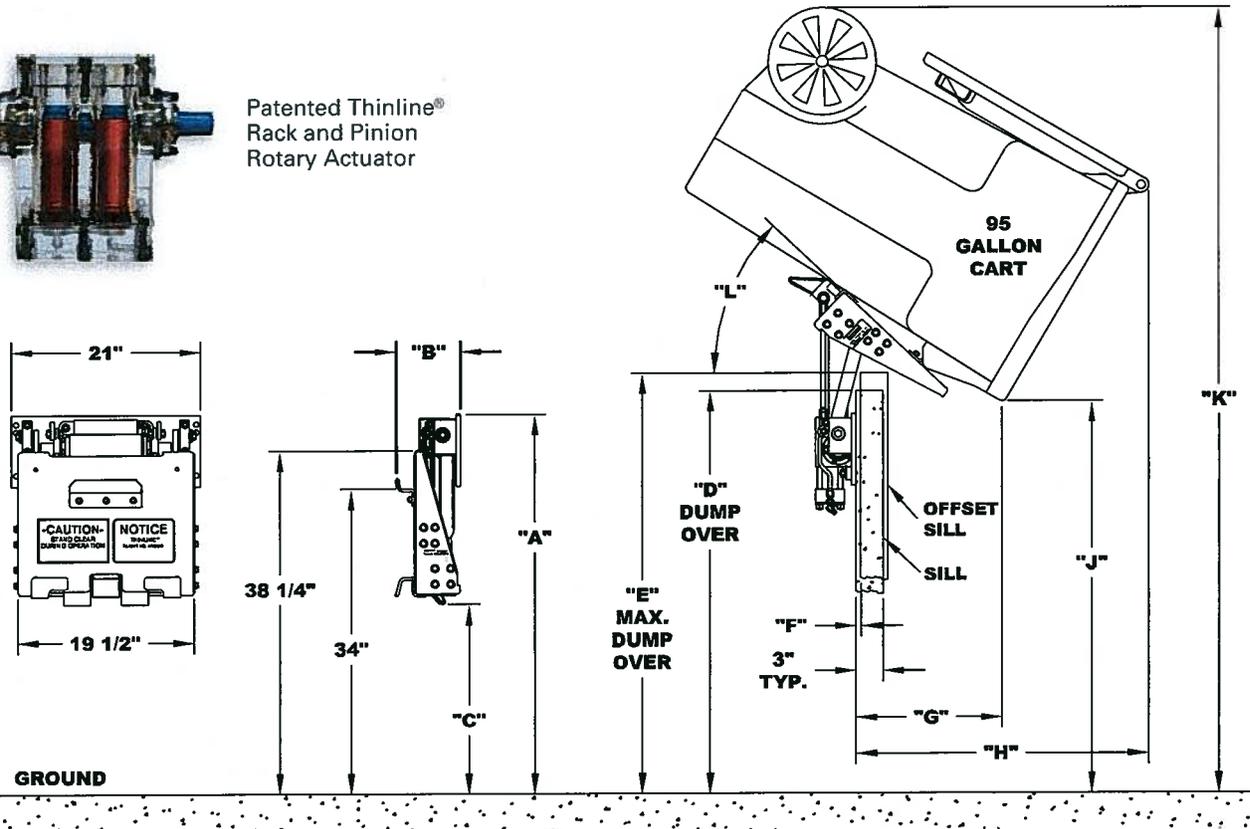
# BTL Series

## Specifications and Dimensions

<b>Cart Compatibility:</b>	ANSI Z245.60-2008 Type B Containers (domestic 2-bar carts)
<b>Lift Capacity:</b>	400 lbs @ 1800 psi
<b>Hydraulic Pressures:</b>	Working Pressure – 1800 psi Maximum Pressure – 2500 psi
<b>Hydraulic Flow:</b>	2.0 – 2.5 gpm
<b>Cycle Time:</b>	6 – 8 seconds (lifter only) 8 – 10 seconds (with 9" vertical)
<b>Bearings:</b>	Self-Lubricating Composite Material
<b>Actuator:</b>	Patented Thinline® Rack and Pinion Rotary Actuator
<b>Finish:</b>	Safety Yellow Powder Coating
<b>Options:</b>	<ul style="list-style-type: none"> <li>• Tap-In-Kit</li> <li>• Mounting Plate Kit for Bolt-On Application</li> <li>• Commercial Container Bumper Kit</li> </ul>



Patented Thinline®  
Rack and Pinion  
Rotary Actuator



MODEL NUMBER	"A" DIM.	"B" DIM.	"C" DIM.	"D" DIM.	"E" DIM.	"F" DIM.	"G" DIM.	"H" DIM.	"J" DIM.	"K" DIM.	"L" DIM.
BTL 1110	38 1/4"	7 1/8"	21 1/4"	39 1/8"	N/A	N/A	16 1/4"	32 3/8"	35 3/4"	79 5/8"	43"
BTL 1112	40 1/4"	7 1/8"	21 3/8"	42"	43 1/4"	3/8"	16 5/8"	31 1/2"	40 3/4"	83 1/2"	40"
BTL 1114	42 1/4"	7 1/8"	21 1/8"	44 3/4"	46 5/8"	1/2"	16 1/4"	32 1/2"	43 5/8"	87 5/8"	43"

### Bayne Premium Lift Systems

910 Fork Shoals Road, Greenville, SC 29605 • [www.baynethinline.com](http://www.baynethinline.com)  
Toll Free: 800.535.2671 • Local: 864.288.3877 • Fax: 864.458.7519

© 2009, Bayne Premium Lift Systems  
Printed in U.S.A. Form #BLS-01-001-041505

SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET

---

Agenda Item #: Action A 3  
Date: April 24, 2014  
SUBJECT: Water/Sewer Revenue Bond Issue  
CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director 

**Issue:**

The issue before the Council is to introduce Ordinance 1194-14 authorizing the issuance of water and sewer revenue bonds in an aggregate principal amount not to exceed \$2,500,000 to finance the cost of improvements to the City's water and sewer system; authorizing the sale of the bonds to D.A. Davidson & Co.; and delegating to the City Administrator the authority to approve final terms of the bonds.

A draft ordinance is provided (Attachment B) for Council review. The final ordinance will be provided at the Council meeting on April 24, 2014.

**Summary:**

At the March 22, 2014 Council retreat, the Council requested staff proceed with the necessary process to issue the Water/Sewer Revenue Bonds to finance the High Avenue and 4<sup>th</sup> Street utility lines and for the water booster pump station.

Staff is working with Jim Nelson, D.A. Davidson and Co. and David Thompson from K& L Gates to prepare the necessary documents to complete the issuance of the water and sewer bonds. Attachment A provides a time line for the process.

The reason the Council needs to delegate the authority is to get the best interest rates without needing a council vote at the very moment the offer is made. The Council must approve the purchase contract after designated staff have "accepted" the offer on behalf of the city. The Council will approve the contract at a regular council meeting.

**Time Line:**

The bond issuance process takes approximately seven weeks. In order to achieve the best interest rates, the Council will need to designate a representative to accept on behalf of the city, the offer to purchase the bond.

Staff is assisting Jim Nelson with the preparation of the Official Statement and bond counsel with the preparation of the ordinance.

**Recommendation:**

Staff recommends the Council approve to introduce Ordinance 1194-14 authorizing the issuance of water and sewer revenue bonds in an aggregate principal amount not to exceed \$2,500,000 to finance the cost of improvements to the City's water and sewer system; authorizing the sale of the bonds to D.A. Davidson & Co.; and delegating to the City Administrator the authority to approve final terms of the bonds.

Attachment: A. Bond Time Line  
B. Draft Ordinance

**City of Sultan**  
**Water & Sewer Revenue Bonds, 2014**  
**Preliminary Schedule of Events (As of April 8, 2014)**

*(Fund Net Proceeds of \$2,500,000\* plus Reserve Fund plus Costs)*

**CITY:** City of Sultan (Council Meetings: 2<sup>nd</sup> & 4<sup>th</sup> Thursday, 7:00 PM)  
**DAD:** Underwriter (Jim Nelson of D.A. Davidson)  
**BC:** Bond Counsel (David Thompson of K&L Gates)

Date	Event	Participants
April 8	Distribute Preliminary Schedule and Distribution List	DAD
April 9 or 10	Provide City with list of data requirements for the Preliminary Official Statement (POS)	DAD
April 14	Distribute 1 <sup>st</sup> draft of Bond (Delegation) Ordinance	BC
April 17	Comments due on 1 <sup>st</sup> draft of Bond Ordinance	ALL
April 18	Distribute 2 <sup>nd</sup> draft of Bond Ordinance & Legal Opinion	BC
April 21	Comments due on 2 <sup>nd</sup> draft of Bond Ordinance & legal opinion	ALL
April 22	City provides all the requested data requirements information for the POS	CITY
April 24	Distribute 1 <sup>st</sup> draft Preliminary Official Statement for review	DAD
April 24	Pass Bond Delegation Ordinance. 7:00 PM Meeting	CITY, BC, DAD
April 30	Comments due on 1 <sup>st</sup> draft of POS	ALL
May 2	Send information to Standard & Poor's (S&P) (draft POS, draft Ordinance, last 3 Audits, recent Budget, CIP, Rate Study, etc.)	DAD
May 2	Distribute 2 <sup>nd</sup> draft of POS & draft of Purchase Contract	DAD
May 2	Distribute draft Rating Presentation	DAD
May 6 or 7	_____ AM, Practice/Rehearsal conference call	CITY, DAD
May 8	_____ AM, Rating conference call with City staff and S&P	CITY, DAD
May 8	Comments due on 2 <sup>nd</sup> draft of POS & draft of Purchase Contract	ALL
May 14	Final comments due on POS	ALL
May 16	Receive rating grade from S&P	DAD, CITY
May 19	Distribute POS to potential investors	DAD
June 2	Review market conditions/ pre-pricing call @ 1:00 pm	DAD, CITY
June 4	Bond Order Period – sign purchase contract	DAD, CITY, BC
June 18	Bond Closing and distribution of proceeds	ALL

\*Preliminary and subject to change.

Note: Construction bid award date is scheduled for June 26<sup>th</sup>. The first invoice may be due around July 26<sup>th</sup>.

Check with Bond Counsel on whether the City Administrator or the City Engineer can sign the Parity Certificate.

Preliminary Structure: Dated June 18, 2014, First Coupon Payment is December 1, 2018, First Principal Payment is June 1, 2015 (or possibly June 1, 2018 or 2019), Last Principal (Maturity) Payment is June 1, 2034, Call Date is June 1, 2024.

**CITY OF SULTAN, WASHINGTON**

**WATER AND SEWER REVENUE BONDS, 2014**

---

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE of the City of Sultan, Washington, authorizing the issuance of water and sewer revenue bonds in an aggregate principal amount not to exceed \$2,500,000 to finance the cost of improvements to the City's water and sewer system; authorizing the sale of the bonds to D.A. Davidson & Co.; and delegating to the City Administrator the authority to approve final terms of the bonds, subject to conditions set forth in this ordinance.

PASSED ON \_\_\_\_\_, 2014

Prepared By:

K&L GATES LLP  
Seattle, Washington

## TABLE OF CONTENTS

### Page

Section 1.	Definitions	1
Section 2.	The Project	5
Section 3.	Authorization and Description of the Bonds	6
Section 4.	Registration, Payment and Transfer	6
Section 5.	Redemption and Purchase of Bonds	9
Section 6.	Execution of Bonds	11
Section 7.	Form of Bonds	11
Section 8.	Revenue Fund; Rate Stabilization Account	13
Section 9.	Bond Fund	14
Section 10.	Covenants and Agreements	16
Section 11.	Tax Covenants; Special Designation	18
Section 12.	Adequacy of Revenues	19
Section 13.	Defeasance	19
Section 14.	Issuance of Additional Parity Bonds	20
Section 15.	Lost or Destroyed Bonds	21
Section 16.	Sale of Bonds	21
Section 17.	Application of Bond Proceeds	22
Section 18.	Undertaking to Provide Ongoing Disclosure	22
Section 19.	Supplements and Amendments	25
Section 20.	General Authorization and Ratification	26
Section 21.	Severability	26
Section 22.	Effective Date	27

ORDINANCE NO. \_1194-14

AN ORDINANCE of the City of Sultan, Washington, authorizing the issuance of water and sewer revenue bonds in an aggregate principal amount not to exceed \$2,500,000 to finance the cost of improvements to the City's water and sewer system; authorizing the sale of the bonds to D.A. Davidson & Co.; and delegating to the City Administrator the authority to approve final terms of the bonds, subject to conditions set forth in this ordinance.

WHEREAS, the City of Sultan, Washington (the "City"), owns and maintains domestic water supply and distribution facilities and sewage collection and treatment facilities and operates these facilities as a combined system for borrowing purposes (as further defined herein, the "System"); and

WHEREAS, the City Council (the "Council") has determined that the System is in need of certain additions and betterments and extensions thereof (as described more fully herein, the "Project") and wishes to finance a portion of the cost of the Project by the issuance of revenue bonds payable from and secured by a pledge of the revenues of the System (the "Bonds"); and

WHEREAS, the City's only outstanding obligations payable from and secured by a pledge of revenues of the System are loans from the State of Washington, the terms of which permit the City to issue the Bonds with a lien on revenues of the System senior to the lien thereon of those State loans; and

WHEREAS, the City wishes to establish conditions for the issuance of additional obligations of the System on a parity with the Bonds, as provided in this ordinance; and

WHEREAS, the Council wish to authorize the negotiated sale of the Bonds to D.A. Davidson & Co. and to delegate authority to the City Administrator, for a limited time, to approve final terms of the Bonds, including interest rates, maturity dates, redemption provisions, and principal maturities of the Bonds, under the terms and conditions set forth in this ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN, as follows:

Section 1. Definitions. As used in this ordinance the following words shall have the following meanings:

**Annual Debt Service** for any fiscal year or calendar year means the sum of: (a) the interest on all Parity Bonds due in that year, excluding, however, any interest to be paid from the proceeds of any Parity Bonds, and (b) the principal of all Parity Bonds due in that year, either as maturing principal of Serial Bonds or mandatory redemption payments for Term Bonds. If the interest rate on any Parity Bonds is other than a fixed rate, the rate applicable at the time of the computation shall be used. For purposes of satisfying the rate covenant in Section 10(a)(2) and the additional Parity Bonds test in Section 14(a), Annual Debt Service shall be net of any Debt Service Offsets.

**Assessments** means assessments (including interest and penalties) levied in any utility local improvement district of the City for the acquisition or construction of additions and improvements to and extension of the System, if such assessments are pledged to be paid into the Bond Fund.

**Average Annual Debt Service** means the amount determined by dividing (a) the sum of all interest and principal to be paid on all Parity Bonds from the date of determination to the last maturity date of such Parity Bonds, by (b) the number of fiscal years or calendar years from and including the fiscal year or calendar year in which the determination is made to the last fiscal year or calendar year in which any of such Parity Bonds will be outstanding.

**Beneficial Owner** means the beneficial owner of all or a portion of a Bond while that Bond is in fully immobilized form.

**Bond Fund** means the Water and Sewer Revenue Bond Redemption Fund authorized to be established to pay and secure the payment of the Bonds and any additional Parity Bonds pursuant to Section 9 of this ordinance.

**Bond Register** means the books or records maintained by the Registrar for the purpose of registration of the Bonds.

**Bond Year** means each one-year period that ends on the date selected by the City. The first and last Bond Years may be short periods. If no day is selected by the City before the earlier of the final maturity date of the Bonds or the date that is five years after the date of issuance of the Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bonds.

**Bonds** means the City's water and sewer revenue bonds authorized to be issued under this ordinance in a principal amount not to exceed \$2,500,000.

**City** means the City of Sultan, Washington.

**Code** means the federal Internal Revenue Code of 1986, as amended, and applicable regulations.

**Costs of Maintenance and Operation** means all necessary operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs, and insurance and administrative expenses, but excludes depreciation, payments for debt service or into reserve accounts and costs of capital additions to or replacements of the System, taxes levied by the City or payments in lieu of taxes.

**Council** means the City Council of the City as the City's general legislative authority as the same shall be duly and regularly constituted from time to time.

**Debt Service Account** means the account of that name authorized to be created within the Bond Fund pursuant to Section 9 of this ordinance.

**Debt Service Offset** means receipts of the City, including but not limited to federal interest subsidy payments, designated as such by the City and not included in Gross Revenue and that are legally available to pay debt service on Parity Bonds.

**Designated Representative** means the City Administrator or another City officer designated in writing by the Mayor.

**DTC** means The Depository Trust Company of New York, New York, as depository for the Bonds, or any successor depository for the Bonds.

**Government Obligations** means those obligations now or hereafter defined as such in chapter 39.53 RCW, as amended, or its successor statute, if any.

**Gross Revenue** means all earnings, revenue and money, except Assessments, received by the City from or on account of the System, including proceeds from the sale, lease or other disposition of any of the properties or facilities of the System, and the income from investments of money in the Revenue Fund and any bond fund or from any other investment thereof except the income from investments irrevocably pledged to the payment of revenue bonds pursuant to a plan of retirement or refunding. "Gross Revenue" shall not include grants or bond proceeds, but shall include federal or state reimbursements of operating expenses to the extent such expenses are included as "Costs of Maintenance and Operation." "Gross Revenue" shall include any federal interest subsidy payments received in connection with Parity Bonds (to the extent such payments are not designated as Debt Service Offsets).

**Letter of Representations** means the Blanket Issuer Letter of Representations from the City to DTC.

**Moody's** means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns.

**MSRB** means the Municipal Securities Rulemaking Board or any successor to its functions.

**Net Revenue** means the Gross Revenue less the Costs of Maintenance and Operation.

**Parity Bonds** means the Bonds and any additional bonds or other obligations of the City having a lien or Net Revenues equal to the lien thereon of the Bonds.

**Permitted Investments** means any investments of City funds permitted under the laws of the State of Washington as amended from time to time.

**Private Person** means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

**Private Person Use** means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the

property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

**Professional Utility Consultant** means the independent person(s) or firm(s) selected by the City having a favorable reputation for skill and experience with utilities of comparable size and character to the System in such areas as are relevant to the purposes for which they are retained.

**Project** has the meaning given that term in Section 2 of this ordinance.

**Project Fund** means the 2014 Water and Sewer System Project Fund authorized to be created pursuant to Section 17 of this ordinance.

**Purchase Contract** means the bond purchase agreement between the City and the Underwriter provided for in Section 16 of this ordinance.

**PWTF Loans** means the loans obtained by the City from the State of Washington acting through the Public Works Board.

**Qualified Insurance** means any unconditional municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States or by a service corporation acting on behalf of one or more such insurance companies, provided, that, as of the time of issuance of such policy or surety bond, such insurance company or companies maintain a policy owner's surplus in excess of \$500,000,000 and are rated in one of the two highest rating categories by any Rating Agency then maintaining a rating on the Bonds.

**Qualified Letter of Credit** means any irrevocable letter of credit issued by a bank for the account of the City and for the benefit of the owners of Parity Bonds, provided that such bank maintains an office, agency or branch in the United States, and provided further, that, as of the time of issuance of such letter of credit, such bank is currently rated in one of the three highest rating categories by any Rating Agency then maintaining a rating on the Bonds.

**Rating Agency** means S&P or Moody's or any other nationally recognized rating agency maintaining a rating on the Bonds.

**Rate Stabilization Account** means the special account of that name authorized to be created pursuant to Section 8(b) of this ordinance.

**Registered Owner** means the person in whose name a Bond is registered on the Bond Register.

**Registrar** means initially the fiscal agency of the State of Washington, whose duties include the registration and authentication of the Bonds, maintenance of the Bond Register, effecting transfer of ownership of the Bonds, and paying the principal of and interest on the Bonds.

**Reserve Account** means the account of that name authorized to be created within the Bond Fund pursuant to Section 9 of this ordinance.

**Reserve Requirement** means, with respect to the Bonds or any additional Parity Bonds, an amount equal to the least of (a) 125% of average Annual Debt Service on such bonds, (b) 10% of the stated principal amount of such bonds, or (c) maximum Annual Debt Service on such bonds.

**Revenue Fund** means the special fund of the City known as the "City of Sultan Water and Sewer System Revenue Fund" authorized to be created pursuant to Section 8(a) of this ordinance.

**Rule** means the SEC's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**S&P** means Standard & Poor's Ratings Services, its successors and assigns.

**SEC** means the Securities and Exchange Commission.

**Serial Bonds** means Parity Bonds other than Term Bonds.

**System** means the domestic water supply and distribution system of the City as the same now exists and as it may hereafter be added to, improved and extended for as long as any of the Parity Bonds are outstanding.

**Tax Certificate** means the Federal Tax Certificate authorized by this ordinance to be executed by the Treasurer with respect to the Bonds.

**Term Bonds** means any Parity Bonds identified as Term Bonds in the ordinance authorizing the issuance thereof, the payment of the principal of which is provided for by a mandatory redemption schedule and corresponding deposits into the Bond Fund to pay for such mandatory redemptions.

**Treasurer** means the City's [Finance Director?], or the successor to the duties of that office.

**Underwriter** means D.A. Davidson & Co., Seattle, Washington.

**Section 2. The Project.** The Council specifies and adopts the following plan of improvements, additions and betterments to and extensions to the System:

**[Project description to come]**

together with all planning, design, legal and financing costs (the "Project").

Section 3. Authorization and Description of the Bonds. For the purpose of financing a portion of the cost of the Project and paying costs of issuance of the Bonds, the City shall issue its water and sewer revenue bonds in an aggregate principal amount not to exceed \$2,500,000 (the "Bonds"). The Bonds shall be designated as the "City of Sultan, Washington, Water and Sewer Revenue Bonds, 2014"; shall be dated as of the date of their initial delivery to the Underwriter; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, provided that no Bond shall represent more than one maturity; shall be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification; and shall bear interest from their date payable semiannually on dates to be established pursuant to Section 16, commencing on the date and at rates to be established pursuant to Section 16; and shall mature in the years and in the principal amounts to be established pursuant to Section 16, all as shall be set forth in the Purchase Contract.

Principal of and interest on the Bonds shall be payable solely from the Bond Fund. The Bonds are not general obligations of the City or of the State of Washington or any political subdivision thereof.

Section 4. Registration, Payment and Transfer.

(a) *Registrar/Bond Register.* The City hereby specifies and adopts the system of registration and transfer for the Bonds approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agencies. The City will cause the Bond Register to be maintained by the Registrar. So long as any Bonds remain outstanding, the Registrar will make all necessary provisions to permit the exchange or registration of transfer of Bonds at its principal corporate trust office. The Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Registrar, DTC, each entity entitled to receive notice pursuant to Section 14, and a successor Registrar appointed by the Treasurer. No resignation or removal of the Registrar will be effective until a successor has been appointed and until the successor Registrar has accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance and to carry out all of the Registrar's powers and duties under this ordinance. The Registrar is responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) *Registered Ownership.* The City and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 14 of this ordinance), and neither the City nor the Registrar will be affected by any notice to the contrary. Payment of the Bonds will be made only as described in Section 4(h) hereof, but Bonds may be transferred as herein provided. All such payments made as described in Section 4(h) will be valid and will satisfy and discharge the liability of the City upon the Bonds to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the Bonds as eligible for deposit at DTC, there has heretofore executed and delivered to DTC a Letter of Representations in form acceptable to DTC.

Neither the City nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor

depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice that is permitted or required to be given to Registered Owners under this ordinance (except those notices as are required to be given by the City to the Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in fully-immobilized form hereunder, DTC or its successor depository will be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners mean DTC (or any successor depository) or its nominee and do not mean the owners of any beneficial interest in those Bonds.

If any Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal thereof at the rate stated on the Bond until the Bond is paid.

(d) *Use of Depository.*

(1) The Bonds will be registered initially in the name of "Cede & Co.," as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor must be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Designated Representative pursuant to subsection (ii) below or such substitute depository's successor; or (C) to any person as provided in subsection (iv) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Designated Representative to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Representative may hereafter appoint a substitute depository. Any such substitute depository must be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Registrar, upon receipt of all outstanding Bonds, together with a written request on behalf of the Designated Representative, will issue a single new Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in the written request of the Designated Representative.

(4) If (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Designated Representative determines that it is in the best interest of the beneficial owners of the Bonds that such owners be able to obtain such bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and will no longer be held in fully-immobilized form. The Designated Representative will deliver a written request to the Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Registrar of all then outstanding Bonds together with a written request on behalf of the Designated Representative to the Registrar, new Bonds will be issued in the appropriate and registered in the names of those persons named in the written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any Bond will be valid unless that Bond is surrendered to the Registrar with the assignment form appearing on the Bond duly executed by the Registered Owner or the Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon surrender, the Registrar will cancel the surrendered Bond and authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for the surrendered and cancelled Bond. Any Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and interest rate, in any authorized denomination. The Registrar is not obligated to register the transfer or to exchange any Bond during the 15 days preceding the date that Bond is to be redeemed.

(f) *Registrar's Ownership of Bonds.* The Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The City covenants that, until all Bonds have been surrendered and cancelled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* The principal of and interest on the Bonds is payable in lawful money of the United States of America. Interest on the Bonds will be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Bonds are in fully-immobilized form, payments of principal and interest thereon will be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations.

If the Bonds are no longer in fully-immobilized form, interest on the Bonds will be paid by check or draft mailed to the Registered Owners of the Bonds at the addresses for the Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date; provided, however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal amount of Bonds, interest will be paid by wire transfer on the date due to an account with a bank located within the United States. Principal of the Bonds will be payable upon presentation and surrender of the Bonds by the Registered Owners at the principal office of the Registrar.

Section 5. Redemption and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds may be subject to optional redemption prior to their stated maturities as set forth in the Purchase Contract approved by the Designated Representative pursuant to Section 16.

(b) *Mandatory Redemption.* If structured as term bonds, the Bonds may be subject to mandatory redemption on a schedule to be set forth in the Purchase Contract.

(c) *Selection of Bonds for Redemption.* As long as the Bonds are held in book-entry only form, the selection of Bonds within a maturity to be redeemed will be made in accordance with the operational arrangements in effect at DTC. If the Bonds are no longer held in book-entry only form, the selection of such Bonds and maturity to be redeemed will be made as provided in this subsection (c). If the City redeems at any one time fewer than all of the Bonds of the same maturity, the particular Bonds or portions of Bonds of such maturity to be redeemed will be selected by lot (or in such other manner determined by the Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and Registrar will treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. If only a portion of the principal sum of a Bond is redeemed, upon surrender of the such Bond at the principal office of the Registrar there will be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized.

(d) *Purchase of Bonds.* The City reserves the right to purchase any of the Bonds offered to the City at any time at a price deemed reasonable by a Designated Representative.

(e) *Notice of Redemption.*

(1) Official Notice. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption, which notice may be conditional, will be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Registrar.

All official notices of redemption will be dated and state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) any condition to an optional redemption,

(E) that on the redemption date (unless the notice of redemption is a conditional notice, in which case the notice will state that interest will cease to accrue from the redemption date if and to the extent that any condition has been satisfied and funds have been provided to the Registrar for the redemption of Bonds) the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon will cease to accrue from and after said date, and

(F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment will be the principal office of the Registrar.

On or prior to any redemption date (if any conditions to an optional redemption have been met), the City will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date.

(2) Effect of Notice; Bonds Due. Unless the City has given a conditional notice and the conditions for redemption set forth therein are not satisfied, official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds that have been redeemed will be canceled and destroyed by the Registrar and may not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice may be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder will contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest, if any, borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 25 days before the redemption date to each party entitled to receive notice pursuant to Section 14, and to the Underwriter or to its business successor, if any, and to such persons and with such additional information as the Designated Representative may deem appropriate, but such mailings are not a condition precedent to the redemption of Bonds.

(4) CUSIP Number. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose will bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(5) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and

changes to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor and attested with the manual or facsimile signature of the City Clerk. If any officer who has signed or attested any of the Bonds ceases to be an officer of the City authorized to sign bonds before the Bonds bearing his or her signature are authenticated or delivered by the Registrar or issued by the City, those Bonds nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

Only Bonds that bear a Certificate of Authentication in the form set forth in Section 7 of this ordinance, manually executed by the Registrar, will be valid or obligatory for any purpose or entitled to the benefits of this ordinance. The executed Certificate of Authentication will be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this ordinance.

Section 7. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. \_\_\_\_\_ \$ \_\_\_\_\_

STATE OF WASHINGTON

CITY OF SULTAN

WATER AND SEWER REVENUE BOND, 2014

INTEREST RATE: \_\_\_\_\_ MATURITY DATE: \_\_\_\_\_ CUSIP NO.: \_\_\_\_\_

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ AND NO/100 DOLLARS

The City of Sultan, Washington (the "City"), a municipal corporation of the State of Washington, for value received hereby promises to pay to the Registered Owner identified above or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from \_\_\_\_\_, 2014, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on \_\_\_\_\_ 1, 20\_\_\_\_, and semiannually thereafter on the first day of each succeeding \_\_\_\_\_ and \_\_\_\_\_. Both principal of and interest on this bond are payable in lawful money of the United States of America.

For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC. The fiscal agency of the state of Washington is acting as the registrar, authenticating agent and paying agent for the bond of this issue (the "Registrar").

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity, in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds"), and is issued pursuant to Ordinance No. \_\_\_\_\_, passed by the City Council on \_\_\_\_\_, 2014 (the "Bond Ordinance"), for the purpose of financing the cost of certain improvements to the System. Capitalized terms used in this bond and not otherwise defined herein have the meanings given those terms in the Bond Ordinance.

This bond is subject to redemption as provided in the Bond Ordinance and the Purchase Contract.

The City has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. The City does not expect to issue more than \$10,000,000 in "qualified tax-exempt obligations" during calendar year 2014.

Principal of and interest on the Bonds are payable solely out of the special fund of the City known as the "Water and Sewer Revenue Bond Redemption Fund" (the "Bond Fund"). The City covenants and agrees with the owner of this bond that it will keep and perform all the covenants of this bond and of the Bond Ordinance.

This bond is payable from Net Revenue. By the Bond Ordinance, the City has pledged Net Revenue for the payment when due of all amounts required by the Bond Ordinance to be paid out of the Revenue Fund into the Bond Fund. The amounts so pledged are a lien and charge on Net Revenue equal to the lien and charge thereon of any additional Parity Bonds and superior to all other charges of any kind or nature.

The City has further bound itself to maintain the System in good repair, working order and condition, to operate the same in an efficient manner and at a reasonable cost, and to establish, maintain and collect rates and charges in each calendar year that will make available, for the payment of the principal of and interest on outstanding Parity Bonds as the same shall become due, Net Revenue in an amount that will be equal to at least 1.25 times Annual Debt Service for such year (after deducting Assessments actually collected for such year).

The pledge of Net Revenue and other obligations of the City under the Bond Ordinance may be discharged at or prior to the maturity or prepayment of this bond issue upon the making of provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

This bond is a special limited obligation of the City and is not an obligation of the State of Washington or any political subdivision thereof other than the City, and neither the full faith and credit nor the taxing power of the City or the State of Washington is pledged to the payment of this bond.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Registration Certificate hereon shall have been manually signed by the Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened and to have been performed precedent to and in the issuance of this bond do exist, have happened and have been performed in due time, form and manner as prescribed by law, and that the amount

of this bond, together with all other obligations or indebtedness of the City, does not exceed any constitutional or statutory limitations of indebtedness.

IN WITNESS WHEREOF, the City of Sultan, Washington, has caused this bond to be signed by the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk, all as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF SULTAN, WASHINGTON

By \_\_\_\_\_ /s/ \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_/s/\_\_\_\_\_  
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

[Empty rectangular box for Social Security or Taxpayer Identification Number]

\_\_\_\_\_  
(Please print or typewrite name and address, including zip code, of Transferee)

the within bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney-in-fact to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

DATED: \_\_\_\_\_, \_\_\_\_\_.

SIGNATURE GUARANTEED:  
\_\_\_\_\_

NOTE: The signature on this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 8. Revenue Fund; Rate Stabilization Account.

(a) *Revenue Fund.* A special fund of the City designated as the ]“City of Sultan Water and Sewer System Revenue Fund”] **[Is there an existing fund name we should reference here?]** (the “Revenue Fund”) has heretofore been created in the office of the

Treasurer. The City obligates and binds itself to pay all Gross Revenue as collected into the Revenue Fund. The money in the Revenue Fund shall be held separate and apart from all other funds and accounts of the City. From and after the date of issuance of the Bonds, the Gross Revenue deposited in the Revenue Fund shall be used only for the following purposes and in the following order of priority:

FIRST, to pay the Costs of Maintenance and Operation and to maintain a balance in the Revenue Fund sufficient to enable the City to meet Costs of Maintenance and Operation on a current basis;

SECOND, to make all payments required to be made into the Bond Fund to pay when due the interest on the Bonds and any additional Parity Bonds;

THIRD, to make all payments required to be made into the Bond Fund to pay when due the principal of the Bonds and any additional Parity Bonds;

FOURTH, to make all payments required to be made pursuant to a reimbursement agreement or agreements (or other equivalent documents) in connection with Qualified Insurance or a Qualified Letter of Credit; provided that if there is not sufficient money to make all payments under reimbursement agreements the payments will be made on a pro rata basis;

FIFTH, to make all payments required to be made into the Reserve Account within the Bond Fund;

SIXTH, to make all payments required to be made into any revenue bond redemption fund, debt service account, or reserve account created to pay or secure the payment of the principal of and interest on any revenue bonds, or other revenue obligations of the City having a lien upon Net Revenue junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds;

SEVENTH, to make all payments of principal of and interest on the PWTF Loans;  
and

EIGHTH, to retire by redemption or purchase in the open market any outstanding water and sewer revenue bonds or other water and sewer revenue obligations of the City, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the System, to make deposits into the Rate Stabilization Account, or for any other lawful City purpose.

(b) *Rate Stabilization Account.* A special account of the City designated as the "City of Sultan Water and Sewer System Rate Stabilization Account" (the "Rate Stabilization Account") is authorized to be created in the office of the Treasurer. In accordance with the provisions of subsection (a) above, the City may from time to time appropriate or budget amounts in the Revenue Fund for deposit in the Rate Stabilization Account and may from time to time withdraw amounts therefrom for deposit in the Revenue Fund to prevent or mitigate water rate increases or for other lawful purposes of the City related to the System.

Section 9. Bond Fund. There is authorized to be created in the office of the Treasurer a fund of the City to be known as the "City of Sultan Water and Sewer Revenue Bond Redemption Fund" (the "Bond Fund"), which fund shall be drawn upon for the sole purpose of paying the

principal of, premium if any, and interest on the Bonds and any additional Parity Bonds. The money in the Bond Fund shall be kept separate and apart from all other funds and accounts of the City and shall be a trust fund for the owners of Parity Bonds.

(a) *Debt Service Account.* A special account known as the Debt Service Account is authorized to be created in the Bond Fund for the purpose of paying the principal of, premium, if any, and interest on the Parity Bonds. As long as any Parity Bonds remain outstanding, the City irrevocably obligates and binds itself to set aside and pay from the Revenue Fund into the Debt Service Account, on or before each Bond Payment Date for the installment of principal of and/or interest next coming due on the Bonds, an amount that, together with money in the Debt Service Account available therefor, will be sufficient to pay such installment when due.

The City covenants that if it issues any additional Parity Bonds, it will provide in each ordinance authorizing the issuance of the same for timely payments to be made from the Revenue Fund into the Debt Service Account in the Bond Fund sufficient, together with any other money in the account available therefor, to provide for the payments of principal of and interest on such additional Parity Bonds, including payments to satisfy the mandatory redemption requirements with respect to any Term Bonds.

(b) *Reserve Account.* A special account known as the Reserve Account is authorized to be created in the Bond Fund for the purpose of securing the payment of principal of and interest on the Bonds and any additional Parity Bonds. The City covenants that it will satisfy the Reserve Requirement for the Bonds by depositing into the Reserve Account, on or prior to the issuance of the Bonds, proceeds of the Bonds or other funds of the City in an amount sufficient to satisfy the Reserve Requirement for the Bonds.

The City further covenants and agrees that if it issues any additional Parity Bonds it will provide in each ordinance authorizing the issuance of such Parity Bonds that on or prior to the date of issuance of such additional Parity Bonds money will be deposited into the Reserve Account, from proceeds of those additional Parity Bonds or other funds available therefor, in an amount sufficient, together with funds already on deposit in the Reserve Account, so that the total amount of money in the Reserve Account will at least equal the applicable Reserve Requirement. The City may substitute Qualified Insurance or a Qualified Letter of Credit for amounts required to be deposited into the Reserve Account. Such Qualified Letter of Credit or Qualified Insurance shall not be cancelable on less than five years' notice. In the event of any cancellation, the Reserve Account shall be funded in accordance with the provisions of this section providing for payment in the event of a deficiency therein, as if the Parity Bonds that remain outstanding had been issued on the date of such notice of cancellation.

The City further covenants and agrees that when the required deposits have been made into the Reserve Account, it will at all times maintain therein an amount at least equal to the Reserve Requirement, as redetermined in each calendar year with respect to the bonds secured by such Reserve Account. Whenever there is a sufficient amount in the Bond Fund, including all accounts therein, to pay the principal of, premium, if any, and interest on all outstanding Parity Bonds, the money in the Reserve Account may be used to pay the principal of, premium, if any, and interest on the Parity Bonds secured thereby. Money in the Reserve Account may also be withdrawn to redeem and retire, and to pay the premium, if any, and interest due to such date of redemption, on the outstanding Parity Bonds secured by such Reserve Account, as long as the money remaining on deposit in the Reserve Account is at least

equal to the Reserve Requirement determined with respect to the Parity Bonds then outstanding.

If outstanding Parity Bonds are refunded, the money set aside in the Reserve Account to secure the payment thereof may be used to retire Parity Bonds or may be transferred to any other reserve account that may be created to secure the payment of any bonds issued to refund the Parity Bonds.

If there occurs a deficiency in the Debt Service Account to meet maturing installments of either interest on or principal of and interest on the outstanding Parity Bonds payable out of the Debt Service Account, the deficiency must be made up from the Reserve Account by the withdrawal of money therefrom and by the sale or redemption of obligations held in the Reserve Account, if necessary, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the City shall then draw from any Qualified Letter of Credit, Qualified Insurance, or other equivalent credit facility in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. If more than one Qualified Letter of Credit or Qualified Insurance is available, draws shall be made ratably thereon to make up the deficiency. Any deficiency created in the Reserve Account by reason of any such withdrawal must then be made up from money in the Revenue Fund first available after making the payments required to be made under paragraphs "FIRST" through "FOURTH" of Section 8(a) of this ordinance.

(c) *Lien of Bond Fund.* The Bonds and any additional Parity Bonds are payable from Net Revenue. The City hereby pledges Net Revenue for the payment when due of all amounts required by this ordinance to be paid out of the Revenue Fund into the Bond Fund. Said amounts so pledged are hereby declared to be a lien and charge on Net Revenue equal to the lien and charge thereon of any additional Parity Bonds and superior to all other charges of any kind or nature.

(d) *Investment of Money in Bond Fund.* All money in the Debt Service Account in the Bond Fund may be kept in cash or invested in Permitted Investments maturing not later than the last maturity of the Parity Bonds outstanding at the time of such purchase. Interest earned on or profits made from the sale of such investments shall be deposited in and become a part of the Revenue Fund.

Section 10. Covenants and Agreements. The City covenants with the owner of each of the Parity Bonds for as long as any of the same remain outstanding as follows:

(a) *Rates and Charges.* The City will establish, maintain and collect lawful rates and charges for the use of the services and facilities of the System, and shall adjust such rates and charges from time to time so that:

(1) Gross Revenue will at all times be sufficient (a) to pay all Costs of Maintenance and Operation and to pay all taxes, assessments or other governmental charges lawfully imposed on the System or the revenue therefrom or payments in lieu thereof and any and all other amounts that the City may now be and hereafter become obligated to pay from Gross Revenue by law or contract, and, together with Assessments actually collected, (b) to pay the principal of and interest on all outstanding Parity Bonds as and when the same become due and payable.

(2) Net Revenue in each calendar year will equal at least 1.25 times Annual Debt Service for such year (after deducting from Annual Debt Service any Debt Service Offsets, as provided in the definition of "Annual Debt Service," and the amount of Assessments actually collected for such year). For the purpose of meeting the requirement of this paragraph there may be added to Net Revenue for any calendar year any amount withdrawn from the Rate Stabilization Account and deposited in the Revenue Fund. There shall be subtracted from Net Revenue for any calendar year any amounts in such year withdrawn from the Revenue Fund and deposited into the Rate Stabilization Account in such calendar year.

(b) *Maintenance of System.* The City will at all times keep and maintain the System in good repair, working order and condition, and will at all times operate the same and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) *Sale or Disposition of the System.* The City will not sell or otherwise dispose of the System in its entirety unless simultaneously with such sale or other disposition, provision is made for the payment into the Bond Fund of cash or Government Obligations sufficient together with interest to be earned thereon to pay the principal of and interest on all then outstanding Parity Bonds, nor will it sell or otherwise dispose of any part of the useful operating properties of the System unless such facilities are replaced or provision is made for payment into the Bond Fund of the greater of:

(1) An amount that will be in the same proportion to the net amount of Parity Bonds then outstanding (defined as the total amount of the Parity Bonds less the amount of cash and investments in the Bond Fund and accounts therein) that the Net Revenue from the portion of the System sold or disposed of for the preceding year bears to the total Net Revenue for such period; or

(2) An amount that will be in the same proportion to the net principal amount of Parity Bonds then outstanding that the book value of the part of the System sold or disposed of bears to the book value of the entire System immediately prior to such sale or disposition.

The proceeds of any such sale or disposition of a portion of the properties of the System (to the extent required above) shall be paid into the Bond Fund.

Notwithstanding any other provision of this subsection, the City may sell or otherwise dispose of any of the works, plant, properties and facilities of the System or any real or personal property comprising a part of the System with a value less than 5% of the net utility plant of the System or that has become unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or no longer necessary, material to or useful in such operation, without making any deposit into either Bond Fund.

(d) *Collection of Assessments.* The City shall promptly collect all Assessments levied in any utility local improvement district now or hereafter created to secure the payment of the principal of and interest on any Parity Bonds and shall pay the same into the Bond Fund. It is hereby provided further, however, that nothing in this ordinance or in this subsection shall be construed to prohibit the City from issuing revenue bonds having a lien on Net Revenue subordinate to the lien on such revenue for the payment of the principal of and interest on the Parity Bonds and pledging as security for the payments of such subordinate lien bonds assessments levied in any utility local improvement district that may be created to pay

part or all the cost of improvements to the System for which such subordinate lien revenue bonds were specifically issued.

(e) *Books and Accounts.* The City will maintain complete books and records relating to the operation of the System and its financial affairs and will cause such books and records to be audited in accordance with state law.

(f) *Insurance.* The City will carry the type of insurance on the property of the System in the amounts normally carried by water utilities together with public liability insurance, if obtainable at rates the City finds reasonable. The cost of such insurance shall be a Cost of Maintenance and Operation. In lieu of any such insurance, the City may implement a self-insurance or a self-insurance pool program with reserves adequate, in the reasonable judgment of the Council, to protect the City against loss.

(g) *Delinquencies.* The City will promptly collect all service charges and Assessments, determine in a timely manner all delinquencies, and take all necessary legal action to enforce collection of such delinquencies.

(h) *No Free Service.* Except as permitted by law, the City will not furnish any service of the System to any customer free of charge.

#### Section 11. Tax Covenants; Special Designation.

(a) *Arbitrage Covenant.* The City covenants that it will take such action or refrain from such action as may be necessary to comply with the Code to assure (i) that interest on the Bonds will be excluded from gross income for purposes of federal income taxation pursuant to Section 103 of the Code, (ii) that the Bonds will not become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder, and (iii) that the Bonds will not become "private activity bonds" under Section 141 of the Code and the applicable regulations thereunder.

(b) *Private Person Use Limitation for Bonds.* The City covenants that for as long as the Bonds are outstanding, it will not permit:

(1) More than 10% of the Net Proceeds of the Bonds to be used for any Private Person Use; and

(2) More than 10% of the principal or interest payments on the Bonds in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The City further covenants that, if:

(3) More than five percent of the Net Proceeds of the Bonds are to be used for any Private Person Use; and

(4) More than five percent of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this ordinance or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private

Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the projects being refinanced with the proceeds of the bonds or Private Person Use payments described in subsection (4) hereof that is in excess of the five percent limitations described in such subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the projects refinanced with Bond proceeds, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Bonds used for the state or local governmental use portion of the projects to which the Private Person Use of such portion of such projects relates. The City further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the interest on the Bonds. The covenants of this Section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds.

(c) *Tax Certificate.* Upon the issuance of the Bonds, the Treasurer is authorized to execute a federal tax certificate (the "Tax Certificate"), which will certify to various facts and representations concerning the Bonds, based on the facts and estimates known or reasonably expected on the date of their issuance, and make certain covenants with respect to the Bonds as may be necessary or desirable to obtain or maintain the benefits conferred under the Code relating to tax-exempt bonds.

The City covenants that it will comply with the Tax Certificate unless it receives advice from nationally recognized bond counsel or the Internal Revenue Service that certain provisions have been amended or no longer apply to the Bonds.

(d) The City hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. The City does not expect to issue more than \$10,000,000 in "qualified tax-exempt obligations" in calendar year 2014.

Section 12. Adequacy of Revenues. The Council declares that in fixing the amounts to be paid into the Bond Fund as hereinbefore provided it has exercised due regard for the Costs of Maintenance and Operation and has not obligated the City to set aside and pay into the Bond Fund a greater amount of money from the Revenue Fund than in its judgment will be available over and above the Costs of Maintenance and Operation.

Section 13. Defeasance. If money and/or Government Obligations, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are set aside in a special account of the City to effect such redemption and retirement, and such money and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on the Bonds so provided for, and those Bonds will cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the money so set aside and pledged, and those Bonds will be deemed not to be outstanding hereunder.

Upon the defeasance of any Bonds, the Registrar will provide notice of the defeasance to Registered Owners and to each party entitled to receive notice in accordance with Section 18 of this ordinance.

Section 14. Issuance of Additional Parity Bonds. The City further covenants and agrees with the owners of the Bonds for as long as they remain outstanding, as follows:

(a) That it will issue no bonds with a lien on Gross Revenue superior to the lien thereon of the Bonds. The City may issue additional Parity Bonds for the following purposes: (i) acquiring, constructing and installing additions and improvements to and extensions of, acquiring necessary equipment for, or making necessary replacements or repairs and capital improvements to the System; or (ii) refunding or purchasing and retiring at or prior to their maturity any outstanding revenue bonds or other obligations payable out of Gross Revenue; upon compliance with the following conditions:

(1) That at the time of the issuance of such additional Parity Bonds there is no deficiency in the Bond Fund.

(2) If there are special assessments levied in any utility local improvement district in which additions and improvements to and extensions of the System will be constructed from the proceeds of such additional Parity Bonds, the ordinance authorizing such additional Parity Bonds shall require that such special assessments be paid into the Bond Fund.

(3) If there are special assessments pledged to be paid into a bond redemption fund for revenue bonds being refunded by such additional Parity Bonds, the ordinance authorizing such additional Parity Bonds shall require such special assessments to be used for the refunding or paid into the Bond Fund.

(4) The principal of and interest on any additional Parity Bonds shall be payable out of the Bond Fund, and the ordinance authorizing their issuance shall further provide for payments into the Bond Fund to amortize any Term Bonds and satisfaction of the Reserve Requirement, all as required by Section 9 of this ordinance.

(5) Prior to the delivery of any additional Parity Bonds, the City shall have on file a certificate of a Professional Utility Consultant showing: that the Net Revenue determined and adjusted as hereafter provided for each calendar or fiscal year after the issuance of such additional Parity Bonds (the "Adjusted Net Revenue") will equal at least 1.25 times the Annual Debt Service (after deducting from each year's Annual Debt Service any Debt Service Offsets, as provided in the definition of "Annual Debt Service," and the amount of Assessments due and payable in such year according to the assessment roll for such Assessments) for each such calendar or fiscal year for all Parity Bonds plus the additional Parity Bonds proposed to be issued.

The Adjusted Net Revenue will be the Net Revenue for a period of any 12 consecutive months out of the 24 months immediately preceding the date of delivery of the proposed additional Parity Bonds as adjusted by such Professional Utility Consultant to take into consideration changes in Net Revenue estimated to occur under the following conditions for each year after such delivery for so long as any Parity Bonds, including the additional Parity Bonds proposed to be issued, shall be outstanding:

(i) the additional Net Revenue that would have been received if any change in rates and charges adopted prior to the date of such certificate and subsequent to the beginning of such 12-month period, had been in force during the full 12-month period;

(ii) the additional Net Revenue that would have been received if any facility of the System that became fully operational after the beginning of such 12-month period had been so operating for the entire period; and

(iii) the additional Net Revenue estimated by such Professional Utility Consultant to be received as a result of any additions, betterments and improvements to and extensions of any facilities of the System that are (a) under construction at the time of such certificate or (b) will be constructed from the proceeds of the additional Parity Bonds to be issued.

The Professional Utility Consultant may rely upon, and his or her certificate shall have attached thereto, financial statements of the System certified by the Treasurer showing income and expenses for the period upon which the same is based.

The certificate of the Professional Utility Consultant will be conclusive and the only evidence required to show compliance with the provisions and requirements of this subsection (5).

(b) Notwithstanding the requirements set forth in subsection (a), if additional Parity Bonds are to be issued for the purpose of refunding at or prior to their maturity any part or all of the then outstanding Parity Bonds and the issuance of such refunding additional Parity Bonds will result in a debt service savings and does not require an increase of more than \$5,000 in any fiscal or calendar year for principal of and interest on such refunding additional Parity Bonds over and above the amount required in such year for the principal of and interest on the Parity Bonds being refunded thereby, the condition stated in subsections (a)(5) and (a)(6) of this section need not be met.

(c) Nothing herein contained shall prevent the City from issuing any revenue bonds or other obligations with a lien on Net Revenue subordinate to the lien thereon of the Parity Bonds.

Section 15. Lost or Destroyed Bonds. If any Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver a new Bond of like amount, date and tenor to the Registered Owner thereof upon the owner's paying the expenses and charges of the City and Registrar in connection therewith and upon his or her filing with the City and Registrar evidence satisfactory to it that the Bond was actually lost, stolen or destroyed and of his or her ownership thereof, and upon furnishing the City and Registrar with indemnity satisfactory to them.

Section 16. Sale of Bonds.

(a) *Bond Sale.* The Bonds will be sold by negotiated sale to the Underwriter pursuant to the terms of the Purchase Contract. This Council has been advised that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Council. The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative the authority to approve the aggregate principal amount, payment dates, interest rates, maturity amounts, redemption and insurance provisions, and other terms for the Bonds. The Designated Representative is authorized to approve the terms of the Bonds, as described in the preceding sentence, so long as (i) the aggregate principal amount of the Bonds does not exceed \$2,500,000 and (ii) the true interest cost for the Bonds does not exceed \_\_\_\_%.

The Designated Representative is authorized to execute a Purchase Contract setting forth terms for the Bonds that (i) are consistent with the terms and conditions of this Section 16 and (ii) he has approved in accordance with this Section 16. Following execution of the Purchase Contract, the Designated Representative will provide a report to the Council describing the final terms of the Bonds. The report will be provided to the Council electronically on the date of the Bond sale, with a public report provided to the Council at its next regularly scheduled meeting. The authority granted to the Designated Representative by this Section 16 expires on December 31, 2014. If a Purchase Contract for the Bonds has not been executed on or prior to December 31, 2014, the authorization for the issuance of the Bonds will be rescinded, and the Bonds authorized under this ordinance may not be issued nor their sale approved unless the Bonds are re-authorized by ordinance. The ordinance re-authorizing the issuance and sale of the Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a Purchase Contract or establishing terms and conditions for the authority delegated under this Section 16.

The Designated Representative and other City officials, agents and representatives are authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bonds to the Underwriter and for the proper application and use of the proceeds of sale of the Bonds. In furtherance of the foregoing, the Designated Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including Underwriter's discount, the fees and expenses specified in the Purchase Contract, including fees and expenses of Underwriter and other retained services, including bond counsel, rating agencies, fiscal agency, financial advisory services, and other expenses customarily incurred in connection with issuance and sale of municipal bonds.

(b) *Preliminary and Final Official Statements.* The Designated Representative is authorized to review and approve on behalf of the City the preliminary and final Official Statements for the Bonds with such additions and changes as he may deem necessary or advisable. The Designated Representative is further authorized to deem final the preliminary Official Statement for purposes of the Rule.

(c) *Bond Insurance.* The Designated Representative is also authorized to consider proposals from bond insurers and determine whether the use of bond insurance is economically advantageous to the City. If the Designated Representative determines to obtain bond insurance, the Designated Representative is authorized to execute a commitment for insurance.

Section 17. Application of Bond Proceeds. Proceeds of sale of the Bonds will be deposited into a fund of the City to be established in the office of the Treasurer and designated as the "2014 Water and Sewer System Project Fund" (the "Project Fund"), which fund shall be drawn upon to pay costs of issuance of the Bonds and to pay costs of the Project.

Section 18. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the City's written undertaking for the benefit of the owners and beneficial owners of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The City agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), the following

annual financial information and operating data for the prior fiscal year (commencing in 2014 for the fiscal year ended December 31, 2013):

1. Annual financial statements of the City, which statements may or may not be audited, prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor under RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the heading "Historical Operating Results";

2. The principal amount of Parity Bonds and debt service coverage for Parity Bonds;

3. Water and sewer rates; and

4. Number of water and sewer customers of the City.

Items 2 – 4 are required only to the extent that such information is not included in the annual financial statements provided pursuant to 1.

The information and data described above will be provided on or before nine months after the end of the City's fiscal year. The City's fiscal year currently ends each December 31. The City may adjust such date if the City changes its fiscal year by providing written notice of the change of fiscal year and the new reporting date to the MSRB. In lieu of providing such annual financial information and operating data, the City may cross-reference to other documents available to the public on the MSRB's internet website or filed with the SEC.

If not provided as part of the annual financial information discussed above, the City will provide the City's audited annual financial statement prepared in accordance with regulations prescribed by the State Auditor pursuant to RCW 43.09.200 (or any successor statute), when and if available, to the MSRB.

(c) *Designated Events.* The City agrees to provide notice of the following events not in excess of ten business days after the occurrence of the event:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to the rights of Bondholders, if material;
- Bond calls, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the City;

- The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Solely for purposes of disclosure, and not intending to modify this undertaking, the City advises that no property secures repayment of the Bonds. The Reserve Account is the applicable debt service reserve.

(d) *Notification Upon Failure to Provide Financial Data.* The City agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of its failure to provide the annual financial information described in subsection (b) above on or prior to the date set forth in subsection (b) above.

(e) *EMMA; Format for Filings with the MSRB.* Until otherwise designated by the MSRB or the SEC, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at [www.emma.msrb.org](http://www.emma.msrb.org). All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) *Termination/Modification.* The City's obligations to provide annual financial information and notices of material events will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. This section, or any provision hereof, will be null and void if the City (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule that require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (2) notifies the MSRB of such opinion and the cancellation of this section. Notwithstanding any other provision of this ordinance, the City may amend this Section 18 and any provision of this Section 18 may be waived with an approving opinion of nationally recognized bond counsel.

In the event of any amendment of or waiver of a provision of this Section 18, the City will describe such amendment in the next annual report, and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (I) notice of such change will be given in the same manner as for a material event under Subsection (c), and (II) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if practical, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) *Bond Owner's Remedies Under This Undertaking.* The right of any owner or beneficial owner of the Bonds to enforce the provisions of the undertaking set forth in this section is limited to a right to obtain specific enforcement of the City's obligations hereunder, and any failure by the City to comply with the provisions of this undertaking is not an event of

default with respect to the Bonds under this ordinance. For purposes of this section, "beneficial owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding the Bonds through nominees or depositories.

Section 19. Supplements and Amendments.

(a) The Council from time to time and at any time may adopt an ordinance or ordinances supplemental hereof, which ordinance or ordinances thereafter shall become a part of this ordinance, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the City in this ordinance other covenants and agreements thereafter to be observed, which will not adversely affect the interests of the owners of any Parity Bonds in any material respect, or to surrender any right or power herein reserved to or conferred upon the City.

(2) To cure any ambiguities or correct or supplement any defective provision contained in this ordinance in regard to such matters or questions as the Council may deem necessary or desirable and not inconsistent with this ordinance and which will not adversely affect the interests of the owners of any Parity Bonds in any material respect.

(3) To amend or supplement any provision contained in this ordinance for the purpose of obtaining or maintaining a rating on the Parity Bonds so long as such amendment or supplement is not inconsistent with this ordinance and will not adversely affect the interests of the owners of any Parity Bonds in any material respect.

Any such supplemental ordinance may be passed without the consent of the owners of any Parity Bonds at any time outstanding, notwithstanding any of the provisions of subsection (b) of this section; provided, however, that the City shall obtain an opinion of nationally recognized bond counsel to the effect that the supplemental ordinance complies with this subsection (a).

(b) With the consent of the owners of not less than 65% in aggregate principal amount of the Parity Bonds at the time outstanding, the Council may adopt an ordinance supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(1) Extend the fixed maturity of any Parity Bonds, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the owner of each bond so affected; or

(2) Reduce the aforesaid percentage of bondowners required to approve any such supplemental ordinance, without the consent of the owners of all of the Parity Bonds then outstanding.

It shall not be necessary for the consent of bondowners under this subsection (b) to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

(c) Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City under this ordinance and all owners of Parity Bonds outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this ordinance for any and all purposes.

Section 20. General Authorization and Ratification. The Mayor, City Administrator, Treasurer, City Attorney, and other appropriate officers and agents of the City are authorized to take any actions and to execute certificates, agreements or other documents as in their judgment may be necessary or desirable to carry out the terms of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified.

Section 21. Severability. If any one or more of the covenants and agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 22. Effective Date. This ordinance shall become effective five days after its publication as provided by law.

PASSED by the City Council of the City of Sultan, Washington, at a regular meeting thereof held on \_\_\_\_\_, 2014.

CITY OF SULTAN, WASHINGTON

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Council Members

Attest:

\_\_\_\_\_  
City Clerk

CERTIFICATE OF CITY CLERK

I HEREBY CERTIFY that I am the duly chosen, qualified and acting City Clerk of the City of Sultan, Washington (the "City"), and keeper of the records of the City Council; and

1. That the attached ordinance is a true and correct copy of Ordinance No. \_\_\_\_\_ of the City (the "Ordinance"), as passed at a regular meeting of the City Council held on \_\_\_\_\_, 2014, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

---

City Clerk, City of Sultan

## SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

---

ITEM NO: Action A 4 and A 5

DATE: April 24, 2014

SUBJECT: Engagement Letters – Underwriting and Bond Counsel

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director 

### ISSUE:

The issue is to authorize the City Administrator to sign the Engagement Letters for:

- 1) D.A Davidson & Co. for Underwriting services
- 2) K & L Gates for Bond Counsel services

### SUMMARY:

The City Council authorized staff to proceed with a bond issue of \$2,500,000 for utility projects. Staff will need assistance from Bond Counsel and Underwriting service.

D.A. Davidson & Co. will provide the Underwriting Service for the bond. Services to be provided by Davidson: (Attachment A)

- The Issuer hereby engages Davidson to serve as managing underwriter of the proposed offering and issuance of the Securities, and in such capacity Davidson agrees to provide the following services:
- Review and evaluate the proposed terms of the offering and the Securities
- Develop a marketing plan for the offering, including identification of potential investors
- Draft the official statement and other offering documents
- Contact potential investors, provide them with offering-related information, respond to their inquiries and, if requested, coordinate their due diligence sessions
- Consult with Bond Counsel and other service providers about the offering and the terms of the Securities
- Inform the Issuer of the marketing and offering process
- Negotiate the pricing, including the interest rate, and other terms of the Securities
- Prepare materials to be provided to Standard & Poor's and develop strategies for a rating conference call presentation
- Obtain CUSIP number(s) for the Securities and arrange for their DTC book-entry eligibility
- Plan and arrange for the closing and settlement of the issuance and the delivery of the Securities
- Such other usual and customary underwriting services as may be requested by the Issuer

K & L Gates will provide Bond Counsel services. As bond counsel they will provide the following services: (Attachment B)

- Advise the City concerning the legal requirements applicable to the issuance and sale of bonds, notes or other obligations.
- Work with the City's lenders and underwriters to prepare the bond financing documents, including the bond resolution and notices of special meeting.

- Attend meetings held by the City regarding the issuance and sale of bonds, notes or other obligations when requested by the City.
- Prepare the closing documents and bonds for execution and delivery to the lender or underwriter.
- Coordinate the delivery and closing of the bonds.
- Deliver the final approving opinion of bond counsel to the City and its lender or underwriter regarding validity of bonds and tax-exemption of interest on the bonds.
- Assemble, prepare and provide to the City and other transaction participants transcripts of all proceedings and documentation in either proper form or in CD-ROM format.

**FISCAL IMPACT:**

K & L Gates fee will be \$12,500 and D.A. Davidson & Co. fee will be \$2,800 plus a percent of the principle amount of securities offered. All fees will be incorporated into the final cost for the bond issue.

**RECOMMENDED ACTION:**

Authorize the City Administrator to sign the Engagement Letters for:

- 1) D.A Davidson & Co. for Underwriting services
- 2) K & L Gates for Bond Counsel services

Attachments: A. D.A. Davison & Co Underwriting Engagement Letter  
B. K & L Gates Bond Counsel Engagement Letter



**D.A. Davidson & Co.**

member SIPC

Attachment A

April 8, 2014

Mr. Ken Walker, City Administrator  
Ms. Laura Koenig, Finance Director  
City of Sultan  
319 Main Street, Suite 200  
Sultan, WA 98294

Re: Underwriting Engagement Letter  
City of Sultan, Washington  
Water & Sewer Revenue Bonds, 2014

Dear Ken and Laura:

On behalf of D.A. Davidson & Co. ("we" or "Davidson"), we wish to thank you for the opportunity to serve as underwriter to the City of Sultan, Washington ("Issuer") on its proposed offering and issuance of Water & Sewer Revenue Bonds, 2014 (the "Securities"). This letter will confirm the terms of our engagement; however, it is anticipated that this letter will be replaced and superseded by a bond purchase agreement to be entered into by the parties (the "Purchase Agreement") if and when the Securities are priced following successful completion of the offering process.

1. Services to be Provided by Davidson. The Issuer hereby engages Davidson to serve as managing underwriter of the proposed offering and issuance of the Securities, and in such capacity Davidson agrees to provide the following services:

- Review and evaluate the proposed terms of the offering and the Securities
- Develop a marketing plan for the offering, including identification of potential investors
- Draft the official statement and other offering documents
- Contact potential investors, provide them with offering-related information, respond to their inquiries and, if requested, coordinate their due diligence sessions
- Consult with Bond Counsel and other service providers about the offering and the terms of the Securities
- Inform the Issuer of the marketing and offering process
- Negotiate the pricing, including the interest rate, and other terms of the Securities

Fixed Income Capital Markets

Columbia Center • 701 5th Avenue, Suite 4050 • Seattle, WA 98104 • (206) 389-4062 • 1-888-389-8001 • FAX (206) 389-4040

[www.davidsoncompanies.com/ficm/](http://www.davidsoncompanies.com/ficm/)

- Prepare materials to be provided to Standard & Poor's and develop strategies for a rating conference call presentation
- Obtain CUSIP number(s) for the Securities and arrange for their DTC book-entry eligibility
- Plan and arrange for the closing and settlement of the issuance and the delivery of the Securities
- Such other usual and customary underwriting services as may be requested by the Issuer

Davidson may provide incidental financial advisory services, including advice as to the structure, timing, terms and other matters concerning the issuance of the Securities. Davidson is required to make the following disclosure pursuant to MSRB Rule G-23: Davidson will be providing such advisory services in its capacity as underwriter and not as a financial advisor to the Issuer. As underwriter, Davidson will not be required to purchase the Securities except pursuant to the terms of the Purchase Agreement, which will not be signed until successful completion of the pre-sale offering period. This letter does not obligate Davidson to purchase any of the Securities.

2. No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (i) the primary role of Davidson, as an underwriter, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the issuer and Davidson and that Davidson has financial and other interests that may differ from those of the issuer; (ii) Davidson is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Davidson has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations Davidson has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to the Issuer it is free to engage a municipal advisor to serve in that capacity.

In addition, the Issuer acknowledges receipt of certain regulatory disclosures as required by the Municipal Securities Rulemaking Board that are attached to this agreement as Exhibit A. Issuer further acknowledges that Davidson may be required to supplement or make additional disclosures as may be necessary as the specific terms of the transaction progress.

3. Fees and Expenses. Davidson's proposed underwriting fee/spread will be 0.8% (or less) of the principal amount of the Securities issued. The underwriting fee/spread will represent the difference between the price that Davidson pays for the Securities and the public offering price stated on the cover of the final official statement. In addition to the underwriting fee/spread, the Issuer shall pay to Davidson a fee equal to \$2,800 (or less) as compensation for its services in assisting in the preparation of the official statement and providing various financial analyses, and for the use of Davidson's capital to advance certain costs prior to settlement, and to reimburse for Davidson's payment of CUSIP, DTC, IPREO (electronic book-running/sales order system), printing and mailing/distribution charges. The Issuer shall be responsible for paying or reimbursing Davidson for all other costs of issuance, including without limitation, bond counsel, underwriter's counsel (if any), rating

agency fee, and all other expenses incident to the performance of the Issuer's obligations under the proposed offering.

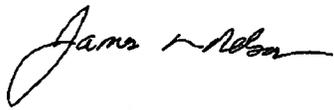
4. Term and Termination. The term of this engagement shall extend from the date of this letter to the closing of the offering of the Securities. Notwithstanding the forgoing, either party may terminate Davidson's engagement at any time without liability of penalty at any time with written notice to the other party. If Davidson's engagement is terminated by the Issuer, the Issuer agrees to reimburse Davidson for its out-of-pocket expenses incurred until the date of termination.

5. Miscellaneous. This letter shall be governed and construed in accordance with the laws of the State of Washington. This Agreement may not be amended or modified except by means of a written instrument executed by both parties hereto. This Agreement may not be assigned by either party without the prior written consent of the other party.

If there is any aspect of this letter that you believe requires further clarification, please do not hesitate to contact us. If the foregoing is consistent with your understanding of our engagement, please sign and return the enclosed copy of this letter.

Again, we thank you for the opportunity to assist you with your proposed financing and the confidence you have placed in us.

Very truly yours,  
D.A.DAVIDSON & CO.



By: \_\_\_\_\_

Title: Senior Vice President

This Letter and Agreement is hereby accepted for and on behalf of the City of Sultan on this \_\_\_ day of April, 2014.

By: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT A

D.A. Davidson & Co. (hereinafter referred to as “Davidson” or “underwriter”) intends/ proposes to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our services as sole underwriter, Davidson may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

### **Disclosures Concerning the Underwriters Role:**

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- (ii) The underwriters' primary role is to purchase the Bonds with a view to distribution in an arm's-length transaction with the Issuer. The underwriters financial and other interests may differ from those of the Issuer.
- (iii) Unlike a municipal advisor, underwriters do not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.
- (iv) Underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
- (v) The underwriter will draft and review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

### **Disclosures Concerning the Underwriters Compensation:**

As underwriter, Davidson will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

### **Additional Conflicts Disclosure:**

Davidson has not identified any additional potential or actual material conflicts that require disclosure

### **Risk Disclosures Pursuant to MSRB Rule G-17 - Fixed Rate Bonds**

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds (“Fixed Rate Bonds”), as well as a general description of certain financial risks that you should consider before deciding whether to issue Fixed Rate Bonds.

## **Financial Characteristics**

**Maturity and Interest.** Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

**Redemption.** Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all of the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates.

Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period of time, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

## **Security**

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below.

**Revenue Bonds.** The Bonds are special fund revenue obligations of the City payable from the Water & Sewer System Revenue Bond Account (the "Bond Fund") into which the City has obligated itself to pay certain amounts from, and secured by a pledge of and lien and charge on the Net Revenue, which is defined in the Bond Ordinance to include the Gross Revenue less Operating and Maintenance Expenses. The lien and charge of the Parity Bonds (including the Bonds, any Outstanding Parity Bonds and any Future Parity Bonds) on the Net Revenue is prior and superior to any other liens or charges whatsoever.

The description above regarding "Security" is only a brief summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

The Bonds are not obligations of the State, the County or any other municipal corporation other than the City.

## **Financial Risk Considerations**

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following:

**Issuer Default Risk.** You may be in default if the funds pledged to secure your bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. Budgetary adjustments may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

**Redemption Risk.** Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

**Refinancing Risk.** If your financing plan contemplates refinancing some or all of the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your ability to refund the bonds to take advantage of lower interest rates.

**Reinvestment Risk.** You may have proceeds of the bonds to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as “negative arbitrage”.

**Tax Compliance Risk.** The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds.

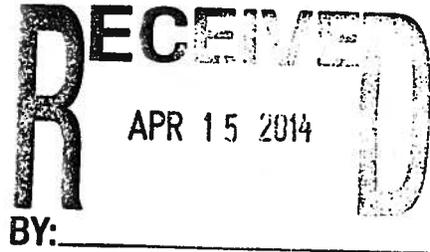
The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.



K&L GATES LLP  
925 FOURTH AVENUE  
SUITE 2900,  
SEATTLE, WA 98104-1158  
T +1 206 623 7580 F +1 206 623 7022 klgates.com



April 14, 2014

David O. Thompson  
David.thompson@klgates.com

T +1 (206) 370-8395  
F +1 (206) 370-6191

Ms. Laura Koenig  
Clerk/Deputy Finance Director  
City of Sultan  
P.O. Box 1199  
Sultan, WA 98294-1199

Re: **Confirmation of Engagement**

Dear Laura:

It has been several years since K&L Gates LLP (the "Firm" or K&L Gates") last represented the City of Sultan (the "City") as bond counsel, so we are pleased to assist the City in connection with its 2014 water and sewer revenue bonds. Because it has been more than two years since our last engagement, the Firm's policy is to request from the City a reconfirmation of the terms of our engagement.

To that end, I enclose our Terms of Engagement for Legal Services (the "Terms") which supplement this letter and include additional information regarding our legal services, our relations with our clients, our billing and payment arrangements, potential conflicts, and other matters. These Terms will apply to all matters in which we may represent the City, except as you and we may otherwise expressly agree.

Please review this letter and the Terms carefully. If they are not consistent with your understanding of our engagement in any respect or if you have any questions concerning the nature and terms of our engagement, please contact me as soon as possible so that we can promptly address your concerns.

#### **The Scope of Our Engagement**

The Firm is being engaged to act as counsel solely for the City and not for any affiliated entity (including parents and subsidiaries), shareholder, partner, member, manager, director, officer or employee not specifically identified herein.

As bond counsel, we provide the following services:

1. Advise the City concerning the legal requirements applicable to the issuance and sale of bonds, notes or other obligations.
2. Work with the City's lenders and underwriters to prepare the bond financing documents, including the bond resolution and any notices of special meeting.
3. Attend meetings held by the City regarding the issuance and sale of bonds, notes or other obligations when requested by the City.
4. Prepare the closing documents and bonds for execution and delivery to the lender or underwriter.
5. Coordinate the delivery and closing of the bonds.
6. Deliver the final approving opinion of bond counsel to the City and its lender or underwriter regarding validity of bonds and tax-exemption of interest on the bonds (if applicable).
7. Assemble, prepare and provide to the City and other transaction participants transcripts of all proceedings and documentation in either paper form or in CD-ROM format.

### **Our Charges**

Our fees as bond counsel are typically based on the principal amount and type of the bonds and the method of sale. Fees are all inclusive. There are no additional charges for expenses or follow-up inquiries.

Our fee will be a fixed fee, payable only upon the issuance of the bonds and is customarily paid from bond proceeds. Our fees for a fixed rate water and sewer revenue bond issue in the approximate principal amount of \$2,500,000, sold in a typical underwriting, would be \$12,500.

### **Our Billing and Payment Arrangements**

We will generally render our statement for bond counsel fees at the closing and delivery of the bonds. We would normally expect payment to be made on the date of closing or in any event no later than 30 days thereafter.

**Our Staffing of Your Engagement and Communications with You**

I will be your principal contact with respect to the Firm's representation of the City. Our representation of you will be staffed by other partners, associates and other professional staff as may be appropriate under the circumstances. We will endeavor to keep you apprised of significant developments in the course of our engagement, to consult with you about our work on an ongoing basis and to obtain your direction on critical issues.

You should contact me with any questions you may have about our work or any other aspect of our representation of the City. You can reach me at the office (206-370-8395) or on my mobile telephone (206-963-2877) at your convenience.

**Conflicts of Interest**

We have searched the Firm's conflicts database and have found no conflicts of interest, as defined by the applicable rules of professional conduct, that exist as this time. With respect to conflicts of interest that may arise in the future during our engagement by you, the Terms includes a Conflict of Interest section in which you agree to a limited, prospective waiver. This means that, if all the conditions set forth therein are met, including that the matter is not substantially related to the matters we handled or are handling for you, the Firm (1) may represent another client in a matter in which its interests are adverse to your interests, and (2) may represent as a client any individual or entity that is or has been adverse to you. Please review this section, as well as all other sections of the Terms, in detail.

**Our Agreement**

In providing legal services to you, absent timely advice from you to the contrary, we will act in reliance upon the understanding that this letter and the enclosed Terms constitute our mutual understanding with respect to the terms of our retention.

In order that we may each have a fully-executed copy for our files, please sign and return to me the enclosed copy of this letter. Please scan and email a copy of the signed letter to me, then mail the signed original to me by regular first class mail.

On behalf of K&L Gates, I thank you for the opportunity to continue representing the City. We look forward to serving you.

Very truly yours,



David O. Thompson

Enclosure: Terms of Engagement for Legal Services

I confirm our engagement of K&L Gates LLP as set forth herein and in the enclosed Terms of Engagement.

City of Sultan, Washington

---

Ken Walker  
City Administrator

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

## **K&L GATES LLP**

### **TERMS OF ENGAGEMENT FOR LEGAL SERVICES**

Thank you for selecting K&L Gates LLP ("K&L Gates") to represent you and to provide legal services as described in our engagement letter. These Terms of Engagement for Legal Services (the "Terms"), together with our engagement letter, set forth the basis upon which K&L Gates will provide legal services to you. Absent a contrary agreement between us, we will understand that our engagement letter and these Terms supersede any prior oral understandings between us and together form the contract ("Engagement Contract") for our initial engagement and any subsequent assignments upon which you and we may mutually agree.

We believe it is important to establish clearly the basic terms of our engagement at the outset. Accordingly, if you have any questions concerning these Terms, please contact the lawyer responsible for your engagement so that your questions or concerns may be addressed and resolved promptly.

#### **INTRODUCTION**

K&L Gates comprises multiple affiliated entities: a limited liability partnership named K&L Gates LLP qualified in Delaware ("K&L Gates-US," the "Firm," or "we" or "us" as the context requires) and maintaining offices in certain states throughout the United States and in Beijing ("K&L Gates LLP Beijing Representative Office"), Berlin, Doha, Dubai, Frankfurt, Seoul ("K&L Gates LLP Seoul Foreign Legal Consultant Office"), Shanghai ("K&L Gates LLP Shanghai Representative Office"), and Singapore; an Australian multi-disciplinary partnership maintaining offices in Brisbane, Melbourne, Perth and Sydney ("K&L Gates-AUS"); a limited liability partnership (also named K&L Gates LLP); incorporated in England and Wales and maintaining offices in London and Paris ("K&L Gates-UK"); a Delaware general partnership ("K&L Gates Belgium") maintaining an office in Brussels; a Hong Kong general partnership ("K&L Gates, Solicitors") maintaining an office in Hong Kong; a professional association established and organized under the laws of Italy named Studio Legale Associato with an office in Milan; a Delaware limited liability company ("K&L Gates Holdings LLC") maintaining an office in Moscow; a general partnership organized under the laws of Brazil named K&L Gates LLP - Consultores em Direito Estrangeiro/Direito Norte-Americano, with an office in São Paulo; a Taiwan general partnership ("K&L Gates") maintaining an office in Taipei; a joint enterprise formed in accordance with Japanese regulations ("K&L Gates Gaikokuho Joint Enterprise") maintaining an office in Tokyo; and a Polish

limited partnership ("K&L Gates Jamka sp.k") maintaining an office in Warsaw.

#### **OTHER K&L GATES ENTITIES**

You agree that, as your agent, we may engage other K&L Gates entities to assist us in carrying out our engagement, where appropriate and with notice to you. In that event, each K&L Gates entity will operate under its Terms, a copy of which will be supplied to you at the time the other K&L Gates entity is engaged.

You agree that you will not be a client of another K&L Gates entity unless we have so engaged it on your behalf, as described above, or unless you directly engage it to provide legal services to you.

Numerous countries in which our offices are located have enacted Anti-Money Laundering ("AML") laws. If K&L Gates lawyers in any of these offices are engaged to assist you in matters within the scope of our engagement, it will be necessary to comply with the applicable AML laws. In connection therewith, we or lawyers from the appropriate office may be required to obtain additional, specific evidence of client identity from you and/or to report certain transactions to the authorities. If these AML requirements are applicable, you will be informed of the details needed for compliance.

#### **OUR LAWYER-CLIENT RELATIONSHIP**

The Firm has been engaged to represent only the client(s) named in our engagement letter ("you" or the "Client"), even if someone other than you, including an insurer, is responsible for paying, or has agreed to pay, our statements. Accordingly, absent a specific, separate engagement to represent such other persons or entities, (1) if our Client is an individual, the Firm has not agreed to represent, and is not representing, any other person or any affiliated entity; (2) if our Client is a corporation, partnership, joint venture or other entity, the Firm has not agreed to represent, and is not representing, any of your constituents, including directors, officers, employees, managing agents, partners, members, shareholders, affiliates (including parents and subsidiaries) or other persons associated with you; and, (3) if our Client is a trade association or other member organization, the Firm has not agreed to represent, and is not representing, any director, officer, member of or other entity represented by you or any of your other constituents.

In addition, the Firm's engagement to represent you is limited to the matter(s) described in our engagement letter and to any additional matters for which the Firm expressly agrees to provide legal representation.

You acknowledge that the Firm has not provided you with legal advice concerning the terms and conditions of our Engagement Contract.

### **OUR CHARGES FOR LEGAL SERVICES**

#### **A. Legal Fees**

Our fees as bond counsel are typically based on the principal amount of the Bonds and the method of sale. Our proposed fees are described in the cover letter. All fees are payable only upon the closing of the loan or issuance of bonds or notes. Fees are all inclusive. There are no additional charges for expenses or follow-up inquiries.

### **OUR BILLING AND PAYMENT ARRANGEMENTS**

#### **A. Billing**

We will send a final bill after completion of our work upon issuance of the bonds.

#### **B. Payment**

We will expect payment to be made at closing or in any event within thirty days after your receipt of our statement. Payment should be made by you in the full amount of our statement and you will be responsible also for any withholding tax or other deduction that may be chargeable to you by the relevant taxing authorities or by a governmental entity. If our statements are not paid in a timely manner, we reserve the right to defer further work on your account and, where such arrearage is not resolved after notice of delinquency is given to you, to terminate our representation of you. Under such circumstances, you agree to consent to, and not oppose, such termination and to sign a substitution of counsel and/or such other document as may be reasonably necessary to effect the Firm's termination of our lawyer-client relationship, including the Firm's withdrawal of its prior appearance in any court or other litigated proceeding. The termination of our lawyer-client relationship shall not affect your ongoing responsibility for any fees or other charges incurred as of the date of our notice of termination.

#### **C. Third Party Payment Responsibility**

If a third party (including an insurer) undertakes to pay any portion of the Firm's bills, (1) you will remain responsible for payment of any amounts billed by the Firm and not paid by that third party, (2) you hereby consent to the application of those funds to the outstanding balance of your account with the Firm and waive any right you might otherwise have to direct us to pay or apply those funds in

any other fashion, and (3) to the extent any such third party makes payment to us on your behalf accompanied by directions as to what portion of outstanding fees and expenses are to be covered by such payment, you hereby consent to us adhering to those directions and waive any right you might otherwise have to direct us to pay or apply those funds in any other fashion. If you are awarded legal fees or costs by a court or other party, you will remain responsible for payment of the Firm's billed fees and other charges, even if the award to you is less than the amounts we have billed you. Where we have agreed to represent multiple clients in a matter, each client will be jointly and severally responsible for payment of the Firm's statements.

#### **D. Questions**

If you have any questions about any statement that we submit to you, you should contact the lawyer responsible for your engagement as soon as you receive it so that we may understand and address your concerns promptly.

### **TERMINATION**

#### **A. Your Right to Terminate**

You may terminate our engagement on any or all matters at any time, with or without cause. Your termination of our services will not affect your responsibility to pay for billed and unbilled legal services rendered or other charges incurred as of the date of termination and, where appropriate, for such expenses as we may incur in effecting an orderly transition to successor lawyers of your choice.

#### **B. Our Right to Terminate**

Subject to any applicable ethical rule or legal requirement, the Firm reserves the right to terminate its representation of you, subject to such permission from any court or tribunal as may be required under the circumstances. In such event, we will provide you with reasonable notice of our decision to terminate and afford you a reasonable opportunity to arrange for successor lawyers, and we will assist you and your successor lawyers in effecting a transition of the engagement. Reasons for the Firm's termination may include your breach of our Engagement Contract including, without limitation, failure to pay outstanding statements in a timely manner as set forth above, the risk that continued representation may result in our violation of applicable rules of professional conduct or legal standards or of our obligations to any tribunal or third parties, your failure to give us clear or proper direction as to how we are to proceed or to cooperate in our representation of your interests, or other good cause.

#### **C. Termination Upon Conclusion**

Unless it is previously terminated, our representation of you, and our lawyer-client relationship

with you, will be deemed to have been terminated upon the conclusion of our services and our delivery of our final statement for the services described in our engagement letter and any additional matters for which the Firm has expressly agreed to provide representation.

**D. Post-Engagement Matters**

After the conclusion or termination of our representation of you as described in our engagement letter and these Terms, changes in relevant laws, regulations or decisional authorities may affect your rights and obligations. Unless you engage the Firm to provide future services and to advise you with respect to any issues that may arise in the future as a result of such changes, we will have no continuing obligation to advise you with respect to future legal developments.

**OUR COMMUNICATIONS WITH CLIENTS**

The Firm's lawyers strive to keep our clients reasonably informed about the status of our engagements and promptly to comply with reasonable requests for information. To enable us to provide effective representation, you agree to be truthful and to cooperate with us in the course of the engagement and to keep us reasonably informed of material developments.

If there are particular limitations on how you would like us to communicate with you, please advise us in advance about your preferences. Unless you advise us to the contrary, however, we will assume that communication by e-mail and fax is acceptable to you. Absent special arrangements, we do not employ encryption technologies in our electronic communications.

**CONFIDENTIALITY**

**A. Confidentiality and Disclosure**

We owe a duty of confidentiality to all our clients. Accordingly, you acknowledge that we will not be required to disclose to you, or use on your behalf, any documents or information in our possession with respect to which we owe a duty of confidentiality to another client or former client.

**B. Disclosure to Certain Third Parties**

You agree that we may, when required by our insurers, auditors or other advisers, provide details to them of any matter or matters on which we have represented you.

**C. Disclosure to Other K&L Gates Entities**

You agree that we may disclose confidential information relating to you, or any matters on which we are representing you, to other K&L Gates entities.

**D. Data Protection**

• Any information, including personal data, that K&L Gates collects in our global legal practice may be controlled, stored and processed in, and transferred among, any of our offices and with such contractors as we engage to assist us in our practice, and may be transferred to and through any country, including countries that may not have privacy (data protection) legislation and regulations comparable, for example, to countries in the European Economic area. The location of our offices and of such contractors may change from time to time, and we may acquire offices and engage contractors in other countries at any time. We understand that, in engaging the Firm, you expressly consent to all such control, storage, processing and transfers.

**CONFLICTS OF INTEREST**

The Firm's lawyers, acting in a variety of practice areas and in multiple jurisdictions, provide and will provide legal services to thousands of current clients and future clients. Those clients may be competitors, customers, suppliers or have other business dealings and relationships inter se. As a result, those clients may have matters in which their interests are actually or potentially adverse to one another.

In these circumstances, the Firm's ability (1) to represent you in any matter involving, directly or indirectly, another client, and (2) to represent as a client any individual or entity that is or has been adverse to you will be governed exclusively by applicable rules of professional conduct, unless otherwise agreed to by you and the Firm and, as appropriate, any other Firm client. To allow the Firm to represent both you and other current and future clients in pending or future matters to the fullest extent consistent with applicable ethical restrictions, we request our clients to agree to a limited waiver of certain actual or potential conflicts of interest.

Specifically, by this engagement, (1) you agree that the Firm can represent other clients whose interests are actually or potentially adverse to you and can represent as a client any individual or entity that is or has been adverse to you, provided that: (a) the matter is not substantially related to any current or concluded matter in which the Firm has represented you; (b) in carrying out any such other representation, the Firm shall not violate the duty of confidentiality that we owe to you; and, (c) prior to undertaking the other representation, the Firm has reasonably concluded, in the existing circumstances, including this consent, that the Firm can provide competent and diligent representation to you and each other affected client and that the other representation complies with applicable ethical standards; and, (2) you agree that you will not seek to disqualify us from representing other clients with respect to any matters where such provisos are satisfied.

You further agree that, if you choose to withdraw your consent to the Firm's representation of another client in any

such other representation, you will, at our request, engage other counsel, and, after any brief and reasonably necessary transition period (for which we will not bill you), you will permit us to terminate our representation of you unless any rule or statute or tribunal with jurisdiction precludes us from doing so.

We have a large and diverse transactional patent practice. You agree that no conflict of interest is presented when, on behalf of other Firm clients, we render patentability, infringement and validity opinions regarding, and advance patentability arguments over, patents and/or patent applications owned, licensed or controlled by you, but not handled by our law firm.

We also have a large and diverse transactional trademark practice. You agree that no conflict of interest is presented when, on behalf of other Firm clients, we render registrability, infringement and validity opinions regarding, and advance registrability arguments over, registered or unregistered trademarks and/or trademark registration applications owned, licensed or controlled by you, but not handled by our law firm.

Finally, you agree that, for the purposes of determining whether any conflict may exist, only the client(s) identified in our engagement letter, and not any affiliated entity or person, shall be considered our client.

#### **OPPOSING LAWYERS**

In addition to our representation of business and not-for-profit entities as well as individuals, we also regularly serve as legal counsel to lawyers and law firms. From time to time, we engage other lawyers and law firms to represent us. As a result, opposing lawyers in a matter may be a lawyer or law firm that we represent now or may represent in the future. Likewise, opposing lawyers in a matter may represent us now or in the future. Further, we have professional and personal relationships with many other lawyers, often because of our participation in professional organizations. Collectively, these situations are common in the legal field. We believe that these relationships with other lawyers will not adversely affect our ability to represent you.

#### **DOCUMENT RETENTION**

Your original hard copy documents and property, described further below, will be returned to you upon conclusion of our representation of you on a particular matter (unless they are relevant to another matter on which we continue to represent you) and, upon our receipt of payment for outstanding fees and other charges, subject to applicable Rules of Professional Conduct. At that time, you will also have the opportunity to accept the remainder of your entire client file, including lawyer work product. Some K&L Gates offices maintain files in a digital image format. If you request your file from any of those offices, we will provide it in an electronic format on a CD, DVD or other medium. Should you decide not to accept your remaining

file at that time, you authorize us to destroy your files at our discretion. If you do not request the return of your file at the time your matter is concluded, we may retain or destroy the file without further notice to you.

Original documents and property, if not returned to you for any reason, will be designated for permanent retention and will not be destroyed without your prior approval. Such items include, but are not limited to, money orders, travelers checks, stocks and bonds, final executed releases, settlement agreements, contracts and sale or purchase agreements, judgments, deeds, titles, easements, wills and trusts, powers of attorney and all other dispositive estate planning documents.

You agree that our drafts of documents, notes, internal working papers, internal e-mail and electronic databases shall be and remain the property of K&L Gates LLP and shall not be considered part of your client file.

The Firm retains the right to make copies of your file, at our expense, for our own information and retention purposes.

#### **FIRM LAWYERS' PRIVILEGE**

We believe it is in your interest as well as the Firm's interest that, in the event ethical or other legal issues arise during our representation of you, including conflict of interest issues or potential disputes between us, the Firm lawyers working on your behalf are able to receive informed, confidential advice regarding their obligations. Accordingly, if we determine in our discretion that it is necessary or advisable for Firm lawyers to consult with our internal or outside counsel, you agree that they may do so and that you recognize the Firm has a lawyer-client privilege protecting the communications between the Firm lawyers working on your behalf and the Firm's internal or outside counsel.

#### **NEW YORK FEE DISPUTE PROCESS**

If any of our New York licensed lawyers work on this matter and if a material portion of the legal services we provide to you takes place in New York, you may have an option to invoke arbitration should a fee dispute arise between you and us during or at the conclusion of this engagement. Specifically, in any civil matter where the fee dispute involves a sum of up to \$50,000, you may have a right to compel resolution by binding arbitration. In addition, whether or not binding arbitration is available, both you and we are encouraged to seek resolution of lawyer-client disputes, including fee disputes, through mediation, and the New York Courts and Bar have established a program for mediation of such disputes by an impartial mediator. In the event that any fee dispute should arise in this engagement which is not promptly and satisfactorily resolved between us, we shall furnish you with further details concerning the procedures and effects of arbitration and mediation, so that you can make an informed decision as to how to proceed in the circumstances.

## SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

**Agenda Item #:** Action A 6

**Date:** April 24, 2014

**SUBJECT:** Medical Insurance – Mayor

**CONTACT PERSON:** Laura Koenig, Clerk/Deputy Finance Director

**ISSUE:**

The issue before the Council is to add Insurance coverage for the Mayor to the City's medical plan. In accordance with the AWC Benefit trust underwriting rules, in a strong Mayor/Council form of government, the Council can add medical insurance for the Mayor only.

**SUMMARY:**

At the April 10, 2014 Council meeting, medical insurance coverage for all elected officials was discussed. There was concern expressed from citizens and the Council regarding the potential \$35,000 cost to add four members of the Council to existing policy. The matter was tabled with a request for additional information.

The Mayor is the chief executive official for the city and as such is on call 24/7 to deal with City issues. The Mayor is currently paid \$500.00 for these duties. Over the past five years, the Mayor and Council pay has been discussed at least once annually. The Mayor current makes \$.685 per hour (24\*365=8,760 hours/\$6000). If the Council added the medical benefit to the Mayor's pay, the hourly rate would increase to \$1.69.

The monthly cost for coverage for medical, dental and vision is \$735.25 per month. For employees, the City pays 95% of the employee's coverage (\$698.49 per month). The employee coverage is based on the current Union contract and ordinance for non-represented employees. The Council must make a decision on the amount the city would be willing to pay to cover the Mayor.

Coverage %	City	Mayor
95%	\$698.49	\$69.11
75%	\$551.44	\$183.81
50%	\$367.63	\$367.63

The Council needs to authorize staff to update the Employer Master Participation Agreement with AWC Employee Benefit Trust to add the coverage. The coverage could be effective on June 1, 2014. The Council may need to amend the ordinance regarding Council pay. (Attachment A)

**FISCAL IMPACTS:** Maximum annual impact for the Mayor is \$8,823 if the city pays 100%. The fund allocation will be the same as the salary distribution.

Attachment: Draft Ordinance to amend Council pay.

**CITY OF SULTAN  
WASHINGTON  
ORDINANCE NO. 1195-14**

**AN ORDINANCE OF THE CITY OF SULTAN, WASHINGTON,  
ADOPTING A COUNCIL SALARIES; PROVIDING FOR  
SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS the City has determined the method of payment for attendance at city meetings should be periodically reviewed; and

WHEREAS, the Council has not changed the method of payment to council members since January 2011; and

WHEREAS, the change in the method of payment to council members will not increase the monthly pay;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Salaries shall be set as follows:

**2.05.020 Salaries set.**

The mayor and city council members shall receive salaries as follows:

Mayor	\$500.00 per month <b>plus health insurance benefits</b>
Councilmember	\$50.00 per council meeting/ \$25.00 per other meetings not to exceed \$150 per month

Section 2. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 3. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force on December 1, 2011.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE DAY OF ,  
2014.

CITY OF SULTAN

\_\_\_\_\_  
Carolyn Eslick, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Laura Koenig, City Clerk

Approved as to form:

\_\_\_\_\_  
Danielle Evans, City Attorney

Published:

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

---

**ITEM NO:** A-7

**DATE:** April 24, 2014

**SUBJECT:** Ordinance 1193-14 – Extension of Preliminary Plat Approval,  
Twin Rivers Ranch Subdivision

**CONTACT PERSON:** Robert Martin, Community Development Director



**ISSUE:**

The issue before the Council is to consider adoption of Ordinance 1193-14 to extend the time line of preliminary plat approval of Twin Rivers Ranch Subdivision as provided by RCW 58.17.140.

**STAFF RECOMMENDATION:**

Staff recommends that Council adopt Ordinance 1193 -14, an Ordinance authorizing the Preliminary Plat of Twin Rivers Subdivision to be regulated by the time line authorized by RCW 58.17.140 (3)(b), thereby extending the preliminary plat to December 20, 2017.

**SUMMARY:**

Approval of a preliminary subdivision plat involves public hearing and recommendation from the Hearing Examiner, and final approval by the City Council. The process is regulated by state statute with certain limited options allowed for cities and counties. After approval of the preliminary plat, the developer has a time line, specified by State Statute, within which the final plat must be submitted for approval and recording.

The recent recession resulted in a near collapse of the land development industry. State Statutes were repeatedly amended to recognize the time delay realities caused by the recession.

Twin Rivers Ranch Subdivision Preliminary Plat, fronting on the Skykomish River south of Dyer Rd., was proposed by Mr. Dan Ramirez, and was approved by the Hearing Examiner and the City Council. It is coming to the end of its time line as specified by Statute.

This item is proposed to provide additional time for filing of the final plat due to peculiar time sequences involved in the preliminary plat approval in 2007 and 2008 as presented in the History Section below.

**HISTORY:**

- After an extremely lengthy review and hearing process starting in 2006, Twin Rivers Ranch Subdivision Preliminary Plat was recommended for Council approval by the Hearing Examiner on **December 20, 2007**. (See Attachment B)
- Council action to accept the Hearing Examiner's recommendation and approve the preliminary plat took place on **January 24, 2008**.

- Based on the Council approval date, the preliminary plat approval will expire on January 24, 2015 (**seven years from the date of approval**) due to the limitations of RCW 58.17.140 (3)(a).
- RCW 58.17.140 (3)(b) allows preliminary plats to be valid for ten years from the date of approval, but only if they were approved prior to **December 31, 2007**. Twin Rivers missed this cutoff date by 24 days, so it is set by statute to expire on **January 24, 2015**.
- RCW 58.17.140(4) provides that local jurisdictions may adopt ordinances establishing alternative deadlines for processing of final plats (as long as the alternatives are not shorter time lines than provided by the statute).
- If Twin Rivers Subdivision were to be considered approved at the date of Hearing Examiner's affirmative recommendation to the City Council, the Preliminary Plat would be valid until **December 20, 2017**.

**PROPOSED FINDINGS :**

The train of logic leading to the proposed ordinance is as follows:

- RCW 58.17.140(4) allows local options to extend deadlines by ordinance.
- Twin Rivers received Hearing Examiner approval prior to the cutoff date of December 31, 2007, the qualifying date for the 10-year final plat process.
- Council approval came only 24 days after, the deadline for the 10-year final plat process.
- No public interest is served by imposing a deadline on this plat which results from dates selected by State legislative process that could not have been foreseen in 2007 and 2008.
- Extension of the deadline to the 10-year time line provided by RCW 58.17.140 (3)(b) will provide ample time for development and filing of the final plat of Twin Rivers Ranch Subdivision.

This Ordinance effectively allows Twin Rivers Ranch Subdivision to be subject to the ten-year final submittal time line authorized by RCW 58.17.140 (3)(b), based on the fact that the Hearing Examiner's date of approval was December 20, 2007. This date is prior to the December 31, 2007 cutoff date called for in this Statute.

This will result in Twin Rivers being subject to the cutoff date of December 20, 2017. Mr. Ramirez will have until that date to accomplish development and submittal/filing of the final plat.

**ATTACHMENTS:**

Attachment A: Ordinance 1193-14, Establishing the date of approval for Twin Rivers

Attachment B: Cover sheet and decision sheet, Hearing Examiner, Dec. 20, 2007.

Attachment C: Council Resolution approving Twin Rivers Preliminary Plat, Jan. 24, 2008

ATTACHMENT A  
DRAFT

**CITY OF SULTAN  
WASHINGTON**

**ORDINANCE 1193-14**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SULTAN,  
WASHINGTON, ADOPTING AN EXTENSION OF TIME FOR  
SUBMITTAL OF THE FINAL PLAT OF TWIN RIVERS RANCH  
SUBDIVISION, AS PROVIDED BY RCW 58.17.140, UNTIL DECEMBER  
20, 2017; AND PROVIDING FOR SEVERABILITY.**

---

WHEREAS, Twin Rivers Ranch Subdivision Preliminary Plat was recommended for Council approval by the Hearing Examiner on December 20, 2007; and

WHEREAS, Council action to accept the Hearing Examiner's recommendation and approve the Preliminary Plat of Twin Rivers Ranch took place on January 24, 2008 in accordance with the procedure in the Sultan Municipal Code in effect at the time; and

WHEREAS, without modification of the time lines, the Council's preliminary plat approval of Twin Rivers Ranch Preliminary Plat will expire on January 24, 2015, seven years from the date of approval, due to the time lines of RCW 58.17.140(3)(a) for expiration of preliminary plats approved after December 31, 2007; and

WHEREAS, RCW 58.17.140(3)(b) allows preliminary plats to be valid for 10 years from the date of approval, if they were approved prior to December 31, 2007; and

WHEREAS, Twin Rivers Ranch missed qualifying for the 10-year time line provided by RCW 58.17.140(3)(b) by 24 days due to the time necessary to move the action from the Hearing Examiner to the City Council; and

WHEREAS, the Sultan City Council finds that the date the Hearing Examiner recommended approval of the Twin Rivers Ranch Subdivision Preliminary Plat should be the official date of approval; and

WHEREAS, the Sultan City Council finds designating December 20, 2007 as the date of approval will avoid penalizing the applicant from the accidental timing involved in processing this preliminary plat proposal; and

WHEREAS, the Sultan City Council finds that the timing of process involved at the Hearing Examiner and the City Council in the last month of 2007 and the first month of 2008 meets the intent of RCW 58.17.140(3)(b), which provides for a 10-year expiration of a preliminary plat; and

WHEREAS, RCW 58.17.140(4) provides that local jurisdictions may adopt ordinances establishing alternative deadlines for processing of final plats; and

WHEREAS, there is reasonable expectation that the region is recovering from the economic conditions which initiated adoption of the statutory extensions; and

WHEREAS, Twin Rivers Ranch plat, if developed, could contribute to the public interest by providing needed housing and economic development of the community; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SULTAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Expiration Date Extended. The deadline for filing the final plat of Twin Rivers Ranch Subdivision is hereby set as December 20, 2017, 10 years after the date of the Hearing Examiner's recommendation to City Council for approval of the Preliminary Plat of Twin Rivers Ranch.

Section 2. All Other Standards in Effect. Nothing in this ordinance shall have the effect of, or be construed to relieve the developer of Twin Rivers Ranch Subdivision from meeting any and all procedural, environmental, and development standards applicable to the development at the time of development and submittal of the final plat.

Section 3. Findings. The recitals set forth above are hereby adopted as the City Council's findings in support of this code amendment. The City Council may, in its discretion, adopt additional findings at the conclusion of the public hearing.

Section 4. Severability. If any one or more section, subsection, or sentence of this ordinance is held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

Section 5. Effective Date. This ordinance becomes effective five days (5 days) after publication.

ADOPTED BY THE CITY COUNCIL OF SULTAN, WASHINGTON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2014, AND SIGNED INTO AUTHENTICATION THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2014.

APPROVED:

\_\_\_\_\_  
Carolyn Eslick, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Danielle Evans, City Attorney

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Laura Koenig, City Clerk

**Introduction:**  
**Final Action:**  
**Posted:**  
**Published:**

BEFORE the HEARING EXAMINER of the  
CITY of SULTAN

RECOMMENDATION

FILE NUMBERS: FPCUP07-001 and SMP07-001

APPLICANT: Dan Ramirez

TYPE OF CASE: Concurrent: 1) Preliminary subdivision (*Twin Rivers Ranch Estates*); 2) Plat Modifications to waive the public shoreline access requirement and to allow a longer-than-standard cul-de-sac; 3) Conditional Use Permit to cluster the lots; and 4) Shoreline Management Act Substantial Development Permit for the subdivision

STAFF RECOMMENDATION: Approve subject to conditions

SUMMARY OF RECOMMENDATION: APPROVE subject to revised conditions

DATE OF RECOMMENDATION: December 20, 2007

INTRODUCTION

Dan Ramirez (Ramirez), P.O. Box 623, Sultan, Washington 98294, seeks preliminary approval for *Twin Rivers Ranch Estates*, a 16 lot single-family residential cluster subdivision of an 8.56 acre site zoned Low/Moderate density (LMD) located on the bank of the Skykomish River. Cluster subdivisions require issuance of a Conditional Use Permit (CUP). [Sultan Municipal Code (SMC) 16.12.010(D)(2)] Ramirez filed the preliminary cluster subdivision application, together with requests for plat modifications and for a Shoreline Management Act (SMA) Substantial Development Permit (SDP) for the subdivision, on September 17, 2007. (Exhibit 1A <sup>1</sup>) The Sultan Department of Community Development (DCD) deemed the applications complete on September 18, 2007. (Exhibit 2) <sup>2</sup>

---

Exhibit citations are provided for the reader's benefit and indicate: 1) The source of a quote or specific fact; and/or 2) The major document(s) upon which a stated fact is based. While the Examiner considers all relevant documents in the

(Footnote continued on next page.)

ATTACHMENT B

be prepared by DCD when it transmits the SDP and supporting exhibits to the state as required by Chapter 90.58 RCW.

- F. A few minor, non-substantive structure, grammar, and/or punctuation revisions to the Recommended Conditions will improve parallel construction, clarity, and flow within the conditions. Such changes will be made.

### RECOMMENDATION

Based upon the preceding Findings of Fact and Conclusions, the testimony and evidence submitted at the open record hearing, and the Examiner's site view, the Examiner **RECOMMENDS APPROVAL** of:

- A. The requested plat modifications for cul-de-sac length and for elimination of public access to the Skykomish River;
- B. The proposed preliminary subdivision of *Twin Rivers Ranch Estates*;
- C. The requested Conditional Use Permit to allow clustering within *Twin Rivers Ranch Estates*; and
- D. The requested Substantial Development Permit for *Twin Rivers Ranch Estates*,

**ALL SUBJECT TO THE ATTACHED CONDITIONS.**

Recommendation issued December 20, 2007.

\s\ John E. Galt (Signed original in official file)

John E. Galt,  
Hearing Examiner

### NOTICE OF RIGHT OF RECONSIDERATION

This Recommendation, dated December 20, 2007, is subject to the right of reconsideration pursuant to SMC 2.26.120(D). Reconsideration may be requested by the applicant, a party of record, or the City. Reconsideration requests must be filed in writing with the City Clerk/Treasurer not later than 5:00 p.m., local time, on December 31, 2007 (which is the first business day after the tenth calendar day after the date of mailing of this Decision). Any reconsideration request shall specify the error of law or fact, procedural error, or new evidence which could not have been reasonably available at the time of the hearing conducted by the Examiner which forms the basis of the request. Any reconsideration request shall also specify the

CITY OF SULTAN  
Sultan, Washington

RESOLUTION NO. 08-06

**A RESOLUTION OF THE CITY OF SULTAN ACCEPTING THE HEARING EXAMINER'S RECOMMENDATION, INCLUDING HIS FINDINGS OF FACT AND CONCLUSIONS OF LAW, WITH MINOR MODIFICATIONS, GRANTING DAN RAMIREZ PRELIMINARY SUBDIVISION APPROVAL FOR TWIN RIVER RANCH ESTATE, A SIXTEEN LOT SINGLE FAMILY SUBDIVION, GRANTING A PLAT MODIFICATION TO WAIVE PUBLIC SHORELINE ACCESS REQUIREMENTS AND ALLOWING A LONGER-THAN-STANDARD CUL-DE-SAC, GRANTING A CONDITIONAL USE PERMIT TO CLUSTER THE LOTS AND GRANTING A SHORELINE MANAGEMENT ACT SUBSTANTIAL DEVELOPMENT PERMIT FOR THE SUBDIVISION**

**WHEREAS** Dan Ramirez filed an application for approval of Twin River Ranch Estates, a 16-lot residential cluster subdivision for single family development requiring modification or waiver of plat requirements and a Shoreline Management Act Substantial Development Permit;

**WHEREAS** an open record hearing occurred before the City's Hearing Examiner on December 11, on the application, the City Hearing Examiner issued a Recommendation dated December 20, 2007;

**WHEREAS** the application came before the City Council for a closed record hearing on the "Recommendation" on January 24, 2008;

**WHEREAS** the City Council has determined based upon a review of the open record hearing to accept the Hearing Examiner's Recommendation, Findings of Fact and Conclusions of Law, but to make certain modifications as set out in this Resolution;

**NOW, THEREFORE** it is resolved by the City Council of the City of Sultan as follows

- A. Except for modifications as set out in paragraph B below, The City Council accepts the Hearing Examiner's Recommendation, Findings of Fact, Conclusions of Law and grants approval of (a) the preliminary plat of Twin Rivers Ranch Estates, a 16 lot single family cluster subdivision, (b) modifies by waiver public access to the shoreline, (c) modifies and approves a longer-than standard cul-de-sac, (d) grants a conditional use permit to allow clustering of the lots, and (e) grants a Substantial Development Permit for the subdivision under the Shoreline Management Act of the State of Washington.

ATTACHMENT C

- B. The Hearing Examiner Recommendation is modified only in the following respects:
- a. Condition #10 is revised to state: The Applicant/Developer is responsible for any improvements to the City's water system which are necessary to provide adequate flow to the site, as deemed necessary by the City Engineer. The Developer/Owner shall be required to relocate and extend on-site water lines as shown on Exhibit 1H, Sheet P3, Preliminary Sewer, Water and Storm Drainage Plan.
  - b. Condition #11 is revised to state: The Applicant/Developer is responsible for any necessary extension and improvements to the City's sewer system in order to provide sewer service to the site, as deemed necessary by the City Engineer. The Developer/Owner shall be required to relocate and extend on-site sewer lines as shown on Exhibit 1H, Sheet P3, Preliminary Sewer, Water and Storm Drainage Plan. The City will be the lead in the permitting process with the BNSF Railroad.
  - c. Condition #17 is revised to state: The Skywall and Foundry Drive intersection south of the BNSF track shall be constructed to incorporate the recommendations of the City's Traffic Consultant (Exhibit 15) and be regulated as a controlled intersection. The Foundry Drive BNSF crossing shall be ~~widened and~~ improved by the Applicant/Developer only to the extent necessary to provide a safe crossing and street alignment, as determined by the City Engineer. The City will be the lead in any required permitting process with the BNSF Railroad.

**PASSED BY THE** Sultan City Council and **APPROVED** by the Mayor this 24<sup>th</sup> day of JANUARY 2008.

**CITY OF SULTAN**

By Carolyn Eslick  
Carolyn Eslick, Mayor

Attest:

By Laura Koenig  
Laura Koenig, City Clerk