

**CITY OF SULTAN  
COUNCIL MEETING – COMMUNITY CENTER  
May 22, 2014**

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

**CHANGES/ADDITIONS TO THE AGENDA**

**PRESENTATIONS**

- 1) Public Works Week – Employee Recognition
- 2) Girl Scouts
- 3) Spice Use – Video
- 4) Sno-Isle Library Annual Report

**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) Code Enforcement
- 2) Animal Control
- 3) Public Works
- 4) Planning Board Minutes

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

- 1) Approval of the May 8, 2014 Council Meeting Minutes
- 2) Approval of the May 8, 2014 Public Hearing minutes on the 2014 Budget Amendments
- 3) Approval of Vouchers
- 4) Excused absence of Councilmember McCarty from the May 22, 2014 Council meeting

**ACTION ITEMS:**

- 1) BHC Contract – Mapping
- 2) Alder Avenue Bid Award
- 3) Banner Signs (Boom Town)
- 4) WH Pacific Contract Extention
- 5) Ordinance 1196-14 – Bond Ordinance (final)
- 6) Interlocal Agreement – Conservation Futures
- 7) Trane Proposal

**DISCUSSION:** Time Permitting

**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)

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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ITEM NO: Presentations 1,2 and 3

DATE: May 22, 2014

SUBJECT: Presentations

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

**SUMMARY:**

The Council will have three presentations at the May 22, 2014 Meeting:

1. Girl Scouts
2. Video on Spice Use
3. Library Annual Report

**SULTAN CITY COUNCIL**  
**AGENDA ITEM COVER SHEET**

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**ITEM NO:** Presentation – 1  
**DATE:** May 22, 2014  
**SUBJECT:** Public Works Staff Recognition  
**CONTACT PERSON:** Connie Dunn, Public Works Field Supervisor

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**ISSUE:**

The Week of May 19, 2014 is National Public Works Week. Also, we would like to recognize staff for longevity of service to the City of Sultan

**SUMMARY:**

The City of Sultan will be recognizing staff years of service and the Public Works Department for their work at Sultan.

**RECOMMENDATION:**

- Recognize the Public Works staff because Public Works Week is May 19-24, 2014:
  - Mick Matheson
  - Connie Dunn
  - Julie Addington
  - James Barns
  - Mike Williams
  - John Harris
  - Todd Strom
  - Matt Wood
  - Jason Strauss
  - John Keller
  - Janice Mann
  - Cyd Donk
  
- Recognize years of service 5 years and greater:
  - Laura Koenig
  - Donna Murphy
  - Connie Dunn
  - Julie Addington
  - Mike Williams
  - Jim Barns
  - Cyd Donk
  - John Harris
  - Todd Strom
  - Janice Mann
  - Rosemary Murphy

**SULTAN CITY COUNCIL  
AGENDA COVER SHEET**

VF

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**ITEM NO:** SR-1

**DATE:** May 22, 2014

**SUBJECT:** Community Service Officer

**CONTACT PERSON:** Victoria Forte', Community Service Officer

**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 Animals Abandoned	Aggressive Animal Complaints	Bite Dogs/Cats	Cruelty/Neglect	Investigation Complaints	Cat 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	0	0	13	1	0	0	3	0	1	1	3	
May (13th)	0	0	8	4	1	0	2	0	0	0	0	
June												
July												
August												
September												
October												
November												
December												
<b>Yearly Totals</b>												

**SULTAN CITY COUNCIL  
AGENDA COVER SHEET**

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VF

**ITEM NO:** SR-2  
**DATE:** May 22, 2014  
**SUBJECT:** Community Service Officer  
**CONTACT PERSON:** Victoria Forte', Community Service Officer

**STAFF RECOMMENDATION:**  
Receive Report, no action required

**BACKGROUND:**  
Code Enforcement Report

Project lead	Start Date	Case #	Property Address	Owner Name	Unsafe Structure, building or fence	Parked Cars/Trailers on Property/Street	Noxious Weeds	Over-Growth/hazard	Sight Obstruction	Vehicle Obstruction	Accumulation of rubbish / Trash	No permits/Business License	Illegal building structure	ADU's Inhabited trailer coaches	Other	1st	2nd	most recent	Final
Sub	3.26.2012	12-423	14006 339th St SE	Wolter												4.3.2012	10.16.2012	1.3.2013	
	1.15.2013	13-300	402 8th Place	Sunquist/pending repo												1.22.2013	3.18.2013		
???	2.5.2013	13-305	707 Alder Ave	Jordan						x	x					2.12.2013			
Bob	3.26.2013	13-317	Willow Run East	HOA												4.7.2013	4.16.2013	5.7.2013	No sign permit
	4.16.2013	13-321	Cemetery Road	Swezey			x									5.7.2013	5.14.2013		
	8.6.2013	13-380	Steen Park	Green				x	x							8.6.2013	9.6.2013	10.15.2013	3.25.2014
	8.12.2013	13-381	311 4th street	pending repo	X														see 13-408
	8.20.2013	13-384	208 Skywall Drive	Beuhler				x	x							8.20.2013			
	9.3.2013	13-386	913 Fir Ave	Fed National Mortgage	x			x	x							9.10.2013			1.7.2014
	9.30.2013	13-393	Ixtapa building	AGM inc									x			9.30.2013	10.21.2013	4.22.2014	5.5.2014
	9.30.2013	13-394	33818 SR2	Estate Motors Inc									x			10.4.2013	11.12.2013	11.20.2013	
	9.30.2013	13-395	Marcus Street duplex	Jessup		x										9.27.2013	10.21.2013		1.7.2014
	11.19.2013	13-403	912 1st Street	Rogers/pending repo						x						11.19.2013	4.22.2014		
	11.19.2013	13-404	516 Stevens Ave	Turner							x					11.19.2013			1.7.2014
	12.16.2013	13-407	716 Main Street	Moats									x			12.17.2013	3.24.2014		4.15.2014
	12.18.2013	13-408	311 4th Street	foreclosure	x											4.2.2014	4.22.2014	5.12.2014	
	1.1.2014	14-400	107 Birch	Forrest			x									12.31.2013			1.6.2013
	1.7.2014	14-401	401 8th Street	rental mngmt co.						x	x	x				1.7.2014			1.13.2014
	1.7.2014	14-402	106 6th Street	Jerden												1.7.2014	3.24.2014		4.5.2014
	1.13.2014	14-403	719 Junction Lane	PennyMac Corp						x			x			2.18.2014	3.24.2014	5.13.2014	
	1.27.2014	14-404	207 Date Ave	Wiediger												2.25.2014			3.24.2014
	1.27.2014	14-405	209 Date Ave	Wiediger												2.25.2014			3.24.2014
	1.27.2014	14-406	Skywall Dr/ROMAC	Residents							x					1.28.2014			2.2014
	1.27.2014	14-407	Barmon Lumber/ROMAC	Barmon										x		1.28.2014			2.2014

Project lead	Start Date	Case #	Property Address	Owner Name	Unsafe Structure, building or fence	Parked Cars/Trailers on Property/Street	Noxious Weeds	Over-Growth/hazard	Sight Obstruction	Vehicle Obstruction	Accumulation of rubbish / Trash	No permits/Business License	Illegal building structure	ADU's Inhabited trailer coaches	Other	1st	2nd	most recent	Final	
	1.27.2014	14-408	32807 138th St SE	Sharp												x	2.25.2014	3.26.2014		
	1.27.2014	14-409	Skoglund	HOA													x	2.25.2014		3.24.2014
	1.27.2014	14-410	1115 Merea Lane	Lemke							x	x								2.2014
	1.28.2014	14-411	608 3rd Street	Midfirst Bank														2.25.2014	3.26.2014	4.22.2014
	1.13.2014	14-412	810 Pine Street	Glidewell/pending Repo																
	1.13.2014	14-413	406 Bell Street	Marshall			x											2.25.2014	3.10.2014	
	2.25.2014	14-414	466 Marilyn Lane	Thompson							x							2.25.2014	4.22.2014	5.6.2014
	2.25.2014	14-415	484 Marilyn Lane	Keijsompop							x	x						2.25.2014	3.6.2014	3.24.2014
	2.18.2014	14-416	717 Junction Lane	Shisler							x							2.25.2014	3.25.2014	
	2.18.2014	14-417	721 Junction Lane	French								x						2.25.2014	3.24.2014	4.22.2014
	2.18.2014	14-418	710 Murphy Lane	Whitt														2.25.2014	3.24.2014	4.07.2014
	3.11.2014	14-419	812 Dyer Rd	Giese							x							3.11.2014	3.25.2014	
	3.11.2014	14-420	100 Birch Ave	Meadows														3.11.2014		3.25.2014
	3.24.2014	14-421	413 Cedar Ave	Lewis														3.24.2014	4.22.2014	5.5.2014
	3.24.2014	14-422	718 Junction Lane	Haaland														x	3.25.2014	4.15.2014
Bob	3.24.2014	14-423	32822 132nd St SE	Wright							x	x								
	3.24.2014	14-424	13896 Beech Court	Mariano															3.24.2014	4.15.2014
	3.24.2014	14-425	4th/Fir	Seigle							x								3.24.2014	4.1.2014
	3.31.2014	14-256	707 Alder Ave	Jordan														x	3.31.2014	5.12.2014
	4.15.2014	14-257	212 Skywall Drive	HUD															4.22.2014	4.2.2014
	4.21.2014	14-258	219 Alder Ave	Valley															x	4.21.2014
	4.21.2014	14-259	13014 311th Ave SE																x	4.22.2014
	4.21.2014	14-260	32340 142nd Ave SE	foreclosure															x	5.5.2014
	4.15.2014	14-261	Marcus Street Mobile Park	Maxwell																x



## SULTAN CITY COUNCIL AGENDA ITEM COVER SHEET

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ITEM NO: SR – 3  
DATE: May 22, 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.

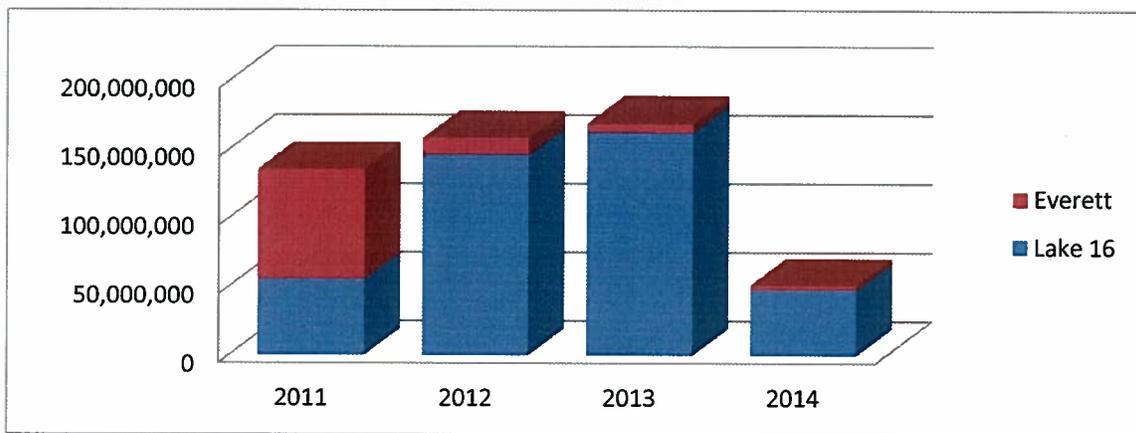
**ATTACHMENTS:**

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	48,148,000
Everett	80,360,632	11,943,316	6,154,544	3,561,228
Total Gallons	136,067,682	158,705,386	169,339,544	51,709,228
% Everett	59%	8%	4%	7%



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	SODA ASH 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	0.0
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	0.0
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	0.0
Apr-14	241.6	10,739,000	585,600	1,005,300	540,000	8,608,100	102	1.2	1,745	922	64.0	0.0
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>1,114.4</b>	<b>48,148,000</b>	<b>2,640,060</b>	<b>4,582,200</b>	<b>2,441,250</b>	<b>38,484,490</b>	<b>540</b>	<b>4.8</b>	<b>7,031</b>	<b>4,533</b>	<b>297.0</b>	<b>0.0</b>
<b>AVERAGE</b>	<b>278.6</b>	<b>12,037,000</b>	<b>660,015</b>	<b>1,145,550</b>	<b>610,313</b>		<b>135</b>	<b>1.2</b>	<b>1,758</b>	<b>1,133</b>	<b>74.3</b>	<b>0.0</b>

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

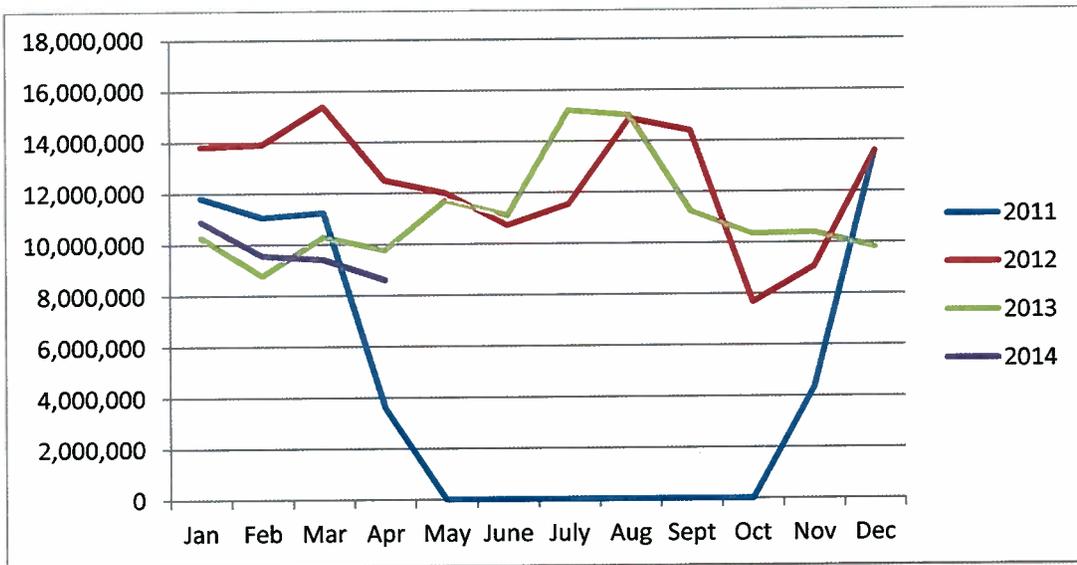
**CITY OF SULTAN  
Water Plant Production Past 6 years**

	<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	10,739,000
<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>48,148,000</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	8,608,100
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>38,484,490</b>
<b>AVG</b>	<b>4,642,254</b>	<b>12,461,483</b>	<b>11,162,920</b>	<b>9,621,123</b>

ALL NUMBERS ARE IN GALLONS



## 2014 WATER METER EXCHANGE SCHEDULE

Month-Year	Actual # Meters Changed	Program Goal	Remaining Meters at Month End
<b>Beginning Balance</b>			<b>275</b>
Jan-14	50	25	225
Feb-14	35	25	190
Mar-14	81	25	109
Apr-14	1	25	108
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	167	275	108



**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	10,541	0.351	0.533	0.282	7.06	6.3	6.6	97.9	98.8	119,782	49.36
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	126.11	\$13,248.00
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>550.19</b>	<b>\$57,782.00</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	1,483	-	-	-	-	-	-	-	-	5,913
Commercial	Recycle	18	18	18	18	-	-	-	-	-	-	-	-	72
Multifamily	Recycle	4	4	4	4	-	-	-	-	-	-	-	-	16
Residential	Yardwaste	314	314	314	331	-	-	-	-	-	-	-	-	1,273
Commercial	Yardwaste	3	3	3	3	-	-	-	-	-	-	-	-	12
Multifamily	Yardwaste	1	1	2	2	-	-	-	-	-	-	-	-	6

**City of Sultan  
Tonnage**

<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>
Commercial	Recycle	3.39	4.07	4.96	4.50	-	-	-	-	-	-	-	-	16.92
Multifamily	Recycle	2.48	2.91	2.95	2.35	-	-	-	-	-	-	-	-	10.69
Residential	Recycle	36.29	35.99	41.92	32.83	-	-	-	-	-	-	-	-	147.03
	<b>Total Recycle</b>	<b>42.16</b>	<b>42.97</b>	<b>49.83</b>	<b>39.68</b>	-	-	-	-	-	-	-	-	<b>174.64</b>
Commercial	Yardwaste	0.19	0.14	0.57	0.52	-	-	-	-	-	-	-	-	1.42
Multifamily	Yardwaste	0.04	0.03	0.11	0.10	-	-	-	-	-	-	-	-	0.28
Residential	Yardwaste	13.16	9.30	38.68	35.61	-	-	-	-	-	-	-	-	96.75
	<b>Total Yardwaste</b>	<b>13.39</b>	<b>9.47</b>	<b>39.36</b>	<b>36.23</b>	-	-	-	-	-	-	-	-	<b>98.45</b>

**Total Paid for Recycle \$11,935**

CEMETERY REPORT  
BURIALS

**103 Cemetery Operating Fund**

<b>Description</b>	<b>2014 BUDGET</b>	<b>2014 ACTUAL</b>
<b>Revenue</b>		
Beginning Balance	0	6,999
Cemetery Fees	25,000	6,751
Investment Interest	100	0
Total Resources	25,100	13,750
<b>Expenditures</b>		
Total Expenditures	23,440	7,166
<b>Ending Fund Balance</b>	<b>1,660</b>	<b>6,584</b>

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

**SULTAN CITY COUNCIL**

**AGENDA ITEM**

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**DATE:** May 22, 2014  
**SUBJECT:** Public Works Projects-Update  
**CONTACT PERSON:** Connie Dunn, Public Works Field Supervisor

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**ISSUE:**

The Public Works projects list and status report.

**SUMMARY:**

**Water:**

Mike Williams and Matt Wood continue to work hard to keep up with all the duties required to properly maintain Sultan and Startup Water Systems.

Matt Wood attended a Cross Connection-Water Use Surveys to Assess Risk training class April 22 and 23<sup>rd</sup>.

**Parks:**

Mowing of City Parks continues.

**Garbage:**

Thank you for approving the purchase of the new garbage truck and totes. The orders have been sent and are in process for the truck and body. The totes will be shipped May 20<sup>th</sup>.

**Staff:**

John Keller's first day employed at the City of Sultan was May 5, 2014. John lives in Sultan, grew up in Monroe and has worked the majority of his career as a Diesel Mechanic. John is a great asset for the City.

Thank you,  
Connie Dunn

**SULTAN CITY COUNCIL  
AGENDA COVER SHEET**

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**ITEM NO:** SR-4  
**DATE:** May 22, 2014  
**SUBJECT:** Planning Board Minutes  
**CONTACT PERSON:** Robert Martin, Community Development Director



**ISSUE:**  
Transmitting Planning Board Minutes from April 1, 2014 meeting.

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

**ATTACHMENT A:** Planning Board Minutes of April 1, 2014.

## ATTACHMENT A

### SULTAN PLANNING BOARD MINUTES

April 1, 2014

#### PLANNING BOARD MEMBERS PRESENT:

Lucy Hitchcock  
Gloria Reedy  
Geoffrey Evans  
Sean Gossett  
Janet Peterson

#### STAFF PRESENT:

Robert Martin, Director

#### CALL TO ORDER:

Call to Order at 7:04 p.m.

#### CHANGES TO THE AGENDA:

#### PUBLIC COMMENTS:

#### PLANNING BOARD MEMBER COMMENTS:

#### APPROVAL OF MINUTES:

Ms. Peterson moved adoption of the March 4, 2014 minutes with corrections made by the Board.

Ms. Reedy second.

All Ayes.

#### DISCUSSION AND STUDY ITEMS:

##### **D-1: Zoning Code Development: Review of; Table 18.82, Table 18.100, Table 18.162**

Table 18.82 gives the Height, Setback, and Dimensional Standards for all uses in all zones. Table 18.100 provides the off-street parking requirements for all uses in all zones. Table 18.162 gives the types of mobile homes allowed and the levels of review required for each zone.

The Board reviewed the tables and discussed how they operate in the code. The tables were affirmed for inclusion in the Planning Board Draft.

##### **D-2: Zoning Code Development: Revision of Impact Fee Provisions Chapter 18.152**

The proposed additions to Chapter 18.52, Impact Fees involve a deferral of the due-date. The current provisions require payment of impact fees at the time of permit issuance. The new proposal defers payment until the sale date, or 12-months from the date of permit issuance, whichever comes first.

The administration is proposing this change as an incentive for economic development. The Board reviewed this change and asked questions about implementation and administration.

The Board affirmed the revisions for inclusion in the Planning Board Draft.

**D-3: Zoning Code Development: Revision of Table of Contents**

Mr. Martin took the Board through the current Table of Contents, indicating that there will likely be additional changes in the final Planning Board Public Hearing Draft.

**PUBLIC HEARING AND ACTION ITEMS:**

**A-1: Set Public Hearing for recommendation to City Council on adoption of new proposed Title 18, Zoning Code.**

The Board set May 6, 2014 as the date for a public hearing on the Planning Board Draft of Title 18, Zoning Code.

Mr. Martin will distribute a copy of Title 18 corrected to current status approximately two weeks prior to the public hearing.

**A-2: Set Public Hearing: Public Hearing for recommendation to City Council on adoption of new proposed Title 18, Zoning Code.**

The Board set May 20, 2014 as the date for a special workshop meeting on Title 18. If the Board needs additional time to work on the Planning Board Draft prior to making a recommendation to the City Council, the workshop meeting will be used for that purpose. If that time is not needed, the workshop will be cancelled at the May 6 meeting.

**PLANNING BOARD MEMBER COMMENTS:**

**ADJOURNMENT:**

Mr. Evans moved to adjourn.  
Ms. Peterson second.

All Ayes.

Adjourned at 9:40

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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ITEM NO: Consent C 1  
DATE: May 22, 2014  
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director 

**SUMMARY:**

Attached are the minutes of the May 8, 2014 regular Council meeting as on file in the office of the City Clerk.

**RECOMMENDED ACTION:**

Approve as submitted.

**CITY OF SULTAN COUNCIL MEETING – May 8, 2014**

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

**CHANGES/ADDITIONS TO THE AGENDA:**

Consent: Add Excused absence of Councilmember Seehuus.

**COMMENTS FROM THE PUBLIC:**

Mark Willett: Lives at 806 Dyer Road a home he purchased 25 years ago not knowing it was flood property. He elevated the home and flood insurance was based on the elevation. It is now designated as Severe Flood loss and insurance has gone up. Under a new FEMA program, the City could do a buyout with 100% funding instead of the match of 25%. Requested the city look into the flood buyout program. He needs the City to submit a letter of intent to apply to the program – can't move forward without.

**COUNCILMEMBER COMMENTS**

McCarty: For the FEMA program, there is no cost to the city, was anyone else interested? If purchased, who owns the land? (All property owners were notified by mail. The City will own the land and it will create open space and may help CRS program). There was a conversation on burglaries at last meeting and he would like to work with people on installing alarms and networking.

Walker: There is a large timber sale proposed northeast of Gold Bar that would put money in the School system and economy. The County Executive is trying to hold up the sale and there needs to be some public pressure to move forward. State trust land should not be impacted by the County. Timber sales were shut down due to the spotted owl issue and the money was going to the school districts. The Sierra Club is opposed to the project. Timber funds can only be used for capital improvements.

Davenport-Smith: On the FEMA application, it would be interesting to look into the program. Once city goes forward, the land cannot be used for development of any kind. The City used FEMA money to buy the park property and it must remain open space. Skywall and Dyer both have flood issue, but what would the neighbors think about the open space. The application process takes a lot of time and energy. They had a great National Day of prayer gathering at the City hall last week – 20 attended.

Neigel: What is the time estimate to complete the application? (15-20 working hours). Are staff hours reimbursable under the program? (Must grants do not reimburse for the application process.) The City needs to be cautious. Is okay with the letter of intent only – no commitment to application.

Naslund: Great time at the Sky Valley Auction. Is on the committee to update the bi-laws for the Snohomish Counties Cities and Towns. Has been attending the School Board meeting and they have a \$500,000 budget problem. They received timber funds and did not offset the general funds and underestimated alternative student enrollment. They will eliminate the alternative learning center (Sky Valley Options) next year to balance the budget. On the Dyer property, they have discussed pocket parks and she would not like to see another pocket park. Need to look at all the properties and set priorities for the city.

**CITY OF SULTAN COUNCIL MEETING – May 8, 2014**

Beeler: Mr. Willett came to the Council and asked for help and other properties were provided notice but not approached the city. The job of government is to help the residents and he would support the letter of intent.

Kym Kenagy: Senior presentations are this week. Prom was great at Echo Falls. June 7<sup>th</sup> is graduation.

Mayor Eslick: Elizabeth Emmons received an award from WASA outstanding work – the Governor and Kurt Pearson were both present. Kids have been using a product called Spice and there were two overdoses this week. It is being abused and she heard it is being sold at the local tobacco shop. Student would like to give a presentation at next meeting.

**PRESENTATIONS:****Trane Presentation – Energy Grants**

The issue before council is to receive a presentation by Angela Estey of Trane Energy Services regarding the Washington State Department of Enterprise Services Energy Saving Performance Contract (ESPC) Program. Trane has completed their Detailed Investment Grade Audit Fee Proposal. The two projects identified are improvements to the Wastewater Treatment Facility and the Water Booster Pump Station.

The fees proposed are:

Wastewater Treatment Facility IGA Fee:	\$52,709
Booster Pump Station IGA Fee	\$190,903
Total Fixed Fee for IGA Services	\$243,612 + taxes

The cost of the Investment Grade Audit would be rolled into the final cost of the project should the City proceed with implementation of the subject projects. The Washington State Department of Enterprise Services manages the contract for the projects. Fees are negotiated and the city is not required to use the low bid. The project at the School District had issues with communication and the process has been changed.

**Council concerns:**

Davenport-Smith: They have a proposed fee for audit and she understands they have been working with the city for several months but other projects have used a selection process for consultants. She would like to see a list of other consultants for her own comfort level; would like to see options and see if cost are in line with other projects. Why can't the process be used for other projects?

Naslund: Did the State tell the City they needed it or did they approached the city? (Trane approached the City to determine if there were viable projects.) Have they been turned down by an agency after the work was complete? (yes).

Neigel: He saw the list of other cities and the lowest cost project was \$600,000, how did they fund the projects? (Used capital funds and grants.) The City is looking at spending \$250,000 to get a \$500,000 grant with no guarantee of funds. The process provides more control for the city but can only be used for the energy projects.

Walker: What is the life of project (50 years)

McCarty: The plan is to design for energy savings and improvements and this is a way of getting grant to help pay.

Beeler: The City has to spend \$250,000 on engineering either way and by going with Trane, they will identify energy efficiency.

Angie Estey: They can breakout the fee structure and cost for each element. The grants are not guaranteed. There are more saving for the sewer plant than the water plant. They have been working with Gray and Osbourne and RH2 to identify projects.

**CITY OF SULTAN COUNCIL MEETING – May 8, 2014**

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

- 1) Police Report
- 2) Finance

**HEARINGS:**

- 1) Budget Amendments – 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 Beeler, seconded by Councilmember Naslund the consent agenda was approved as amended. McCarty – aye, abstain on vouchers; Walker – aye; Davenport-Smith – aye, Neigel – aye, abstain on minutes; Naslund – aye; Beeler - aye.

- 1) Approval of the April 24, 2014 Council Meeting Minutes
- 2) Approval of Vouchers in the amount of \$127,308.82 and payroll through April 25, 2014 in the amount of \$77,292.58 to be drawn and paid on the proper accounts.
- 3) Excused absence of Councilmember Seehuus from the May 8, 2014 Council meeting.

**ACTION ITEMS:****Ordinance 1195-14- Amending 2014 Budget**

The issue before the Council is to introduce Ordinance 1195-14 to amend the 2014 Budget. A public hearing was held during the May 8, 2014 Council meeting.

On a motion by Councilmember Beeler, seconded by Councilmember Naslund, Ordinance 1195-14 to amend the 2014 Budget was adopted. All ayes.

**Solar Project – Final Acceptance**

The issue before the Council is the final acceptance of the Photovoltaic Solar Panel Project. The Solar Panel Project was a Snohomish County PUD funded project. The City received the grant in 2012, for the installation of the solar panels, public information kiosk, which includes the monitor, and educational information to the Sno-Isle Public Library.

Snohomish County Grant	\$48,502.00
Less	
NW Wind and Solar	\$51,021.37
Howe 2 Productions	\$ 1,031.70
Total Costs	\$52,053.07
Sales Tax Refund	\$ 3,030.28
Total City Cost	\$ 520.79

On a motion by Councilmember Neigel, seconded by Councilmember Davenport-Smith, the City accepted the Photovoltaic Solar Panel Project as complete; authorize staff to close out the project with NW Wind and Solar and submit the Notice of Completion to the required State agencies. All ayes.

**Dyer Road FEMA Letter of Intent:**

**Discussion:** Need to insure staff hours are covered by the grant; agreeing to submit letter of intent only at this time; most grants do not cover the cost of the application; need to make sure there is a benefit to the entire city; need to be cautious about staff time and consider all the costs and determine if administration is covered; no commitment until a contract is offered.

Councilmember Beeler moved to submit letter of intent, seconded by Councilmember Neigel. All ayes.

**CITY OF SULTAN COUNCIL MEETING – May 8, 2014**

**PUBLIC COMMENTS**

Ray George: The Council voted on issue that was not on the published agenda

**Adjournment:** On a motion by Councilmember Walker, seconded by Councilmember Naslund, the meeting adjourned at 9:00PM. All ayes.

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Carolyn Eslick, Mayor

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Laura J. Koenig, City Clerk

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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ITEM NO: Consent C 2  
DATE: May 22, 2014  
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

**SUMMARY:**

Attached are the minutes of the May 8, 2014 Public Hearing on the 2014 Budget Amendments as on file in the office of the City Clerk.

**RECOMMENDED ACTION:**

Approve as submitted.

## CITY OF SULTAN COUNCIL MEETING – May 8, 2014

**PUBLIC HEARING:**

The Public Hearing on the 2014 Budget Amendments was called to order by Mayor Eslick .  
Councilmembers present: McCarty, Walker, Neigel, Davenport-Smith, Naslund and Beeler.

**Staff:**

The issue before the Council is to hold a public hearing on proposed budget amendments to the 2014 Budget. The following funds will need a budget amendment:

- 001 General Fund                      \$ 18,090
- 104 Equipment Reserve              \$433,065
- 305 Park Improvements              \$ 7,570
- 401 Sewer Operating                  \$ 25,700

**001 General Fund:**

In December 2013, the City was notified by Snohomish County Planning and Development that the cost for the Comprehensive Plan docketed motion would be \$43,090.15. The County originally requested payment by January 24, 2014. This cost was not anticipated in the 2014 budget. The budget will be balanced using a combination of excess funds and a reduction in the staffing levels in the Planning Department.

Revenue	Original Budget	Amended Budget	Increase/Decrease
Beginning fund balance	\$0	\$0	\$0
Revenues	\$1,624,630	\$1,624,630	\$0
Total Fund Revenue	\$1,624,630	\$1,624,630	\$0
Expenditure	Original Budget	Amended Budget	Increase/Decrease
Planning Department	\$109,160	\$127,250	\$18,090
Total Fund Expenditures	\$1,589,726	1,607,816	\$18,090
Excess funds	\$34,904	\$16,814	

**104 Equipment Reserve Fund:**

At the April 24, 2014 Council meeting, the Council authorized staff to proceed with the purchase of a new garbage truck and curbside containers. The costs include:

Purchase of Cab & Chassis	2015 AutoCar Xpeditor	\$173,697.75
Purchase Body	Heil DuralPack 7000	\$162,551.98
Curbside Collection Carts	Toter – Gray	\$88,667.61
Retrofit 2006 Heil	Bayne	\$8,145.00

The original plan was to purchase the equipment in 2015 and it was not included in the adopted 2014 budget.

Revenue	Original Budget	Amended Budget	Increase/Decrease
Beginning fund balance	\$0	\$433,065	\$433,065
Transfers In	\$93,400	\$93,400	\$0
Total Fund Revenue	\$93,400	\$526,465	\$433,065
Expenditure	Original Budget	Amended Budget	Increase/Decrease
Capital Equipment	\$36,000	\$469,065	\$433,065
Total Fund Expenditures	\$36,000	\$469,065	\$433,065

## CITY OF SULTAN COUNCIL MEETING – May 8, 2014

**305 Park Improvement Fund**

In 2012, the city sold property to PUD that was purchased using Conservation Futures funds. In accordance with the contract, the city must pay the County a pro-rata share of proceeds based on the capital investment of the City versus the County. The City was required to pay Conservation Futures \$7,569.82 of the \$40,000 received.

<b>Revenue</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Increase/Decrease</b>
Transfers In (633)	\$0	\$7,570	\$7,570
Total Fund Revenue	\$0	\$7,570	\$7,570
<b>Expenditure</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Increase/Decrease</b>
Prof/Capital Expense	\$0	\$7,570	\$7,570
Total Fund Expenditures	\$0	\$7,570	\$7,570

**401 Sewer Operating:**

In July 2013, staff at the Wastewater Treatment Plant ordered pumps and equipment that should have been delivered in September – October 2013. Due to delays, the equipment was delivered in late December and the invoices were not paid until January 2014. Staff has requested a budget amendment to carry over the costs budget in 2013 and incurred in 2014. The fund balance from 2013 will be used to cover the costs.

<b>Revenue</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Increase/Decrease</b>
Beginning Fund Balance	\$0	\$25,700	\$25,700
Other revenues	\$1,291,412	\$1,291,412	\$0
Total Fund Revenue	\$1,291,412	\$1,317,112	\$25,700
<b>Expenditure</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Increase/Decrease</b>
Operating Expense	\$1,271,022	\$1,296,722	\$25,700
Total Fund Expenditures	\$1,271,022	\$1,296,722	\$25,700

Brief discussion on the repayment of Conservation Futures funds to the County.

**Public Input**

None

On a motion by Councilmember Davenport-Smith, 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**

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**ITEM #:** Consent 3  
**DATE:** May 22, 2014  
**SUBJECT:** Voucher Approval - 2014  
**CONTACT PERSON:** Laura Koenig, Clerk/Deputy Finance Director

**SUMMARY:**

Attached are the vouchers for approval in the amount of \$183,734.32 and payroll through May 9, 2014 in the amount of \$39,694.74 to be drawn and paid on the proper accounts.

**FISCAL IMPACT:** \$223,429.06

**RECOMMENDATION:**

Approve the payment of vouchers as submitted.

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**City Of Sultan  
Voucher Approval  
May 22, 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 #29298-99	\$ 3,005.74
Direct Deposit #10	\$ 25,594.05
Benefits Check #	\$ 0
Tax Deposit #PR 9	\$ 11,094.95
Accounts Payable Checks #29297,300-41	\$ 183,734.32
ACH Transactions - DOR	\$
 TOTAL	 \$ 223,429.06

\_\_\_\_\_  
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: 5/14/2014 - 11:08 AM



Check	Date	Vendor No	Vendor Name	Amount	Voucher
29300	05/22/2014	amtest	AM Test	375.00	0
29301	05/22/2014	AWWA	American Water Works Association	570.00	0
29302	05/22/2014	Aramark	Aramark Uniform Services - AUS We	577.13	0
29303	05/22/2014	APP	Associated Petroleum Products Inc	957.61	0
29304	05/22/2014	scct	Association of Snohomish County Citi	150.00	0
29305	05/22/2014	blueline	Blueline	1,954.00	0
29306	05/22/2014	blueline	Blueline	5,855.00	0
29307	05/22/2014	Builders	Builders Exchange of Washington, Inc	98.90	0
29308	05/22/2014	Chicago	Chicago Title	729.46	0
29309	05/22/2014	cintas	Cintas Document Management	500.00	0
29310	05/22/2014	comcast	Comcast	964.59	0
29311	05/22/2014	Herald	Daily Herald, The	412.80	0
29312	05/22/2014	Journal	Daily Journal of Commerce	516.80	0
29313	05/22/2014	DORBL	Department of Revenue	63.30	0
29314	05/22/2014	Elite	Elite Lock & Safe	883.35	0
29315	05/22/2014	EvDC	Evergreen District Court	421.41	0
29316	05/22/2014	eylander	Eylanders Sales & Service Inc	593.61	0
29317	05/22/2014	Frontier	Frontier	338.45	0
29318	05/22/2014	GCSys	GC Systems Inc.	4,568.80	0
29319	05/22/2014	Groco	Groco, Inc	3,159.04	0
29320	05/22/2014	Kenyon	Kenyon Disend PLLC	19,759.59	0
29321	05/22/2014	lusignan	Lusignan Forestry Inc.	4,860.44	0
29322	05/22/2014	MadCity	MadCity Buzz LLC	225.00	0
29323	05/22/2014	napa	Monroe Parts House	1,232.96	0
29324	05/22/2014	NWCas	Northwest Cascade Inc	297.95	0
29325	05/22/2014	NWWind	NW Wind & Solar	24,153.18	0
29326	05/22/2014	OfcDepot	Office Depot	446.18	0
29327	05/22/2014	Pitney	Pitney Bowes	520.99	0
29328	05/22/2014	PUD I	PUD	1,847.69	0
29329	05/22/2014	PugSoAir	Puget Sound Clean Air Agency	484.00	0
29330	05/22/2014	PSE	Puget Sound Energy	420.75	0
29331	05/22/2014	RH2	RH2 Engineering, Inc.	1,047.20	0
29332	05/22/2014	Sedgwick	Sedgwick CMS	330.16	0
29333	05/22/2014	SCcorrec	Snohomish County Corrections	2,094.84	0
29334	05/22/2014	SCpubwor	Snohomish County Finance	13,248.00	0
29335	05/22/2014	SRDTF	Snohomish County Sheriff	72,886.00	0
29336	05/22/2014	Snopac	Snopac	5,124.71	0
29337	05/22/2014	SoundT	Sound Tractor Co	8,764.02	0
29338	05/22/2014	USBank	US Bank	32.00	0
29339	05/22/2014	BluBook	USA Blue Book	475.51	0
29340	05/22/2014	UULC	Utilities Underground Location Center	23.10	0
29341	05/22/2014	Wagley	Wagley Creek Automotive, Inc	1,020.54	0
Check Total:				182,984.06	

# Payroll

## ACH Check Register

User: 'julie.addington'  
Printed: 05/13/2014 - 11:22AM  
Batch: 2-5-2014  
Include Partial: FALSE

PR.10



Check Date	Check Number	Employee No	Employee Name	Amount
05/16/2014	0	001	Laura Koenig	1,924.77
05/16/2014	0	004	Donna Murphy	1,341.72
05/16/2014	0	005	Robert Martin	1,706.39
05/16/2014	0	007	Julie Addington	1,620.69
05/16/2014	0	010	Cindy Donk	1,754.09
05/16/2014	0	011	Janice Mann	1,270.23
05/16/2014	0	013	Rosemary Murphy	1,200.26
05/16/2014	0	015	Kenneth Walker	2,154.07
05/16/2014	0	019	Michael Matheson	2,693.61
05/16/2014	0	020	Connie Dunn	1,934.49
05/16/2014	0	025	John Harris	1,800.30
05/16/2014	0	028	Todd Strom	1,558.77
05/16/2014	0	049	Victoria Forte	588.31
05/16/2014	0	120	Matthew Wood	2,072.06
05/16/2014	0	121	Jason Strauss	1,369.67
05/16/2014	0	123	John Keller	604.62
Total Employees:			16	Total: 25,594.05

# Payroll

## Computer Check Register

User: julie.addington  
Printed: 05/13/2014 - 11:14AM  
Batch: 00002-05-2014 Computer

PR.10



Check No	Check Date	Employee Information	Amount
29298	05/16/2014	024 Michael Williams	1,566.73
29299	05/16/2014	029 James Barns	1,439.01
Total Number of Employees: 2		Total for Payroll Check Run:	3,005.74

# Checks for Approval

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Amount
29297	05/05/2014	UTILITY WATER FUND	Communication	USPS	225.08
29297	05/05/2014	UTILITY SEWER FUND	Communication	USPS	225.08
29297	05/05/2014	UTILITY GARBAGE FUND	Communication	USPS	225.07
29297	05/05/2014	STORMWATER UTILITY FUND	Communication	USPS	75.03
29300	05/22/2014	UTILITY SEWER FUND	Sewer - Testing	AM Test	275.00
29300	05/22/2014	UTILITY WATER FUND	Water - Testing	AM Test	100.00
29301	05/22/2014	UTILITY WATER FUND	Travel and Seminars	American Water Works Association	285.00
29301	05/22/2014	UTILITY SEWER FUND	Travel and Seminars	American Water Works Association	285.00
29302	05/22/2014	STORMWATER UTILITY FUND	Uniforms	Aramark Uniform Services	0.96
29302	05/22/2014	UTILITY WATER FUND	Uniforms	Aramark Uniform Services	4.46
29302	05/22/2014	UTILITY SEWER FUND	Uniforms	Aramark Uniform Services	4.46
29302	05/22/2014	UTILITY GARBAGE FUND	Uniforms	Aramark Uniform Services	4.14
29302	05/22/2014	STREET FUND	Uniforms	Aramark Uniform Services	0.95
29302	05/22/2014	GENERAL FUND	Uniforms	Aramark Uniform Services	0.96
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	1.24
29302	05/22/2014	UTILITY WATER FUND	Operating Supply	Aramark Uniform Services	11.78
29302	05/22/2014	UTILITY SEWER FUND	Operating Supplies	Aramark Uniform Services	11.78
29302	05/22/2014	UTILITY GARBAGE FUND	Operating Supplies	Aramark Uniform Services	11.77
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	11.78
29302	05/22/2014	STREET FUND	Office/Operating Supplies	Aramark Uniform Services	11.78
29302	05/22/2014	STORMWATER UTILITY FUND	Uniforms	Aramark Uniform Services	1.10
29302	05/22/2014	UTILITY WATER FUND	Uniforms	Aramark Uniform Services	5.12
29302	05/22/2014	UTILITY SEWER FUND	Uniforms	Aramark Uniform Services	5.13
29302	05/22/2014	UTILITY GARBAGE FUND	Uniforms	Aramark Uniform Services	4.75
29302	05/22/2014	STREET FUND	Uniforms	Aramark Uniform Services	1.10
29302	05/22/2014	GENERAL FUND	Uniforms	Aramark Uniform Services	1.10
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	1.24
29302	05/22/2014	UTILITY WATER FUND	Uniforms	Aramark Uniform Services	4.46
29302	05/22/2014	STORMWATER UTILITY FUND	Uniforms	Aramark Uniform Services	0.96
29302	05/22/2014	UTILITY SEWER FUND	Uniforms	Aramark Uniform Services	4.46
29302	05/22/2014	UTILITY GARBAGE FUND	Uniforms	Aramark Uniform Services	4.14
29302	05/22/2014	STREET FUND	Uniforms	Aramark Uniform Services	0.95
29302	05/22/2014	GENERAL FUND	Uniforms	Aramark Uniform Services	0.96
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	1.24
29302	05/22/2014	STORMWATER UTILITY FUND	Uniforms	Aramark Uniform Services	0.96
29302	05/22/2014	UTILITY WATER FUND	Uniforms	Aramark Uniform Services	4.46
29302	05/22/2014	UTILITY SEWER FUND	Uniforms	Aramark Uniform Services	4.46
29302	05/22/2014	UTILITY GARBAGE FUND	Uniforms	Aramark Uniform Services	4.14
29302	05/22/2014	STREET FUND	Uniforms	Aramark Uniform Services	0.95
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	0.96
29302	05/22/2014	STORMWATER UTILITY FUND	Uniforms	Aramark Uniform Services	1.24
29302	05/22/2014	UTILITY WATER FUND	Uniforms	Aramark Uniform Services	0.96
29302	05/22/2014	UTILITY SEWER FUND	Uniforms	Aramark Uniform Services	4.46
29302	05/22/2014	UTILITY GARBAGE FUND	Uniforms	Aramark Uniform Services	4.46
29302	05/22/2014	STREET FUND	Uniforms	Aramark Uniform Services	4.14



29302	05/22/2014	UTILITY WATER FUND	Uniforms	Aramark Uniform Services	3.86
29302	05/22/2014	UTILITY SEWER FUND	Uniforms	Aramark Uniform Services	3.87
29302	05/22/2014	UTILITY GARBAGE FUND	Uniforms	Aramark Uniform Services	3.58
29302	05/22/2014	STREET FUND	Uniforms	Aramark Uniform Services	0.83
29302	05/22/2014	GENERAL FUND	Uniforms	Aramark Uniform Services	0.83
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	1.24
29302	05/22/2014	UTILITY WATER FUND	Operating Supply	Aramark Uniform Services	11.38
29302	05/22/2014	UTILITY SEWER FUND	Operating Supplies	Aramark Uniform Services	11.38
29302	05/22/2014	UTILITY GARBAGE FUND	Operating Supplies	Aramark Uniform Services	11.39
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	11.38
29302	05/22/2014	STREET FUND	Office/Operating Supplies	Aramark Uniform Services	11.38
29302	05/22/2014	GENERAL FUND	Uniforms	Aramark Uniform Services	0.83
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	1.24
29302	05/22/2014	GENERAL FUND	Uniforms	Aramark Uniform Services	0.83
29302	05/22/2014	STORMWATER UTILITY FUND	Uniforms	Aramark Uniform Services	3.86
29302	05/22/2014	UTILITY WATER FUND	Uniforms	Aramark Uniform Services	3.86
29302	05/22/2014	UTILITY SEWER FUND	Uniforms	Aramark Uniform Services	3.87
29302	05/22/2014	UTILITY GARBAGE FUND	Uniforms	Aramark Uniform Services	3.58
29302	05/22/2014	STREET FUND	Uniforms	Aramark Uniform Services	0.83
29302	05/22/2014	UTILITY WATER FUND	Operating Supply	Aramark Uniform Services	20.63
29302	05/22/2014	UTILITY SEWER FUND	Operating Supplies	Aramark Uniform Services	20.64
29302	05/22/2014	UTILITY GARBAGE FUND	Operating Supplies	Aramark Uniform Services	20.63
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	20.64
29302	05/22/2014	STREET FUND	Office/Operating Supplies	Aramark Uniform Services	20.63
29302	05/22/2014	STORMWATER UTILITY FUND	Uniforms	Aramark Uniform Services	0.96
29302	05/22/2014	UTILITY WATER FUND	Uniforms	Aramark Uniform Services	4.46
29302	05/22/2014	UTILITY SEWER FUND	Uniforms	Aramark Uniform Services	4.46
29302	05/22/2014	UTILITY GARBAGE FUND	Uniforms	Aramark Uniform Services	4.14
29302	05/22/2014	STREET FUND	Uniforms	Aramark Uniform Services	0.95
29302	05/22/2014	GENERAL FUND	Uniforms	Aramark Uniform Services	0.96
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	1.24
29302	05/22/2014	UTILITY WATER FUND	Operating Supply	Aramark Uniform Services	11.60
29302	05/22/2014	UTILITY SEWER FUND	Operating Supplies	Aramark Uniform Services	11.60
29302	05/22/2014	UTILITY GARBAGE FUND	Operating Supplies	Aramark Uniform Services	11.59
29302	05/22/2014	GENERAL FUND	Office/Operating Supplies	Aramark Uniform Services	11.60
29302	05/22/2014	STREET FUND	Office/Operating Supplies	Aramark Uniform Services	11.60
29303	05/22/2014	UTILITY GARBAGE FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	286.33
29303	05/22/2014	GENERAL FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	478.80
29303	05/22/2014	UTILITY SEWER FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	34.95
29303	05/22/2014	UTILITY WATER FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	131.67
29303	05/22/2014	CEMETERY FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	8.62
29303	05/22/2014	STREET FUND	Vehicle Operation/Maintenance	Associated Petroleum Products Inc	8.62
29303	05/22/2014	GENERAL FUND	Vehicle Maintenance	Associated Petroleum Products Inc	8.62

29304	05/22/2014	GENERAL FUND	Organization Dues	Snohomish County Cities & Towns	150.00
29305	05/22/2014	STREET IMPROVEMENT FUND	4th Street Project	BlueLine	1,954.00
29306	05/22/2014	STREET IMPROVEMENT FUND	High Ave Project	BlueLine	5,855.00
29307	05/22/2014	STREET IMPROVEMENT FUND	Alder Avenue Project	Builders Exchange of Washington, Inc.	98.90
29308	05/22/2014	STREET IMPROVEMENT FUND	Miscellaneous	Chicago Title	729.46
29309	05/22/2014	UTILITY GARBAGE FUND	CPG Grant - Clean UP	Cintas Document Management	500.00
29310	05/22/2014	STREET FUND	Communication	Comcast	53.94
29310	05/22/2014	UTILITY WATER FUND	Communication	Comcast	53.95
29310	05/22/2014	UTILITY SEWER FUND	Communication	Comcast	53.94
29310	05/22/2014	UTILITY GARBAGE FUND	Communication	Comcast	53.95
29310	05/22/2014	STORMWATER UTILITY FUND	Communication	Comcast	53.94
29310	05/22/2014	GENERAL FUND	Communication	Comcast	238.36
29310	05/22/2014	GENERAL FUND	Communication	Comcast	29.69
29310	05/22/2014	UTILITY WATER FUND	Communication	Comcast	19.80
29310	05/22/2014	UTILITY WATER FUND	Communication	Comcast	19.80
29310	05/22/2014	UTILITY SEWER FUND	Communication	Comcast	19.79
29310	05/22/2014	UTILITY GARBAGE FUND	Communication	Comcast	9.90
29310	05/22/2014	STREET FUND	Communication	Comcast	119.17
29310	05/22/2014	UTILITY WATER FUND	Communication	Comcast	119.18
29310	05/22/2014	UTILITY SEWER FUND	Communication	Comcast	119.18
29310	05/22/2014	UTILITY GARBAGE FUND	Communication	Comcast	175.44
29311	05/22/2014	GENERAL FUND	Advertising and Legal Notices	Daily Herald, The	237.36
29311	05/22/2014	STREET IMPROVEMENT FUND	Alder Avenue Project	Daily Herald, The	516.80
29312	05/22/2014	STREET IMPROVEMENT FUND	Miscellaneous	Daily Journal of Commerce	63.30
29313	05/22/2014	GENERAL FUND	Bank Fees	Department of Revenue	147.23
29314	05/22/2014	UTILITY WATER FUND	Small Tools/Minor Equipment	Elite Lock & Safe	147.23
29314	05/22/2014	UTILITY SEWER FUND	Small Tools/Minor Equipment	Elite Lock & Safe	147.23
29314	05/22/2014	UTILITY GARBAGE FUND	Small Tools/Minor Equipment	Elite Lock & Safe	147.22
29314	05/22/2014	STORMWATER UTILITY FUND	Small Tools/Minor Equipment	Elite Lock & Safe	147.22
29314	05/22/2014	STREET FUND	Small Tools/Minor Equipment	Elite Lock & Safe	147.22
29314	05/22/2014	GENERAL FUND	Small Tools/Minor Equipment	Elite Lock & Safe	421.41
29315	05/22/2014	GENERAL FUND	Miscellaneous - Court Filing F	Evergreen District Court	593.61
29316	05/22/2014	BUILDING MAINTENANCE FUND	Repair and Maintenance	Eylanders Sales & Service Inc	107.77
29317	05/22/2014	UTILITY WATER FUND	Communication	Frontier	230.68
29317	05/22/2014	UTILITY SEWER FUND	Communication	Frontier	4,568.80
29318	05/22/2014	UTILITY WATER FUND	Water Service - Everett	GC Systems Inc.	3,159.04
29319	05/22/2014	UTILITY SEWER FUND	Professional Service	Groco, Inc	19,759.59
29320	05/22/2014	GENERAL FUND	Legal - Litigation Fees	Kenyon Disend PLLC	4,860.44
29321	05/22/2014	UTILITY WATER FUND	Professional Service - General	Lusignan Forestry Inc.	225.00
29322	05/22/2014	INFORMATION TECHNOLOGY FUND -	Professional Service	MadCity Buzz LLC	8.07
29323	05/22/2014	UTILITY WATER FUND	Vehicle Operation/Maintenance	Monroe Parts House	7.99
29323	05/22/2014	UTILITY WATER FUND	Operating Supply	Monroe Parts House	

29323	05/22/2014	GENERAL FUND	Vehicle Maintenance	Monroe Parts House	116.38
29323	05/22/2014	STREET FUND	Vehicle Operation/Maintenance	Monroe Parts House	116.97
29323	05/22/2014	UTILITY WATER FUND	Vehicle Operation/Maintenance	Monroe Parts House	166.00
29323	05/22/2014	UTILITY SEWER FUND	Vehicle Operation Maintenance	Monroe Parts House	166.00
29323	05/22/2014	UTILITY GARBAGE FUND	Vehicle Operation/Maintenance	Monroe Parts House	200.00
29323	05/22/2014	STORMWATER UTILITY FUND	Vehicle Operation Maintenance	Monroe Parts House	116.97
29323	05/22/2014	STREET FUND	Vehicle Operation/Maintenance	Monroe Parts House	86.91
29323	05/22/2014	GENERAL FUND	Office/Operating Supplies	Monroe Parts House	99.80
29323	05/22/2014	UTILITY GARBAGE FUND	Operating Supplies	Monroe Parts House	99.81
29323	05/22/2014	UTILITY WATER FUND	Operating Supply	Monroe Parts House	48.06
29324	05/22/2014	UTILITY SEWER FUND	Rentals	Monroe Parts House	184.50
29324	05/22/2014	UTILITY SEWER FUND	Rentals	Northwest Cascade Inc	113.45
29325	05/22/2014	BUILDING MAINTENANCE FUND	Capital - Buildings	Northwest Cascade Inc	24,153.18
29326	05/22/2014	UTILITY WATER FUND	Office Supplies	NW Wind & Solar	29.52
29326	05/22/2014	UTILITY SEWER FUND	Office Supplies	Office Depot	29.52
29326	05/22/2014	UTILITY GARBAGE FUND	Office Supplies	Office Depot	29.51
29326	05/22/2014	STREET FUND	Office Supplies	Office Depot	29.52
29326	05/22/2014	GENERAL FUND	Office/Operating Supplies	Office Depot	118.07
29326	05/22/2014	UTILITY WATER FUND	Office Supplies	Office Depot	26.26
29326	05/22/2014	UTILITY SEWER FUND	Office Supplies	Office Depot	26.25
29326	05/22/2014	UTILITY GARBAGE FUND	Office Supplies	Office Depot	26.26
29326	05/22/2014	STREET FUND	Office Supplies	Office Depot	26.25
29326	05/22/2014	GENERAL FUND	Office/Operating Supplies	Office Depot	105.02
29327	05/22/2014	GENERAL FUND	Communication	Office Depot	182.35
29327	05/22/2014	GENERAL FUND	Communication	Pitney Bowes	78.15
29327	05/22/2014	STREET FUND	Communication	Pitney Bowes	65.12
29327	05/22/2014	UTILITY WATER FUND	Communication	Pitney Bowes	65.12
29327	05/22/2014	UTILITY SEWER FUND	Communication	Pitney Bowes	65.13
29327	05/22/2014	UTILITY GARBAGE FUND	Communication	Pitney Bowes	65.12
29328	05/22/2014	STREET FUND	Utilities	Pitney Bowes	1,847.69
29329	05/22/2014	GENERAL FUND	Miscellaneous	PUD	96.80
29329	05/22/2014	STREET FUND	Miscellaneous	Puget Sound Clean Air Agency	96.80
29329	05/22/2014	UTILITY WATER FUND	Miscellaneous	Puget Sound Clean Air Agency	96.80
29329	05/22/2014	UTILITY SEWER FUND	Miscellaneous	Puget Sound Clean Air Agency	96.80
29329	05/22/2014	UTILITY GARBAGE FUND	Miscellaneous	Puget Sound Clean Air Agency	96.80
29330	05/22/2014	GENERAL FUND	Utilities	Puget Sound Clean Air Agency	104.96
29330	05/22/2014	STREET FUND	Utilities	Puget Sound Energy	20.99
29330	05/22/2014	UTILITY WATER FUND	Utilities	Puget Sound Energy	20.99
29330	05/22/2014	UTILITY SEWER FUND	Utilities	Puget Sound Energy	20.99
29330	05/22/2014	UTILITY GARBAGE FUND	Utilities	Puget Sound Energy	20.99
29330	05/22/2014	GENERAL FUND	Utilities	Puget Sound Energy	20.99
29330	05/22/2014	GENERAL FUND	Utilities	Puget Sound Energy	42.79

29330	05/22/2014	GENERAL FUND	Utilities	Puget Sound Energy	57.43
29330	05/22/2014	STREET FUND	Utilities	Puget Sound Energy	27.66
29330	05/22/2014	UTILITY WATER FUND	Utilities	Puget Sound Energy	27.65
29330	05/22/2014	UTILITY SEWER FUND	Utilities	Puget Sound Energy	27.66
29330	05/22/2014	UTILITY GARBAGE FUND	Utilities	Puget Sound Energy	27.65
29331	05/22/2014	UTILITY SEWER FUND	Professional Service	RH2 Engineering, Inc.	1,047.20
29332	05/22/2014	GENERAL FUND	Professional Services	Sedgwick CMS	66.03
29332	05/22/2014	STREET FUND	Professional Services	Sedgwick CMS	66.03
29332	05/22/2014	UTILITY WATER FUND	Professional Service - General	Sedgwick CMS	66.04
29332	05/22/2014	UTILITY SEWER FUND	Professional Service	Sedgwick CMS	66.03
29332	05/22/2014	UTILITY GARBAGE FUND	Professional	Sedgwick CMS	66.03
29333	05/22/2014	GENERAL FUND	Miscellaneous - Jail Fees	Snohomish County Corrections	2,094.84
29334	05/22/2014	UTILITY GARBAGE FUND	Intergovernmental - Recycle	Snohomish County Finance	13,248.00
29335	05/22/2014	GENERAL FUND	Professional Service - SnoCty	Snohomish County Sheriff	72,886.00
29336	05/22/2014	GENERAL FUND	Intergovernmental - SNOPAC	Snopac	5,124.71
29337	05/22/2014	UTILITY WATER FUND	Capital - Equipment	Sound Tractor Co	8,764.02
29338	05/22/2014	GENERAL FUND	Bank Fees	US Bank	32.00
29339	05/22/2014	UTILITY WATER FUND	Operating Supply	USA Blue Book	158.50
29339	05/22/2014	UTILITY SEWER FUND	Operating Supplies	USA Blue Book	158.50
29339	05/22/2014	STORMWATER UTILITY FUND	Operating Supplies	USA Blue Book	158.51
29340	05/22/2014	UTILITY WATER FUND	Miscellaneous	Utilities Underground Location Center	11.55
29340	05/22/2014	UTILITY SEWER FUND	Miscellaneous	Utilities Underground Location Center	11.55
29341	05/22/2014	GENERAL FUND	Vehicle Repair	Wagley Creek Automotive, Inc	204.11
29341	05/22/2014	STREET FUND	Vehicle Repair	Wagley Creek Automotive, Inc	204.11
29341	05/22/2014	UTILITY WATER FUND	Vehicle Repair	Wagley Creek Automotive, Inc	204.10
29341	05/22/2014	UTILITY SEWER FUND	Vehicle Repair	Wagley Creek Automotive, Inc	204.11
29341	05/22/2014	STORMWATER UTILITY FUND	Vehicle Repair	Wagley Creek Automotive, Inc	204.11

183,734.32

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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ITEM #: Consent C 4  
DATE: May 22, 2014  
SUBJECT: Excused Absence – Councilmember McCarty  
CONTACT PERSON: Laura J. Koenig, Clerk/Deputy Finance Director

**ISSUE:**

Councilmember McCarty requested an excused absence from the May 22, 2014 Council meeting as he will be out of town for the Folk Life Festival.

**RECOMMENDATION:**

Approve the excused absence of Councilmember McCarty from the May 22, 2014 Council meeting.

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**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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**ITEM NO:** A-1  
**DATE:** May 22, 2014  
**SUBJECT:** Mapping Contract Renewal with BHC Consulting  
**CONTACT PERSON:** Bob Martin; Community Development Director



**ISSUE:**

Authorize the Mayor to sign the attached contract with BHC Consulting for Geographic Information System (GIS) mapping services related to adoption of the new Title 18, Zoning Code, and the 2015 Comprehensive Plan Update.

**DISCUSSION:**

BHC Consulting has done the City's land use base mapping for several years. They have the current Zoning/Comprehensive Plan Map in their GIS data base. The firm is the most reasonable source for updates of the mapping as they do not have to reconstruct the base map.

The most recent contract with BHC has expired. This proposal establishes a new contract with BHC so that the City can update the Zoning Map that accompanies adoption of the new Zoning Code, Title 18.

The same base map will be used for updates that will be adopted as part of the 2015 Comprehensive Plan Update. This is the City standard basic contract for work under \$2,500.

**ALTERNATIVES:**

1. Authorize the Mayor to sign the attached contract with BHC for work under \$2,500.
2. Do not authorize the mayor to sign this contract, thereby directing staff to seek out a new consulting firm to construct a base map and provide the necessary updates.

**FISCAL IMPACT:**

Work under this contract will be on an as-needed basis as the Zoning Code and the Comprehensive Plan are updated over the next 18 months. Payment will be made on submittal of invoices for specific projects. Funds will come from existing department budget, Dept. of Commerce Planning Grants for 2015 Comprehensive Plan Update, and from 2015 City budget for Plan Update.

**STAFF RECOMMENDATION:**

Staff recommends that Council authorize the Mayor to sign the attached contract with BHC Consulting.

**ATTACHMENTS:**

Attachment A: Proposed contract for GIS Mapping Services with BHC Consulting.

**Attachment A**  
**AGREEMENT FOR SERVICES**  
**BETWEEN THE CITY OF SULTAN AND**  
**BHC CONSULTANTS, LLC**

THIS AGREEMENT, is made by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal Corporation, and BHC Consultants, LLC (hereinafter referred to as "Service Provider"), doing business at Seattle, Washington.

WHEREAS, Service Provider is in the business of providing certain services specified herein; and

WHEREAS, the City desires to contract with Service Provider for the provision of such services for mapping, and Service Provider agrees to contract with the City for same;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by and between the parties as follows:

**TERMS**

1. **Description of Work.** Service Provider shall perform work as described in Attachment A, Scope of Work, which is attached hereto and incorporated herein by this reference, according to the existing standard of care for such services. Service Provider shall not perform any additional services without the express permission of the City.
2. **Payment.**
  - A. The City will pay the Service Provider the total sum not to exceed Two Thousand Five Hundred Dollars (\$2,500.00) at a rate of Ninety-two dollars/hour (\$92.00/hour) for the work to be performed under this Agreement upon satisfactory completion of all services and requirements specified herein.
  - B. Invoices covering services performed by the Service Provider will be submitted to the City within ten (10) days following the completion of services. The City shall make payment within four (4) weeks after receipt of each invoice. Such invoice shall detail the hours worked, a description of the tasks performed, and shall separate all charges for clerical work and reimbursable expenses.
  - C. If the City objects to all or any portion of any invoice, it shall so notify Service Provider of the same within five (5) 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.

3. **Relationship of Parties.** The parties intend that an independent contractor - client relationship will be created by this Agreement. No agent, employee, representative or subcontractor of Service Provider shall be or shall be deemed to be the employee, agent, representative or subcontractor of the City. None of the benefits provided by the City to its employees, including, but not limited to, compensation, insurance and unemployment insurance, are available from the City to the Service Provider or his employees, agents, representatives or subcontractors. Service Provider will be solely and entirely responsible for his acts and for the acts of Service Provider's agents, employees, representatives and subcontractors during the performance of this Agreement. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that Service Provider performs hereunder.
4. **Duration of Work.** Service Provider shall complete the work described in Attachment A on or before September 30, 2014.
5. **Work Performed at Service Provider's Risk.** Service Provider shall be responsible for the safety of its employees, agents and subcontractors in the performance of the work hereunder and shall take all protections reasonably necessary for that purpose. All work shall be done at Service Provider's own risk, shall comply with all federal, state and municipal laws, ordinances, rules and regulations that are now or may in the future become applicable to Service Provider and Service Provider shall be responsible for any loss of or damage to materials, tools, or other articles used or held for use in connection with the work.
6. **Evaluation.** Although the Service Provider shall have the authority to control and direct the services and details of the work, the work must also meet the approval of the City and shall be subject to the City's general right of inspection and supervision.
7. **Insurance.** Insurance is not required for this contract.
8. **Indemnification.** The Service Provider shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the negligent performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Service Provider and the City, its officers, officials, employees, and volunteers, the Service Provider's liability hereunder shall be only to the extent of the Service Provider's negligence. It is further specifically and expressly understood that the indemnification

provided herein constitutes the Service Provider's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

**9. Termination and Breach.**

- A. The City shall have the option to terminate this Agreement at any time. Termination shall be effective upon ten (10) days written notice to the Service Provider.
- B. In the event of termination, the City shall only be responsible to pay for all services satisfactorily performed by Service Provider to the effective date of termination, as described in the final invoice to the City. The City Administrator shall make the final determination about what services have been satisfactorily performed.
- C. All costs incurred by the City due to Service Provider's failure to comply with the terms and conditions of this Agreement shall be the responsibility of the Service Provider. The City may deduct its costs from any payments due to the Service Provider.

**10. Ownership of Products and Premises Security.**

- A. All reports, plans, specifications, data maps, and documents produced by the Service Provider in the performance of services under this Agreement, whether in draft or final form and whether written, computerized, or in other form, shall be the property of the City.
- B. While working on the City's premises, the Service Provider agrees to observe and support the City's rules and policies relating to maintaining physical security of the City's premises.

**11. Entire Agreement.** The written provisions and terms of this Agreement, together with all documents attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this Agreement.

**12. Modification.** No waiver, alteration or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and Service Provider.

**13. Assignment.** Any assignment of this Agreement by Service Provider without the written consent of the City shall be void.

**14. Written Notice.** All communications regarding this Agreement shall be sent to the parties at the addresses listed below, unless notified to the contrary. Any written notice hereunder shall become effective as of the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Agreement or such other address as may be hereafter specified in writing.

15. **Non-Waiver of Breach.** The failure of the City to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more instances shall not be construed to be a waiver or relinquishment of said covenants, agreements or options, and the same shall be and remain in full force and effect.
16. **Resolution of Disputes, Governing Law, Venue.** Should any dispute, misunderstanding or conflict arise as to the terms and conditions contained in this Agreement, the matter shall be referred to the City Administrator, whose decision shall be final. This Agreement shall be governed by the laws of the State of Washington, and the jurisdiction of any dispute under this Agreement shall be the Superior Court of Snohomish County, Washington.
17. **Severability.** Any provision or part of this Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and Service Provider, who agree that the Agreement shall be reformed to replace such stricken provision or part with a valid and enforceable provision that comes as close as reasonably possible to expressing the intent of the stricken provision.

Dated this            day of

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the day and year above written.

**CITY OF SULTAN**

By: \_\_\_\_\_  
Carolyn Eslick, Mayor

**SERVICE PROVIDER**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**CITY CONTACT**

\_\_\_\_\_  
City of Sultan  
319 Main Street, Suite 200  
Sultan, WA 98294  
Phone: 360-793-2231  
Fax: 360-734-3344

**SERVICE PROVIDER CONTACT**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_

**ATTEST/AUTHENTICATED**

By: \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
Office of the City Attorney

**EXHIBIT A**  
**SCOPE OF SERVICES**

Service Provider shall prepare map(s) using existing data in Service Provider's files. City shall provide Service Provider with necessary mark-ups of its current adopted Comprehensive Plan Land Use map to be used in producing the revised map. No more than 3 iterations of the draft revised map shall be prepared unless authorized by the City. The final product shall be delivered in digital form.

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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**ITEM NO:** A-2  
**DATE:** May 22, 2014  
**SUBJECT:** Alder Avenue Reconstruction Bid Award and Contract Approval  
**CONTACT PERSON:** Mick Matheson, P.E. – Public Works Director

**ISSUE:**

The issues before the council are to award Bid Schedules A, B, and C (Base Bid) plus a five percent contingency for the Alder Avenue Reconstruction project to SRV Construction Inc.; and to authorize the Mayor to sign a contract with SRV Construction Inc., not to exceed \$913,400.00 without prior written authorization from City Council.

**ALTERNATIVES:**

1. Award the Base Bid plus a five percent contingency for the Alder Avenue Reconstruction project to SRV Construction Inc.; and authorize the Mayor sign a contract with SRV Construction Inc. for an amount not to exceed \$913,400.00
2. Do not award the base bid to SRV Construction, Inc. for the Alder Avenue Reconstruction project and direct staff to areas of concern.

**STAFF RECOMMENDATION:**

1. Award the base bid plus a five percent contingency for the Sultan Basin Road Overlay project to SRV Construction, Inc and authorize the Mayor sign a contract with SRV Construction, Inc. for an amount not to exceed \$913,400.00.

**SUMMARY:**

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 grants:

<b>Grant Source</b>	
Legislative Proviso	\$500,000
Community Development Block Grant (Sidewalk on north side of Alder from 7 <sup>th</sup> to 8 <sup>th</sup> )	\$30,516
Community Development Block Grant (Sanitary Sewer & Water Facilities)	\$145,000
Department of Commerce (Sanitary Sewer & Water Facilities)	\$185,000
<b>Total</b>	<b>\$860,516</b>

The City advertised the project for bid in the Seattle Daily Journal of Commerce on April 21, 2014 and May 5, 2014, and The Herald on April 22 and April 30, 2014. The public bid opening was held at Sultan City Hall on May 13, 2014. The City received **three** bids.

<b>Contractor</b>	<b>Bid (Including Tax)</b>
B & L Utility, Inc.	\$1,020,118.81
Kamins Construction	\$1,110,678.28
SRV Construction	\$869,933.73

The lowest responsive, responsible bidder is SRV Construction. The available funding the day of the bid opening was significantly less than the low bid. The bid was broken into three schedules. Schedule A is Alder Avenue Street Improvements, Schedule B is the Alder Avenue Water and Sewer Improvements, and Schedule C is Alder Avenue Sidewalk Improvements.

	Low Bid	Construction Management	WSDOT Fee	Total Cost	Available Grant Funding	Shortfall
Schedule A	\$449,563.50	\$71,000	5,000	\$525,563.50	440,000	\$85,563.50
Schedule B	\$389,239	\$20,000	0	\$409,239	\$324,450	\$84,789
Schedule C	\$31,131	\$0	\$0	\$31,131	\$30,516	\$615

Staff reached out to the Transportation Improvement Board (TIB) to inquire about supplemental funding for Schedule A (Street Improvements). Originally the TIB did not support funding for Alder Avenue due to its classification. In order to receive the \$500,000 legislative proviso, the City requested a Federal Functional Classification for Alder which was approved by WSDOT. As such, TIB has now reconsidered and has agreed to fund 13.5% of the Schedule A street funds (\$70,951), which reduced the Schedule A shortfall to \$14,612.50. The City is planning to make up the balance using REET 2 funds.

Staff also reached out to Community Development Block Grant (CDBG) to ask about supplemental funding for Schedule B (Water & Sewer). Staff prepared a request for supplemental funding on May 15, 2014, and received verbal confirmation that CDBG would be able to supplement \$50,000 towards Schedule B improvements. This reduced the Schedule B shortfall to \$34,789.

The City's consultant (Gray & Osborne, Inc.) has prepared a letter (Attachment A) recommending that SRV Construction be awarded the contract.

#### **FISCAL IMPACT:**

After receiving additional funding after the bid opening, there is a Schedule A shortfall of \$14,612.50, a Schedule B shortfall of \$34,789, and a Schedule C shortfall of \$615.

Even with adding a five percent construction contingency, the City has adequate REET 2 funds to make up the Schedule A shortfall. This will most likely require the deferment of the 2014 chipseal project and the 1<sup>st</sup> Street speed cushion project to 2015.

The City's bond application for water and sewer improvements includes \$92,000 for sewer and water improvements for Alder Avenue. With the \$50,000 CDBG supplemental funding and a five percent construction contingency, the bond money will cover the shortfall and leave a \$57,000 buffer.

The Schedule C shortfall of \$615 is proposed to be covered with REET 2 funds.

**RECOMMENDED ACTION:**

Award the base bid plus a five percent contingency for the Alder Avenue Reconstruction project to SRV Construction, Inc. and authorize the Mayor sign a contract with SRV Construction, Inc. for an amount not to exceed \$913,400.00.

**ATTACHMENTS:**

Attachment A – Gray & Osborne Bid Award Recommendation Letter

Attachment B – Bid Tabulation



**Gray & Osborne, Inc.**

CONSULTING ENGINEERS

May 15, 2014

Mr. Mick Matheson  
Public Works Director  
City of Sultan  
319 Main Street  
P.O. Box 1199  
Sultan, Washington 98294

**SUBJECT: REVIEW OF BIDS, ALDER AVENUE RECONSTRUCTION PROJECT, FEDERAL AID NO. STPS 310(004) CITY OF SULTAN, SNOHOMISH COUNTY, WASHINGTON G&O #13426.00**

Dear Mr. Matheson:

On May 13, 2014, the City received three bids for the Alder Avenue Reconstruction project. The bids ranged from \$869,933.73 to \$1,110,678.28. The Engineer's Estimate was \$695,326.03. Each proposal was checked for correctness of extensions of the prices per unit and the total price. Eight corrections were made; however, these corrections did not change the position of the low bidder. We have provided a bid summary with this letter. The bidders and their respective bid amounts, including sales tax where applicable, are as follows:

	<b>Engineer's Estimate.....</b>	<b>\$695,326.03</b>
1.	SRV Construction, Inc. (Oak Harbor, Washington).....	\$869,933.73
2.	B&L Utility, Inc. (Snohomish, Washington) .....	\$1,020,118.81
3.	Kamin Construction (Bothell, Washington).....	\$1,110,678.28

The low responsive bidder, SRV Construction, Inc. of Oak Harbor, Washington, is currently a Washington State registered and licensed contractor and appears to have the relevant qualifications and experience to successfully perform the work the project will require. To our knowledge, the low bidder has not claimed bid error and no formal bidding protests have been recorded. In accordance with RCW 39.04, we have verified the low bidder, SRV Construction, Inc. of Oak Harbor, Washington, has met the responsibility criteria.

The low bid was about 25 percent above the Engineer's Estimate. The main discrepancies between the Engineer's Estimate were in Schedule A (street improvements)



Mr. Mick Matheson  
May 15, 2014  
Page 2

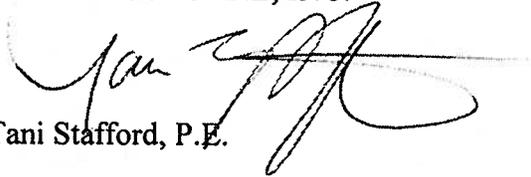
with bids for mobilization and traffic control at \$52,000 higher, curb and gutter at \$12,500 higher, and the cement concrete curb ramps at about \$10,000 higher than the Engineer's Estimate. The main discrepancies in Schedule B (water and sewer improvements) were the bids for sewer pipe which were \$51,500 higher and the bid for water services pipe, 1 in. diam. which was \$11,000 higher than Engineer's Estimate.

The low bid is competitive as evidenced by the tight grouping of the other two bids. CDBG has no objection to award the contract or SRV Construction, Inc. WSDOT Local Programs does not need to provide concurrence to award. Based on our evaluation, we recommend that the project be awarded to the lowest responsive, responsible bidder, SRV Construction, Inc., P.O. Box 481, Oak Harbor, Washington 98277, provided that additional funding is secured.

Please contact us if you have any questions and/or require additional information.

Sincerely,

GRAY & OSBORNE, INC.

  
Tani Stafford, P.E.

TLS/sc  
Encl.

cc: Mr. John Ho, Local Programs Engineer, WSDOT, NW Region  
Ms. Dee White, Human Services Specialist II, Snohomish Human Services,  
CDBG

NO.	ITEM	QUANTITY	ENGINEER'S ESTIMATE		CONSTRUCTION, INC.		B&L UTILITY, INC.		KAMINS CONSTRUCTION	
			UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
<b>SCHEDULE A: ALDER AVENUE STREET IMPROVEMENTS</b>										
1	Unexpected Site Changes	1 CALC	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
2	Record Drawings	1 LS	\$500.00	\$500.00	\$500.00	\$500.00	\$15,000.00	\$15,000.00	\$12,000.00	\$12,000.00
3	SPCC Plan	1 LS	\$500.00	\$500.00	\$275.00	\$275.00	\$2,000.00	\$2,000.00	\$600.00	\$600.00
4	Mobilization	1 LS	\$20,000.00	\$20,000.00	\$31,500.00	\$31,500.00	\$40,000.00	\$40,000.00	\$115,380.00	\$115,380.00
5	Project Temporary Traffic Control	1 LS	\$12,000.00	\$12,000.00	\$52,730.00	\$52,730.00	\$40,000.00	\$40,000.00	\$98,880.00	\$98,880.00
6	Removal of Structure and Obstruction	1 LS	\$6,000.00	\$6,000.00	\$12,875.00	\$12,875.00	\$2,500.00	\$2,500.00	\$12,960.00	\$12,960.00
7	Roadway Excavation, Incl. Haul	850 CY	\$18.00	\$15,300.00	\$19.30	\$16,405.00	\$20.00	\$17,000.00	\$30.79	\$26,171.50
8	Unsuitable Foundation Excavation, Incl. Haul	15 CY	\$40.00	\$600.00	\$40.00	\$600.00	\$25.00	\$375.00	\$60.00	\$900.00
9	Cement for Cement Treated Base	190 TN	\$135.00	\$25,650.00	\$133.00	\$25,270.00	\$150.00	\$28,500.00	\$186.00	\$35,340.00
10	Cement Treated Base	6,100 SY	\$5.00	\$30,500.00	\$4.45	\$27,145.00	\$2.50	\$15,250.00	\$6.00	\$36,600.00
11	Locate Existing Utilities	1 LS	\$3,000.00	\$3,000.00	\$5,135.00	\$5,135.00	\$2,000.00	\$2,000.00	\$2,592.00	\$2,592.00
12	Crushed Surfacing Top Course	200 TN	\$26.00	\$5,200.00	\$33.00	\$6,600.00	\$25.00	\$5,000.00	\$36.30	\$7,260.00
13	HMA CI. 1/2" PG 64-22	1,000 TN	\$95.00	\$95,000.00	\$93.20	\$93,200.00	\$96.00	\$96,000.00	\$104.52	\$104,520.00
14	Job Mix Compliance Price Adjustment	1 CALC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15	Compaction Price Adjustment	1 CALC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
16	Temporary Hot Mix	30 TN	\$95.00	\$2,850.00	\$135.00	\$4,050.00	\$100.00	\$3,000.00	\$150.00	\$4,500.00
17	CPEP Storm Sewer Pipe, 12 In. Diam. (Incl. Bedding)	450 LF	\$31.00	\$13,950.00	\$29.25	\$13,162.50	\$60.00	\$27,000.00	\$23.82	\$10,719.00
18	DI Storm Sewer Pipe, 12 In. Diam. (Incl. Bedding)	290 LF	\$60.00	\$17,400.00	\$61.00	\$17,690.00	\$75.00	\$21,750.00	\$55.17	\$15,999.30
19	Concrete Inlet	4 EA	\$900.00	\$3,600.00	\$1,238.00	\$4,952.00	\$1,500.00	\$6,000.00	\$850.80	\$3,403.20
20	Catch Basin, Type 1	4 EA	\$1,000.00	\$4,000.00	\$1,435.00	\$5,740.00	\$2,000.00	\$8,000.00	\$888.60	\$3,554.40
21	Catch Basin, Type 1L	1 EA	\$1,250.00	\$1,250.00	\$1,720.00	\$1,720.00	\$2,500.00	\$2,500.00	\$1,099.20	\$1,099.20
22	Catch Basin, Type 2, 48 In. Diam.	2 EA	\$2,500.00	\$5,000.00	\$3,390.00	\$6,780.00	\$3,500.00	\$7,000.00	\$2,785.20	\$5,570.40
23	Adjust Catch Basin	8 EA	\$250.00	\$2,000.00	\$340.00	\$2,720.00	\$300.00	\$2,400.00	\$480.00	\$3,840.00
24	Adjust Manhole	2 EA	\$350.00	\$700.00	\$610.00	\$1,220.00	\$300.00	\$600.00	\$480.00	\$960.00
25	Trench Excavation Safety Systems	1 LS	\$2,000.00	\$2,000.00	\$500.00	\$500.00	\$2,000.00	\$2,000.00	\$3,000.00	\$3,000.00
26	Trench Backfill	475 TN	\$16.00	\$7,600.00	\$14.00	\$6,650.00	\$20.00	\$9,500.00	\$26.91	\$12,782.25
27	Removal of Unsuitable Material (Trench)	15 CY	\$30.00	\$450.00	\$40.00	\$600.00	\$25.00	\$375.00	\$60.00	\$900.00
28	Adjust Valve Box	2 EA	\$250.00	\$500.00	\$520.00	\$1,040.00	\$200.00	\$400.00	\$360.00	\$720.00
29	Erosion/Water Pollution Control	1 LS	\$2,200.00	\$2,200.00	\$3,215.00	\$3,215.00	\$5,500.00	\$5,500.00	\$3,600.00	\$3,600.00
30	Sod Installation	790 SY	\$9.00	\$7,110.00	\$6.00	\$6,004.00	\$20.00	\$15,800.00	\$9.72	\$7,678.80
31	Bark or Wood Chip Mulch	15 CY	\$45.00	\$675.00	\$45.00	\$675.00	\$40.00	\$600.00	\$57.60	\$864.00
32	Topsoil, Type A	90 CY	\$42.00	\$3,780.00	\$41.40	\$3,726.00	\$40.00	\$3,600.00	\$54.00	\$4,860.00
33	Cement Conc. Traffic Curb and Gutter	1,925 LF	\$15.00	\$28,875.00	\$21.56	\$41,503.00	\$25.00	\$48,125.00	\$31.58	\$60,791.50
34	Cement Conc. Driveway Entrance	120 SY	\$40.00	\$4,800.00	\$63.00	\$7,560.00	\$58.00	\$6,960.00	\$101.10	\$12,132.00

DATE: 5/2014  
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 CHECKED: TS  
 APPROVED: TS

BIDDER		ENGINEER'S ESTIMATE	SRV CONSTRUCTION, INC.		B&L UTILITY, INC.		KAMINS CONSTRUCTION		
35	Cement Conc. Driveway Repair	\$40.00	\$2,000.00	\$63.00	\$3,150.00	\$60.00	\$3,000.00	\$105.42	\$5,271.00
36	Cement Concrete Sidewalk	\$35.00	\$4,500.00	\$56.40	\$7,332.00	\$55.00	\$7,150.00	\$90.83	\$11,807.90
37	Cement Conc. Curb Ramp	\$1,200.00	\$13,200.00	\$2,076.00	\$22,836.00	\$1,600.00	\$17,600.00	\$2,622.00	\$28,842.00
38	Permanent Signing	\$1,200.00	\$1,200.00	\$2,450.00	\$2,450.00	\$5,000.00	\$5,000.00	\$3,000.00	\$3,000.00
39	Paint Line	\$0.40	\$482.00	\$0.60	\$723.00	\$2.50	\$3,012.50	\$0.56	\$674.80
40	Plastic Stop Line	\$10.00	\$950.00	\$14.00	\$1,330.00	\$30.00	\$2,850.00	\$14.96	\$1,421.20
	Subtotal, Schedule A:		\$355,372.00		\$449,563.50		\$483,347.50		\$671,194.45
	Sales Tax @ 0% (Per W.S. Revenue Rule No. 171)		\$0.00		\$0.00		\$0.00		\$0.00
	<b>TOTAL CONSTRUCTION COST, SCHEDULE A</b>		<b>\$355,372.00</b>		<b>\$449,563.50</b>		<b>\$483,347.50</b>		<b>\$671,194.45</b>

DATE: 5/2014  
DRAWN: SC  
CHECKED: TS  
APPROVED: TS

CITY OF SULTAN, WASHINGTON  
ALDER AVENUE RECONSTRUCTION PROJ.  
GRAY & OSBORNE #13426

GRAY & OSBORNE  
CONSULTING ENGINEERS

SEATTLE, OLYMPIA, YAKIMA, VANCOUVER & ARLINGTON, WASHINGTON

Page 2 of 4

BIDDER	ITEM	QUANTITY	ENGINEER'S ESTIMATE		CONSTRUCTION, INC.		B&L UTILITY, INC.		KAMINS CONSTRUCTION	
			UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
<b>SCHEDULE B: ALDER AVENUE WATER AND SEWER IMPROVEMENTS</b>										
100	Controlled Density Fill	10 CY	\$100.00	\$1,000.00	\$190.00	\$1,900.00	\$100.00	\$1,000.00	\$180.00	\$1,800.00
101	Manhole, 48 In. Diam.	7 EA	\$2,800.00	\$19,600.00	\$3,960.00	\$27,720.00	\$4,500.00	\$31,500.00	\$3,395.14	\$23,765.98
102	Abandon Existing Manhole	3 EA	\$700.00	\$2,100.00	\$545.00	\$1,635.00	\$1,000.00	\$3,000.00	\$600.00	\$1,800.00
103	Trench Excavation Safety Systems	1 LS	\$2,500.00	\$2,500.00	\$500.00	\$500.00	\$1,500.00	\$1,500.00	\$6,000.00	\$6,000.00
104	Removal of Unsuitable Material (Trench)	30 CY	\$30.00	\$900.00	\$40.00	\$1,200.00	\$25.00	\$750.00	\$60.00	\$1,800.00
105	Trench Backfill	2,290 TN	\$17.00	\$38,930.00	\$13.20	\$30,228.00	\$20.00	\$45,800.00	\$26.94	\$61,692.60
106	Plugging Existing Pipe	17 EA	\$250.00	\$4,250.00	\$225.00	\$3,825.00	\$300.00	\$5,100.00	\$240.00	\$4,080.00
107	DI Pipe for Water Main, 8 In. Diam. (Incl. Fittings)	1,410 LF	\$46.00	\$64,860.00	\$44.60	\$62,886.00	\$60.00	\$84,600.00	\$45.56	\$64,239.60
108	DI Pipe for Water Main, 6 In. Diam. (Incl. Fittings)	125 LF	\$42.00	\$5,250.00	\$44.50	\$5,562.50	\$65.00	\$8,125.00	\$31.28	\$3,910.00
109	DI Pipe for Water Main, 4 In. Diam. (Incl. Fittings)	40 LF	\$38.00	\$1,520.00	\$77.25	\$3,090.00	\$100.00	\$4,000.00	\$60.52	\$2,420.80
110	Additional Ductile Iron Fittings	420 LB	\$2.50	\$1,050.00	\$10.30	\$4,326.00	\$0.50	\$210.00	\$4.20	\$1,764.00
111	Connection to Existing Water Main	12 EA	\$1,500.00	\$18,000.00	\$1,960.00	\$23,520.00	\$3,000.00	\$36,000.00	\$2,592.00	\$31,104.00
112	Gate Valve, 8 In.	8 EA	\$1,150.00	\$9,200.00	\$1,415.00	\$11,320.00	\$1,000.00	\$8,000.00	\$1,335.60	\$10,684.80
113	Gate Valve, 6 In.	2 EA	\$1,000.00	\$2,000.00	\$1,050.00	\$2,100.00	\$850.00	\$1,700.00	\$970.80	\$1,941.60
114	Comb. Air Relief/Vacuum Valve Assembly	1 EA	\$3,700.00	\$3,700.00	\$2,260.00	\$2,260.00	\$2,500.00	\$2,500.00	\$2,862.00	\$2,862.00
115	Fire Hydrant Assembly	4 EA	\$3,600.00	\$14,400.00	\$4,980.00	\$19,920.00	\$4,400.00	\$17,600.00	\$5,528.40	\$22,113.60
116	Service Connection, 1 In. Diam.	31 EA	\$600.00	\$18,600.00	\$635.00	\$19,685.00	\$1,000.00	\$31,000.00	\$1,278.00	\$39,618.00
117	Service Connection, 2 In. Diam.	2 EA	\$4,000.00	\$8,000.00	\$1,921.00	\$3,842.00	\$3,000.00	\$6,000.00	\$3,326.40	\$6,652.80
118	Service Pipe, 1 In. Diam.	930 LF	\$7.50	\$6,975.00	\$19.60	\$18,228.00	\$25.00	\$23,250.00	\$12.79	\$11,894.70
119	Service Pipe, 2 In. Diam.	65 LF	\$20.00	\$1,300.00	\$33.60	\$2,184.00	\$30.00	\$1,950.00	\$33.57	\$2,182.05
120	PVC Sewer Pipe, 8 In. Diam. (Incl. Bedding)	1,240 LF	\$28.00	\$34,720.00	\$52.85	\$65,534.00	\$75.00	\$93,000.00	\$28.61	\$35,476.40
121	PVC Side Sewer Pipe, 6 In. Diam. (Incl. Bedding)	750 LF	\$35.00	\$26,250.00	\$62.60	\$46,950.00	\$70.00	\$52,500.00	\$32.51	\$24,382.50
Subtotal, Schedule B:				\$285,105.00		\$358,415.50		\$459,085.00		\$362,185.43
Sales Tax @ 8.6%				\$24,519.03		\$30,823.73		\$39,481.31		\$31,147.95
<b>TOTAL CONSTRUCTION COST, SCHEDULE B</b>				\$309,624.03		\$389,239.23		\$498,566.31		\$393,333.38

DATE: 5/2014  
DRAWN: SC  
CHECKED: TS  
APPROVED: TS

CITY OF SULTAN, WASHINGTON  
ALDER AVENUE RECONSTRUCTION PROJ.  
GRAY & OSBORNE #13426

GRAY & OSBORNE  
CONSULTING ENGINEERS  
SEATTLE, OLYMPIA, YAKIMA, VANCOUVER & ARLINGTON, WASHINGTON

BIDDER	ITEM	QUANTITY	ENGINEER'S ESTIMATE		CONSTRUCTION, INC.		B&L UTILITY, INC.		KAMINS CONSTRUCTION	
			UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
<b>SCHEDULE C: ALDER AVENUE SIDEWALK IMPROVEMENTS</b>										
200	Clearing and Grubbing	1 LS	\$6,000.00	\$6,000.00	\$1,000.00	\$1,000.00	\$5,000.00	\$5,000.00	\$3,634.00	\$3,634.00
201	Crushed Surfacing Top Course	105 TN	\$25.00	\$2,625.00	\$33.00	\$3,465.00	\$25.00	\$2,625.00	\$41.87	\$4,396.35
202	Sod Installation	300 SY	\$13.00	\$3,900.00	\$7.60	\$2,280.00	\$20.00	\$6,000.00	\$9.32	\$2,796.00
203	Topsoil, Type A	35 CY	\$35.00	\$1,225.00	\$41.40	\$1,449.00	\$40.00	\$1,400.00	\$51.75	\$1,811.25
204	Cement Conc. Driveway Entrance	85 SY	\$48.00	\$4,080.00	\$63.00	\$5,355.00	\$38.00	\$4,930.00	\$98.11	\$8,339.35
205	Remove and Relocate Existing Wood Fence	80 LF	\$20.00	\$1,600.00	\$22.20	\$1,776.00	\$40.00	\$3,200.00	\$28.75	\$2,300.00
206	Cement Conc. Sidewalk	230 SY	\$40.00	\$9,200.00	\$56.40	\$12,972.00	\$55.00	\$12,650.00	\$87.15	\$20,044.50
207	Cement Conc. Curb Ramp	1 EA	\$1,200.00	\$1,200.00	\$2,104.00	\$2,104.00	\$1,800.00	\$1,800.00	\$2,512.75	\$2,512.75
208	Mailbox Support, Type 2	1 EA	\$500.00	\$500.00	\$730.00	\$730.00	\$600.00	\$600.00	\$316.25	\$316.25
Subtotal, Schedule C:				\$30,330.00		\$31,131.00		\$38,205.00		\$46,150.45
Sales Tax @ 0% (Per W.S. Revenue Rule No. 171)				\$0.00		\$0.00		\$0.00		\$0.00
<b>TOTAL CONSTRUCTION COST, SCHEDULE C</b>				\$30,330.00		\$31,131.00		\$38,205.00		\$46,150.45
<b>TOTAL CONSTRUCTION COST, SCHEDULE A</b>				\$355,372.00		\$449,563.50		\$483,347.50		\$671,194.45
<b>TOTAL CONSTRUCTION COST, SCHEDULE B</b>				\$309,624.03		\$389,239.23		\$498,566.31		\$393,333.39
<b>TOTAL CONSTRUCTION COST, SCHEDULE C</b>				\$30,330.00		\$31,131.00		\$38,205.00		\$46,150.45
<b>TOTAL CONSTRUCTION COST, SCHEDULES A, B AND C</b>				\$695,326.03		\$869,933.73		\$1,020,118.81		\$1,110,678.28
Sealed bids were opened at the City of Sultan, 319 Main Street, Suite 200, Sultan, Washington 98294 on Tuesday, May 13, 2014, at 1:30 p.m. (local time).										
I hereby certify that, to the best of my knowledge, the above tabulations are true and correct transcriptions of the unit prices and total amounts bid.										
 TAMI STAFFORD P.E.										

DENOTES MATHEMATICAL OR  
ROUNDING ERROR

DATE: 5/2014  
DRAWN: SC  
CHECKED: TS  
APPROVED: TS

CITY OF SULTAN, WASHINGTON  
ALDER AVENUE RECONSTRUCTION PROJ.  
GRAY & OSBORNE #13426

GRAY & OSBORNE  
CONSULTING ENGINEERS

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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DATE: May 22, 2014  
ITEM NO: A – 3  
SUBJECT: Purchase of Boom Town Community/Business Signs  
CONTACT PERSON: Connie Dunn, Public Works Field Supervisor

**ISSUE:**

The issue before the council is to authorize the expenditure for two Boom Town Community/Business signs (Attachment A), including fabrication of the framework (Attachment B) and decals to go onto the signs (Attachment C).

**STAFF RECOMMENDATION:**

Staff recommends authorizing the purchase of two (2) Boom Town Community/Business signs with powder coating in green from Industrial Fabrication Company Inc. in Sultan for \$4,474.10 and the decals made and installed onto the signs by Signco 2012 in Monroe for \$2,146.83.

**ALTERNATIVES:**

1. Spend \$7,020.93 from the \$10,500.00 Snohomish County Tourism Grant. The balance of the funds are to be spent on wind load design for installation. City staff will be involved in the installation.
2. Do not spend \$7,010.93 from the \$10,500.00 Snohomish County Tourism Grant and direct staff to areas of concern.

**SCOPE OF WORK:**

The City of Sultan applied and received \$10,500.00 from the Snohomish County Tourism Board earlier this year. The basic design was submitted with the grant application. City staff has met with business owners and citizens to fine tune the design.

The sign is to be 5" steel tubing framework with canvas/vinyl banners placed in the provided slots. The larger top banner will be for the City and Sky Valley Chamber to display community events. The smaller 2' X 5' banner spaces will be leased to businesses on an annual basis with the businesses maintaining their banners. The signs will provide 24 spaces at \$100.00 per year, which will help with maintenance and additional signage along the US 2 corridor.

**FISCAL IMPACT:**

Snohomish County Tourism Grant	\$10,500.00
Industrial Fabrication	<\$4,874.10>
Signco 2012	< <u>\$2,146.83</u> >
Balance of Funds	\$3,479.07

**COUNCIL ACTION:**

Approve the purchase of the framework and decals not to exceed \$7,020.93 for the framework and decals on the Boom Town Community/Business signs to be displayed on US 2.

**ATTACHMENTS:**

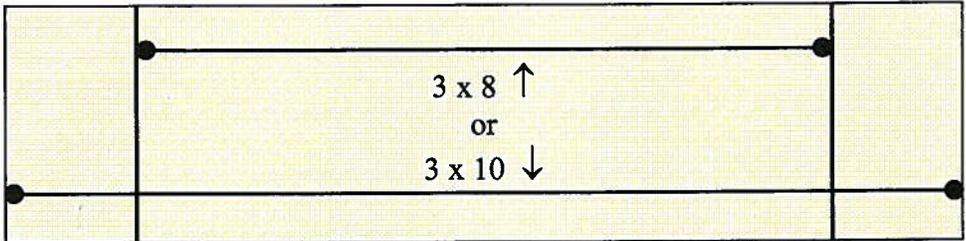
- A – Basic Boom Town Community/Business Sign Drawing
- B – Industrial Fabrication Quote # 14-244
- C – Signco 2012 Sales Order # 2406

12'

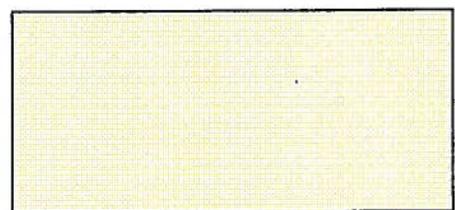
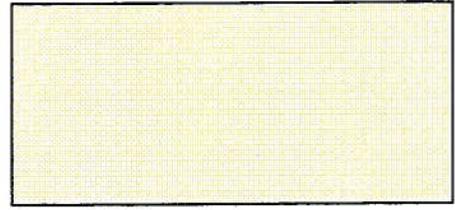
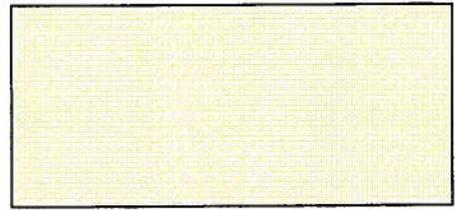
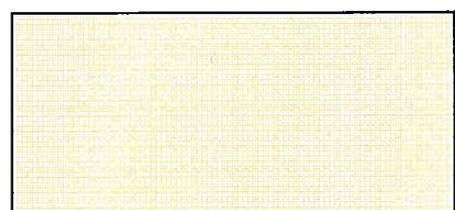
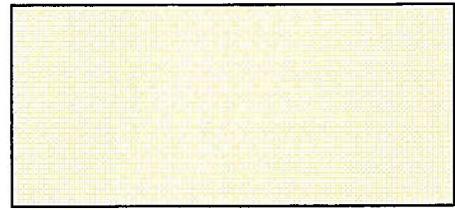
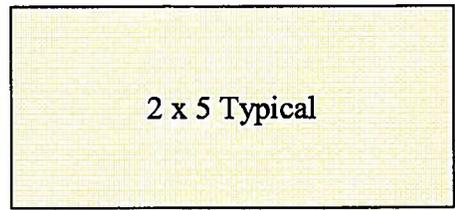


# SULTAN

Boom Town  
Sky Valley

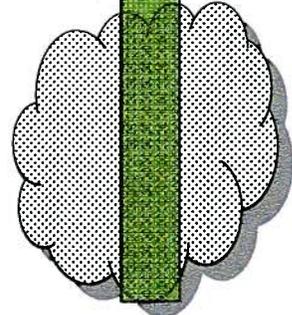
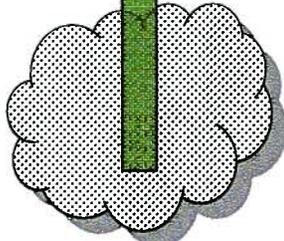
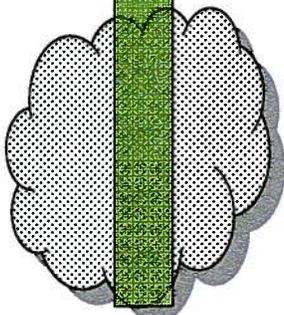


14'



**SNOHOMISH COUNTY**  
WASHINGTON  
OPEN UP.

Grade



Scale 1:20



**INDUSTRIAL FABRICATION CO., INC.**

P.O. Box 709 14124 - 339th Ave. SE. Sultan, WA 98294  
(360) 793-9001 Fax (360) 793-1880

City of Sultan  
PO Box 1199  
Sultan, WA 98294-1199

May 8, 2014

RE: Sign Frames  
Quote # 14-244

Connie Dunn:

We are pleased to quote the Sign Frames per your drawing and discussions with Bob Bowles.

Industrial Fabrication will supply the following:

Item 1) (2) Sign Frames fabricated from Carbon Steel Sq. Tube (5 x 5 x 3/16") with weld-on eyes for attaching panels and will have (4) 1" Ø "Pockets" along the top frame member for inserting silhouettes.

Frames will be supplied with a green powder coat finish.

Our Price for the above Item is ..... \$ 4,484.00

All items quoted F.O.B. – Sultan, Washington

Industrial Fabrication is not responsible for any state or local taxes that may occur.

Thank you for the opportunity to quote. We look forward to working with you on this as well as future projects.

Sincerely,

Tim Dion  
Estimator / Project Manager

Signco 2012  
 P.O. Box 430  
 Monroe, WA 98272

## Sales Order

Date	S.O. No.
5/15/2014	2406

<b>Name / Address</b>
City of Sultan Connie Dunn connie.dunn@ci.sultan.wa.us

<b>Ship To</b>

P.O. No.	Rep	Project

Item	Description	Ordered	Rate	Amount
Sign	Plastic letters with stud and pad mount for Hwy two sign see layout 4 sets	4	235.00	940.00T
Sign	flat cut letters made out of composite panel 8 mil thick Mounted with out standoff	4	175.00	700.00T
Sign	Install letters on customer provided blank	4	75.00	300.00T
Freight	freight for formed plastic letters	1	35.00	35.00T
	I will send you some info on the formed letters they have depth so they look really nice and they have a lifetime warranty. Sales Tax		8.70%	171.83
			<b>Total</b>	\$2,146.83

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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**ITEM NO:** A-4  
**DATE:** May 22, 2014  
**SUBJECT:** WHPacific On-Call Engineering Services Contract Amendment  
**CONTACT PERSON:** Mick Matheson, P.E. – Public Works Director 

**ISSUE:**

Authorize the Mayor to sign Contract Addendum No. 8 (Attachment H) with WHPacific to:

- Increase the contract amount from \$250,845 to an amount not to exceed \$255,845.
- Extend the on-call engineering and survey support contract duration an additional four months to allow the City adequate time to complete an on-call consultant selection process.

**ALTERNATIVES:**

1. Authorize the Mayor to sign Addendum No. 8 with WHPacific (WHP) to increase the contract amount from \$250,285 to an amount not to exceed \$255,285, and extend the duration of the contract an additional four months with a new expiration date of October 1, 2014.
2. Do not authorize the Mayor to sign Addendum No. 8 with WHP for on-call engineering services. Direct staff to areas of concern.

**STAFF RECOMMENDATION:**

Authorize the Mayor to sign Addendum No. 8 with WHPacific (WHP) to increase the contract amount from \$250,845 to an amount not to exceed \$255,845.

The purpose of the contract amendment is to ensure adequate expenditure authority to provide continued on-call engineering and survey support on an as-needed basis until October 1, 2014 to allow the City adequate time to complete an on-call selection process.

**SUMMARY:**

The city council originally approved an on-call engineering services contract with WHP on May 27, 2010 (Attachment A). The city council subsequently authorized the Mayor to sign Addendum No. 1 to extend the contract duration to expire June 1, 2012 at the June 30, 2011 council meeting, but not to increase the contract amount (Attachment B).

The original contract amount was set not to exceed \$50,000.00. The amount expended by WHP and their subconsultants through December 2011 was \$40,425.00. A summary of projects and funds expended during this timeframe are outlined below:

2010-2011 Projects	Cost
Evacuation Trail Repair	\$18,778
Wisteria Culvert Repair	\$4,405
Lake 16 Dam Investigation	\$5,887
Marcus Street Right-of-Way Survey	\$8,286
Denali Inspection Services	\$994
North Park Survey	\$1,056
Swanson Property Drainage Easement Legal Description	\$1,020
<b>Sub-Total</b>	<b>\$40,425</b>

Council authorized the Mayor to sign Contract Addendum No. 2 (Attachment C) with WHPacific at the December 8, 2011 council meeting to extend the duration of the on-call engineering services agreement from June 1, 2012 to June 1, 2013, and to increase the contract amount from \$50,000 to an amount not to exceed \$150,125.

The purpose of Contract Addendum No. 2 was to ensure adequate expenditure authority and time to continue the Timber Ridge analysis and to complete the Wagley Creek at Dyer Road Culvert Replacement design.

Council subsequently authorized the Mayor to sign Contract Amendment No. 3 (Attachment D) to increase the contract amount from \$150,125 to an amount not to exceed \$223,765 on June 28, 2012 to provide additional funds for Timber Ridge.

Council authorized the Mayor to sign Contract Amendment No. 4 allowing WHP to retain the services of ARC Architects as a subconsultant to complete a report regarding the Sultan Museum consisting of both a code analysis and interpretations to the existing conditions as well as a structural investigation of the attic space. The cost of this report was not to exceed \$3,540.00.

On November 8, 2012, Council authorized the Mayor to sign Contract Amendment No. 5 for WHP to design a traffic control plan required by the Washington State Department of Transportation for the installation of the monuments to be located at the roundabout at Rice Road. The cost of this plan was not to exceed \$3,910.

Council authorized the Mayor to sign Contract Amendment No. 6 to assist the City with the development of a geologically hazardous areas draft code to allow continued development in Timber Ridge. The draft code has been reviewed by Kenyon Disend, and the corporation that has purchased all of the lots in the development that aren't currently occupied by a home, for their review. Contract Amendment No. 6 was not to exceed \$9,630.

Council authorized the Mayor to sign Contract Amendment No. 7 to provide survey support for the installation of a fourth emergency siren north of the City limits on Trout Farm Road (not to exceed \$1,990), and continued on-call engineering and survey support on an as-needed basis until June 1, 2014 when the current contract expires.

At the March 13, 2014 council meeting, Council requested that the City provide an opportunity for other consulting engineering firms to compete for the on-call consultant contract, since WHPacific has held this contract since May 27, 2010. To provide City staff adequate time to complete an on-call consultant selection process, staff is recommending extending the WHP contract an additional four months to provide continued on-call engineering and survey support in the interim timeframe.

**FISCAL IMPACT:**

Addendum No 8 increases the contract amount from \$250,845 to an amount not to exceed \$255,845. Dollars expended will be paid by the fund receiving the benefit (e.g. a stormwater project would be funded through the Stormwater Utility).

**RECOMMENDED ACTION:**

Authorize the Mayor to sign Addendum No. 8 with WHPacific (WHP) to increase the contract amount from \$250,845.00 to an amount not to exceed \$255,845, and extend the duration of the contract an additional four months with a new expiration date of October 1, 2014.

**ATTACHMENTS:**

- A – WHP On-Call Engineering Services Contract May 27, 2010
- B – Addendum No. 1 with WHP
- C – Addendum No. 2 with WHP
- D – Addendum No. 3 with WHP
- E – Addendum No. 4 with WHP
- F – Addendum No. 5 with WHP
- G – Addendum No. 6 with WHP
- H – Addendum No. 7 with WHP
- I – Addendum No. 8 with WHP

**AGREEMENT FOR SERVICES  
BETWEEN THE CITY OF SULTAN AND  
WHPacific, Inc.**

THIS AGREEMENT, is made this 27<sup>th</sup> day of May, 2010, by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal Corporation, and WHPacific, Inc., (hereinafter referred to as "Service Provider"), doing business at 12100 NE 195<sup>th</sup>, Suite 300, Bothell, WA 98011

WHEREAS, Service Provider is in the business of providing certain services specified herein; and included in the City of Sultan Capital Improvement Plan.

WHEREAS, the City desires to contract with Service Provider for the provision of such services for water, sewer, and street projects, and the Service Provider agrees to contract with the City for same;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by and between the parties as follows:

**TERMS**

1. **Description of Work.** Service Provider shall perform work as described in Attachment A, Scope of Work, which is attached hereto and incorporated herein by this reference, according to the existing standard of care for such services. Service Provider shall not perform any additional services without the expressed written permission of the City Council.
  
2. **Payment.**
  - A. The City shall pay Service Provider at the hourly rate set forth in Attachment A, but not more than a total of Fifty Thousand dollars (\$50,000) for the services described in this Agreement. This is the maximum amount to be paid under this Agreement.
  - B. Service Provider shall submit monthly payment invoices to the City after such services have been performed, and the City shall make payment within four (4) weeks after the submittal of each approved invoice. Such invoice shall detail the hours worked, a description of the tasks performed, and shall separate all charges for clerical work and reimbursable expenses.
  - C. If the City objects to all or any portion of any invoice, it shall so notify Service Provider of the same within five (5) 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.
  
2. **Relationship of Parties.** The parties intend that an independent contractor - client relationship will be created by this Agreement. As Service Provider is customarily engaged in an independently established trade which encompasses the specific service provided to the City hereunder, no agent, employee, representative or subcontractor of Service Provider shall be or shall be deemed to be the employee, agent, representative or subcontractor of the City. None of the benefits provided by the City to its employees, including, but not limited to, compensation, insurance and unemployment insurance, are available from the City to the Service Provider or his employees, agents, representatives or subcontractors. Service Provider will be solely and entirely responsible for his acts and for the acts of Service Provider's agents, employees,

representatives and subcontractors during the performance of this Agreement. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that Service Provider performs hereunder.

Services provided by the WHPacific under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar conditions

4. **Project Name.** On Call engineering Services
5. **Duration of Work** May 27, 2010 to June 1, 2011
6. **Termination.**
  - A. Termination Upon the City's Option. The City shall have the option to terminate this Agreement at any time. Termination shall be effective upon ten (10) days written notice to the Service Provider.
  - B. Termination for Cause. If Service Provider refuses or fails to complete the tasks described in Attachment A, or to complete such work in a manner unsatisfactory to the City, then the City may, by written notice to Service Provider, give notice of its intention to terminate this Agreement. After such notice, Service Provider shall have ten (10) days to cure, to the satisfaction of the City or its representative. If Service Provider fails to cure to the satisfaction of the City, the City shall send Service Provider a written termination letter which shall be effective upon deposit in the United States mail to Service Provider's address as stated below.
  - C. Rights upon Termination. In the event of termination, the City shall only be responsible to pay for all services satisfactorily performed by Service Provider to the effective date of termination, as described in the final invoice to the City. The City Manager shall make the final determination about what services have been satisfactorily performed.
  - D. Service Provider may terminate this Agreement upon giving City seven business days prior written notice for any of the following reasons:
    1. Breach by City of any material term of this Agreement, including but not limited to the payment terms;
    2. Changes in the material conditions under which the Agreement was entered into coupled with a failure of the parties to negotiate an accord regarding the fees, changes, schedules relating to those changes.
7. **Nondiscrimination.** In the hiring of employees for the performance of work under this Agreement or any subcontract hereunder, Service Provider, its subcontractors or any person acting on behalf of Service Provider shall not, by reason of race, religion, color, sex, marital status, national origin or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.
8. **Indemnification / Hold Harmless.** To the fullest extent permitted by law, The Service Provider shall indemnify and hold the City, its officers, officials, employees and volunteers harmless from damages and losses including reasonable attorney fees, to the extent arising out of the negligent performance of this Agreement to the extent that the Service Provider is responsible for such

damages and losses on a comparative basis of fault with the City. The Service Provider is not obligated to indemnify City for City's own negligence or intentionally wrongful conduct.

Notwithstanding anything herein to the contrary, neither party shall be liable to the other for any consequential damages incurred due to the fault of the other party, regardless of the nature of this fault or whether it was committed by the Service Provider or City, their employees, agents, subconsultants or subcontractors. Consequential damages include but are not limited to loss of profits and loss of use."

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Service Provider and the City, its officers, officials, employees, and volunteers, the Service Provider's liability hereunder shall be only to the extent of the Service Provider's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Service Provider's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

9. **Insurance.** The Service Provider shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Service Provider, their agents, representatives, employees or subcontractors.
  - A. **Minimum Scope of Insurance.** Service Provider shall obtain insurance of the types described below:
    1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
    2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. The City shall be named as an insured under the Service Provider's Commercial General Liability insurance policy with respect to the work performed for the City using ISO additional insured endorsement GC 20 10 10 01 and GC 20 37 10 01 or substitute endorsements providing equivalent coverage.
    3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
  - B. **Minimum Amounts of Insurance.** Service Provider shall maintain the following insurance limits:
    1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and \$2,000,000 products-completed operations aggregate limit.
- C. Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:
1. The Service Provider's insurance coverage shall be primary insurance as respect to the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Service Provider's insurance and shall not contribute with it.
  2. The Service Provider's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
- D. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.
- E. Verification of Coverage. Service Provider shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Service Provider before commencement of the work.
- F. Subcontractors. Service Provider shall include each subcontractor as insured under its policies or shall furnish separate certifications and endorsements for each subcontractor. All coverage shall be subject to all of the same insurance requirements as stated herein for the Service Provider.
10. **Entire Agreement.** The written provisions and terms of this Agreement, together with all documents attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of, or altering in any manner whatsoever, this Agreement.
11. **City's Right of Supervision, Limitation of Work Performed by Service Provider.** Even though Service Provider works as an independent contractor in the performance of his duties under this Agreement, the work must meet the approval of the City and be subject to the City's general right of inspection and supervision to secure the satisfactory completion thereof. In the performance of work under this Agreement, Service Provider shall comply with all federal, state and municipal laws, ordinances, rules and regulations in effect during the duration of this Agreement that are applicable to Service Provider's business, equipment, and personnel engaged in operations covered by this Agreement or accruing out of the performance of such operations.
12. **Work Performed at Service Provider's Risk.** Service Provider shall be responsible for the safety of its employees, agents and subcontractors in the performance of the work hereunder and shall take all protections reasonably necessary for that purpose. All work shall be done at Service

Provider's own risk, and Service Provider shall be responsible for any loss of or damage to materials, tools, or other articles used or held for use in connection with the work.

**13. Ownership of Products and Premises Security.**

A. The City acknowledges that the documents created by the Service Provider are expressions of the Service Provider's intellectual property and, therefore, instruments of service. Nevertheless, the final documents shall become property of the City upon completion of the Work and payment in full of all undisputed monies due and owing to the Service Provider. Authorship shall remain with the Service Provider.

B. While working on the City's premises, the Service Provider agrees to observe and support the City's rules and policies relating to maintaining physical security of the City's premises.

**14. Modification.** No waiver, alteration or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and Service Provider.

**15. Assignment.** Any assignment of this Agreement by Service Provider without the written consent of the City shall be void.

**16. Written Notice.** All communications regarding this Agreement shall be sent to the parties at the addresses listed below, unless notified to the contrary. Any written notice hereunder shall become effective as of the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Agreement or such other address as may be hereafter specified in writing.

**17. Non-Waiver of Breach.** The failure of the City to insist upon strict performance of any of the covenants and agreements contained herein, or to exercise any option herein conferred in one or more instances shall not be construed to be a waiver or relinquishment of said covenants, agreements or options, and the same shall be and remain in full force and effect.

**18. Resolution of Disputes, Governing Law.** Should any dispute, misunderstanding or conflict arise as to the terms and conditions contained in this Agreement, the matter shall be referred to the City Manager, whose decision shall be final. In the event of any litigation arising out of this Agreement, the prevailing party shall be reimbursed for its reasonable attorney fees from the other party. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year above written.

**CITY OF SULTAN**

By: \_\_\_\_\_  
Carolyn Eslick, Mayor

**SERVICE PROVIDER**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**CITY PROJECT MANAGER**

Mick Matheson  
City of Sultan  
319 Main Street, Suite 200  
Sultan, WA 98294  
Phone: 360-793-2231  
Fax: 360-793-3344

**SERVICE PROVIDER CONTACT**

Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_

**ATTEST/AUTHENTICATED**

By: \_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
Office of the City Attorney

## 2010 Standard Fee Schedule

### A. Personnel Services -- hourly rates

Principal-In-Charge .....	\$200
Sr. Project Manager.....	\$190
Sr. Specialist.....	\$170
Project Manager .....	\$160
Professional IV.....	\$135
Professional III.....	\$120
Professional II.....	\$105
Professional I.....	\$95
Construction Inspector .....	\$110
Designer II.....	\$115
Designer I.....	\$100
Drafter III.....	\$88

Drafter II.....	\$80
Drafter I.....	\$70
Party Chief II (T5).....	\$115
Party Chief I (T4).....	\$103
Survey Technician II (T3).....	\$81
Survey Technician I (T2).....	\$69
Project Coordinator II .....	\$80
Project Coordinator I.....	\$65
Three-Person Survey Crew .....	\$215
Two-Person Survey Crew .....	\$155
One-Person Survey Crew.....	\$100

**NOTE: Overtime will be billed at 1.50 times.**

### B. Other Direct Costs

Subconsultants.....	Cost plus 10% handling fee
Outside Materials, Supplies, Reprographics, etc. ....	Cost plus 5% handling fee
Travel and Subsistence.....	Cost
Mileage (standard vehicle).....	\$0.50 per mile
Survey vehicle mileage .....	\$0.50 per mile
GPS equipment.....	\$100 per day per receiver
In-house color copies.....	\$1.50 per copy
In-house plotting costs.....	\$3.00 per plot

**ADDENDUM No 1  
BY AND BETWEEN THE CITY OF SULTAN AND  
WHPACIFIC**

**THIS FIRST ADDENDUM** is made by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal corporation, and WHPacific, Inc., (hereinafter referred to as "Service Provider") collectively the "Parties".

**WHEREAS**, on May 27, 2010, the Parties entered into that certain Agreement for Services ("Agreement") for the provision of on-call engineering services; and

**WHEREAS**, the Service Provider has satisfactorily performed on-call engineering services at the city's request; and

**WHEREAS**, the City desires to extend the duration of the contract from June 1, 2011 to June 1, 2012; **NOW, THEREFORE**,

**IN CONSIDERATION OF** the mutual promises, terms and conditions set forth in the Agreement and contained herein, the Parties hereby agree as follows:

**Section 1. Amendment of Section 5 of the Agreement.** Section 5 of the Agreement is hereby revised to provide in its entirety as follows:

**5. Duration of Work June 1, 2011 to June 1, 2012**

**Section 2. Effect of Addendum.** This First Addendum is in addition to the Agreement. Except as otherwise provided herein, the provisions of this First Addendum modify, but do not supersede the provisions of the Agreement. Except as otherwise provided herein, each provision of the Agreement shall continue in full force and effect as if this First Addendum did not exist. Except as otherwise provided herein, capitalized words and phrases shall have the meanings ascribed to them in the Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Addendum to be signed and executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**CITY OF SULTAN:**

By: \_\_\_\_\_  
City Manager

**ATTEST/AUTHENTICATED:**

By: \_\_\_\_\_  
City Clerk

**CONTRACTOR:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Office of the City Attorney

**ADDENDUM No 2  
BY AND BETWEEN THE CITY OF SULTAN AND  
WHPACIFIC**

**THIS SECOND ADDENDUM** is made by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal corporation, and WHPacific, Inc., (hereinafter referred to as "Service Provider") collectively the "Parties".

**WHEREAS**, on May 27, 2010, the Parties entered into that certain Agreement for Services ("Agreement") for the provision of on-call engineering services; and

**WHEREAS**, the Service Provider has satisfactorily performed on-call engineering services at the city's request; and

**WHEREAS**, the City desires to increase the contract amount from \$50,000 to an amount not to exceed \$150,125; and

**WHEREAS**, the City desires to extend the duration of the contract from June 1, 2012 to June 1, 2013; **NOW, THEREFORE**,

**IN CONSIDERATION OF** the mutual promises, terms and conditions set forth in the Agreement and contained herein, the Parties hereby agree as follows:

**Section 1. Amendment of Sections 2 and 5 of the Agreement.** Sections 2 and 5 of the Agreement are hereby revised to provide in its entirety as follows:

**2. Payment.**

- A. The City shall pay Service Provider at the hourly rate set forth in Attachment A, but not more than a total of One Hundred Fifty Thousand and One Hundred Twenty Five dollars (\$150,125) for the services described in this Agreement. This is the maximum amount to be paid under this Agreement.

**5. Duration of Work June 1, 2011 to June 1, 2013**

**Section 2. Effect of Addendum.** This Second Addendum is in addition to the Agreement. Except as otherwise provided herein, the provisions of this Second Addendum modify, but do not supersede the provisions of the Agreement. Except as otherwise provided herein, each provision of the Agreement shall continue in full force and effect as if this Second Addendum did not exist. Except as otherwise provided herein, capitalized words and phrases shall have the meanings ascribed to them in the Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Addendum to be signed and executed  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**CITY OF SULTAN:**

By: \_\_\_\_\_  
City Manager

**ATTEST/AUTHENTICATED:**

By: \_\_\_\_\_  
City Clerk

**CONTRACTOR:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Office of the City Attorney

**ADDENDUM No 3  
BY AND BETWEEN THE CITY OF SULTAN AND  
WHPACIFIC**

**THIS THIRD ADDENDUM** is made by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal corporation, and WHPacific, Inc., (hereinafter referred to as "Service Provider") collectively the "Parties".

**WHEREAS**, on May 27, 2010, the Parties entered into that certain Agreement for Services ("Agreement") for the provision of on-call engineering services; and

**WHEREAS**, the Service Provider has satisfactorily performed on-call engineering services at the city's request; and

**WHEREAS**, the City desires to increase the contract amount from \$150,125 to an amount not to exceed \$223,765; **NOW, THEREFORE**,

**IN CONSIDERATION OF** the mutual promises, terms and conditions set forth in the Agreement and contained herein, the Parties hereby agree as follows:

**Section 1. Amendment of Section 2 of the Agreement.** Section 2 of the Agreement is hereby revised to provide in its entirety as follows:

**2. Payment.**

- A. The City shall pay Service Provider at the hourly rate set forth in Attachment A, but not more than a total of Two Hundred Twenty Three thousand seven hundred sixty five dollars (\$223,765) for the services described in this Agreement. This is the maximum amount to be paid under this Agreement.

**Section 2. Effect of Addendum.** This Third Addendum is in addition to the Agreement. Except as otherwise provided herein, the provisions of this Third Addendum modify, but do not supersede the provisions of the Agreement. Except as otherwise provided herein, each provision of the Agreement shall continue in full force and effect as if this Third Addendum did not exist. Except as otherwise provided herein, capitalized words and phrases shall have the meanings ascribed to them in the Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Addendum to be signed and executed  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**CITY OF SULTAN:**

By: \_\_\_\_\_  
City Manager

**ATTEST/AUTHENTICATED:**

By: \_\_\_\_\_  
City Clerk

**CONTRACTOR:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Office of the City Attorney

**ADDENDUM No 4  
BY AND BETWEEN THE CITY OF SULTAN AND  
WHPACIFIC**

**THIS FOURTH ADDENDUM** is made by and between the City of Sultan (hereinafter referred to as “City”), a Washington Municipal corporation, and WHPacific, Inc., (hereinafter referred to as “Service Provider”) collectively the “Parties”.

**WHEREAS**, on May 27, 2010, the Parties entered into that certain Agreement for Services (“Agreement”) for the provision of on-call engineering services; and

**WHEREAS**, the Service Provider has satisfactorily performed on-call engineering services at the city’s request; and

**WHEREAS**, the City desires to increase the contract amount from \$223,765 to an amount not to exceed \$227,305; **NOW, THEREFORE**,

**IN CONSIDERATION OF** the mutual promises, terms and conditions set forth in the Agreement and contained herein, the Parties hereby agree as follows:

**Section 1. Amendment of Section 2 of the Agreement.** Section 2 of the Agreement is hereby revised to provide in its entirety as follows:

**2. Payment.**

- A. The City shall pay Service Provider at the hourly rate set forth in Attachment A, but not more than a total of Two Hundred Twenty Seven thousand three hundred five dollars (\$227,305) for the services described in this Agreement. This is the maximum amount to be paid under this Agreement.

**Section 2. Effect of Addendum.** This Fourth Addendum is in addition to the Agreement. Except as otherwise provided herein, the provisions of this Third Addendum modify, but do not supersede the provisions of the Agreement. Except as otherwise provided herein, each provision of the Agreement shall continue in full force and effect as if this Fourth Addendum did not exist. Except as otherwise provided herein, capitalized words and phrases shall have the meanings ascribed to them in the Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Addendum to be signed and executed  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**CITY OF SULTAN:**

By: \_\_\_\_\_  
City Manager

**ATTEST/AUTHENTICATED:**

By: \_\_\_\_\_  
City Clerk

**CONTRACTOR:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Office of the City Attorney

**ADDENDUM No 5  
BY AND BETWEEN THE CITY OF SULTAN AND  
WHPACIFIC**

**THIS FIFTH ADDENDUM** is made by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal corporation, and WHPacific, Inc., (hereinafter referred to as "Service Provider") collectively the "Parties".

**WHEREAS**, on May 27, 2010, the Parties entered into that certain Agreement for Services ("Agreement") for the provision of on-call engineering services; and

**WHEREAS**, the Service Provider has satisfactorily performed on-call engineering services at the city's request; and

**WHEREAS**, the City desires to increase the contract amount from \$227,305 to an amount not to exceed \$231,215; **NOW, THEREFORE**,

**IN CONSIDERATION OF** the mutual promises, terms and conditions set forth in the Agreement and contained herein, the Parties hereby agree as follows:

**Section 1. Amendment of Section 2 of the Agreement.** Section 2 of the Agreement is hereby revised to provide in its entirety as follows:

**2. Payment.**

- A. The City shall pay Service Provider at the hourly rate set forth in Attachment A, but not more than a total of Two Hundred Thirty One thousand two hundred fifteen dollars (\$231,215) for the services described in this Agreement. This is the maximum amount to be paid under this Agreement.

**Section 2. Effect of Addendum.** This Fifth Addendum is in addition to the Agreement. Except as otherwise provided herein, the provisions of this Third Addendum modify, but do not supersede the provisions of the Agreement. Except as otherwise provided herein, each provision of the Agreement shall continue in full force and effect as if this Fifth Addendum did not exist. Except as otherwise provided herein, capitalized words and phrases shall have the meanings ascribed to them in the Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Addendum to be signed and executed  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**CITY OF SULTAN:**

By: \_\_\_\_\_  
City Manager

**ATTEST/AUTHENTICATED:**

By: \_\_\_\_\_  
City Clerk

**CONTRACTOR:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Office of the City Attorney

**ADDENDUM No 6  
BY AND BETWEEN THE CITY OF SULTAN AND  
WHPACIFIC**

**THIS SIXTH ADDENDUM** is made by and between the City of Sultan (hereinafter referred to as “City”), a Washington Municipal corporation, and WHPacific, Inc., (hereinafter referred to as “Service Provider”) collectively the “Parties”.

**WHEREAS**, on May 27, 2010, the Parties entered into that certain Agreement for Services (“Agreement”) for the provision of on-call engineering services; and

**WHEREAS**, the Service Provider has satisfactorily performed on-call engineering services at the city’s request; and

**WHEREAS**, the City desires to increase the contract amount from \$231,215 to an amount not to exceed \$240,845; and

**WHEREAS**, the City desires to extend the duration of the contract from June 1, 2013 to June 1, 2014; **NOW, THEREFORE**,

**IN CONSIDERATION OF** the mutual promises, terms and conditions set forth in the Agreement and contained herein, the Parties hereby agree as follows:

**Section 1. Amendment of Sections 2 and 5 of the Agreement.** Sections 2 and 5 of the Agreement is hereby revised to provide in its entirety as follows:

**2. Payment.**

- A. The City shall pay Service Provider at the hourly rate set forth in Attachment A, but not more than a total of Two Hundred Forty thousand eight hundred forty five dollars (\$240,845) for the services described in this Agreement. This is the maximum amount to be paid under this Agreement.

**5. Duration of Work May 27, 2010 to June 1, 2014.**

**Section 2. Effect of Addendum.** This Sixth Addendum is in addition to the Agreement. Except as otherwise provided herein, the provisions of this Sixth Addendum modify, but do not supersede the provisions of the Agreement. Except as otherwise provided herein, each provision of the Agreement shall continue in full force and effect as if this Sixth Addendum did not exist. Except as otherwise provided herein, capitalized words and phrases shall have the meanings ascribed to them in the Agreement.

**.IN WITNESS WHEREOF**, the parties have caused this Addendum to be signed and executed  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**CITY OF SULTAN:**

By: \_\_\_\_\_  
City Manager

**ATTEST/AUTHENTICATED:**

By: \_\_\_\_\_  
City Clerk

**CONTRACTOR:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Office of the City Attorney

**ADDENDUM No 7  
BY AND BETWEEN THE CITY OF SULTAN AND  
WHPACIFIC**

**THIS SEVENTH ADDENDUM** is made by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal corporation, and WHPacific, Inc., (hereinafter referred to as "Service Provider") collectively the "Parties".

**WHEREAS**, on May 27, 2010, the Parties entered into that certain Agreement for Services ("Agreement") for the provision of on-call engineering services; and

**WHEREAS**, the Service Provider has satisfactorily performed on-call engineering services at the city's request; and

**WHEREAS**, the City desires to increase the contract amount from \$240,845 to an amount not to exceed \$250,845; and

**IN CONSIDERATION OF** the mutual promises, terms and conditions set forth in the Agreement and contained herein, the Parties hereby agree as follows:

**Section 1. Amendment of Sections 2 and 5 of the Agreement.** Sections 2 and 5 of the Agreement is hereby revised to provide in its entirety as follows:

**2. Payment.**

A. The City shall pay Service Provider at the hourly rate set forth in Attachment A, but not more than a total of Two Hundred Fifty thousand eight hundred forty five dollars (\$250,845) for the services described in this Agreement. This is the maximum amount to be paid under this Agreement.

**5. Duration of Work May 27, 2010 to June 1, 2014.**

**Section 2. Effect of Addendum.** This Seventh Addendum is in addition to the Agreement. Except as otherwise provided herein, the provisions of this Seventh Addendum modify, but do not supersede the provisions of the Agreement. Except as otherwise provided herein, each provision of the Agreement shall continue in full force and effect as if this Seventh Addendum did not exist. Except as otherwise provided herein, capitalized words and phrases shall have the meanings ascribed to them in the Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Addendum to be signed and executed  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**CITY OF SULTAN:**

By: \_\_\_\_\_  
City Manager

**ATTEST/AUTHENTICATED:**

By: \_\_\_\_\_  
City Clerk

**CONTRACTOR:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Office of the City Attorney

**ADDENDUM No 8  
BY AND BETWEEN THE CITY OF SULTAN AND  
WHPACIFIC**

**THIS EIGHTH ADDENDUM** is made by and between the City of Sultan (hereinafter referred to as "City"), a Washington Municipal corporation, and WHPacific, Inc., (hereinafter referred to as "Service Provider") collectively the "Parties".

**WHEREAS**, on May 27, 2010, the Parties entered into that certain Agreement for Services ("Agreement") for the provision of on-call engineering services; and

**WHEREAS**, the Service Provider has satisfactorily performed on-call engineering services at the city's request; and

**WHEREAS**, the City desires to increase the contract amount from \$250,845 to an amount not to exceed \$255,845; and

**WHEREAS**, the City desires to extend the duration of the contract from June 1, 2014 to October 1, 2014; **NOW, THEREFORE**,

**IN CONSIDERATION OF** the mutual promises, terms and conditions set forth in the Agreement and contained herein, the Parties hereby agree as follows:

**Section 1. Amendment of Sections 2 and 5 of the Agreement.** Sections 2 and 5 of the Agreement is hereby revised to provide in its entirety as follows:

**2. Payment.**

- A. The City shall pay Service Provider at the hourly rate set forth in Attachment A, but not more than a total of Two Hundred Fifty five thousand eight hundred forty five dollars (\$255,845) for the services described in this Agreement. This is the maximum amount to be paid under this Agreement.

**5. Duration of Work May 27, 2010 to October 1, 2014.**

**Section 2. Effect of Addendum.** This Eighth Addendum is in addition to the Agreement. Except as otherwise provided herein, the provisions of this Eighth Addendum modify, but do not supersede the provisions of the Agreement. Except as otherwise provided herein, each provision of the Agreement shall continue in full force and effect as if this Eighth Addendum did not exist. Except as otherwise provided herein, capitalized words and phrases shall have the meanings ascribed to them in the Agreement.

**IN WITNESS WHEREOF**, the parties have caused this Addendum to be signed and executed  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**CITY OF SULTAN:**

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

**ATTEST/AUTHENTICATED:**

By: \_\_\_\_\_  
City Clerk

**CONTRACTOR:**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Taxpayer ID #: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Office of the City Attorney

SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET

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Agenda Item #: Action A 5  
Date: May 22, 2014  
SUBJECT: Ordinance 1196-14 Water/Sewer Revenue Bond Issue  
CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

**Issue:**

The issue before the Council is to adopt Ordinance 1196-14 authorizing the issuance of water and sewer revenue bonds in an aggregate principal amount not to exceed \$3,000,000 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 or Finance Director the authority to approve final terms of the bonds.

**Summary:**

Ordinance 1194-14 authorizing the issuance of Water/Sewer Revenue Bonds was passed on April 24, 2014. Staff has been working with James Nelson, D.A. Davidson & Co and David Thompson, K & L Gates, Bond Attorney, to finalize the details for the bond issue and the proposed rating change with Standards and Poors.

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. Due to problems with the Alder Avenue bids, the city has increased the bond amount to cover funding shortfalls for the water, sewer and storm systems.

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.

Staff is assisting Jim Nelson with the preparation of the Official Statement and bond counsel with the preparation of the ordinance. The ratings call will be held next week and we expect a response by the end of the month.

**Recommendation:**

Staff recommends the Council adopt Ordinance 1196-14 authorizing the issuance of water and sewer revenue bonds in an aggregate principal amount not to exceed \$3,000,000 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 or Finance Director the authority to approve final terms of the bonds.

Attachment: A. Ordinance 1196-14

CITY OF SULTAN, WASHINGTON

WATER AND SEWER REVENUE BONDS, 2014

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ORDINANCE NO. 1196-14

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 \$3,000,000 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 or Finance Director the authority to approve final terms of the bonds, subject to conditions set forth in this ordinance.

PASSED ON MAY 22, 2014

Prepared By:

K&L GATES LLP  
Seattle, Washington

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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 \$3,000,000 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 or Finance Director 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, sewage collection and treatment facilities, and storm water control 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 or Finance Director, 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 \$3,000,000.

**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, Finance Director, 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.

**Finance Director** means the City's Clerk/Deputy Finance Director, or the successor to the duties of that office.

**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 on 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 operating funds for the System described in 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 City's domestic water supply and distribution facilities, sewage collection and treatment facilities, and storm water control facilities, 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 Finance Director 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.

**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:

**High Avenue Reconstruction (1<sup>st</sup> Street to 4<sup>th</sup> Street)**

Replace the sanitary sewer main and side sewer services, and water main and services beneath High Avenue from 1<sup>st</sup> Street to 4<sup>th</sup> Street.

**4<sup>th</sup> Street Overlay (Alder Avenue to Fir Avenue)**

Replace the sanitary sewer main and side sewer services, the water main and services beneath 4<sup>th</sup> Street from Alder Avenue to Fir Avenue. The storm drainage system will also be improved in strategic spots to improve drainage.

**Water Booster Pump Station Improvements**

Replace the existing booster pump station with a new facility, including replacing the existing pumps and emergency generator.

**Sanitary Sewer Main Pump Station Upgrade**

Purchase of a generator, motor control center, and telemetry panel including electrical engineering, together with all planning, design, testing, 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 \$3,000,000 (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 or transfer of Bonds at its principal corporate trust office. The Registrar may be removed at any time at the option of the Finance Director upon prior notice to the Registrar, DTC, each entity entitled to receive notice pursuant to Section 14, and a successor Registrar appointed by the Finance Director. 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 May 22, 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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_, 2014

This is one of the Water and Sewer Revenue Bonds, 2014, of City of Sultan, Washington, dated \_\_\_\_\_, 2014.

WASHINGTON STATE FISCAL  
AGENT, as Registrar

By THE BANK OF NEW YORK  
MELLON TRUST COMPANY, N.A., as  
subcontractor to The Bank of New York  
Mellon, fiscal agent for the State of  
Washington

By \_\_\_\_\_  
Authorized Signer

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:

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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.* Operating funds for the water, sewer and storm water control components of the System have heretofore been created in the office of the Finance Director and are referred to collectively in this ordinance as the "Revenue Fund." 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 Finance Director. 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 Finance Director 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 Finance Director 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 that 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 either:

(A) a certificate of the Finance Director or City Administrator showing that 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 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 all Parity Bonds plus the additional Parity Bonds proposed to be issued for each calendar or fiscal year following the issuance of such additional Parity Bonds; or

(B) 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 Finance Director showing income and expenses for the period upon which the same is based.

(C) The certificate of the Finance Director or 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 \$3,000,000 and (ii) the true interest cost for the Bonds does not exceed 5.0%.

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 Finance Director 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, Finance Director, 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. Repealer. Ordinance No. 1194-14 of the City, passed on April 24, 2014, is repealed.

Section 22. 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 23. 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 May 22, 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 May 22, 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

CITY OF SULTAN  
AGENDA ITEM COVER SHEET

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ITEM: Action A 6  
DATE: May 22, 2014  
SUBJECT: Interlocal Agreement - Conservation Futures Grant  
CONTACT PERSON: Laura Koenig, Clerk/Finance Director

**ISSUE:**

The issue before the Council is to authorize the Mayor to sign the Interlocal Agreement with Snohomish County for Acquisition of Property with Conservation Futures Funds to purchase of property along the Sultan River between Osprey and River Parks.

The City was awarded a grant in the amount of \$324,600 for the purchase of the trail property.

**SUMMARY STATEMENT:**

In 2013, the Snohomish County Executive's Office called for grant applications for the Snohomish County Conservation Futures Grant Program. Funding for this new round comes from Snohomish County's recent bond sale with \$25 million available for Conservation Futures purchases.

Constructing a trail along the Sultan River, connecting Osprey and River Parks is an important Economic and Community Development Project in the City of Sultan and is an eligible project for the Conservation Futures Grant Program. Connecting the two parks with a trail is the first step in the connectivity of the City's park system and Downtown Core. Design and construction of the Pedestrian and Bicycle Bridge crossing the Sultan River will extend the experience further to Sportsmen's Park.

Staff has worked with Snohomish County to provide the required legal descriptions of the proposed property purchase and lease to complete the Interlocal Agreement. The city cannot purchase the Washington State Parks property; however, they can enter into a long-term lease agreement.

**RECOMMENDED ACTION:**

Authorize the Mayor to sign the Interlocal Agreement with Snohomish County for Acquisition of Property with Conservation Futures Funds to purchase of property along the Sultan River between Osprey and River Parks.

Attachment: Interlocal Agreement with Snohomish County for Conservation Futures Grant

**INTERLOCAL COOPERATION AGREEMENT  
BETWEEN  
SNOHOMISH COUNTY AND THE CITY OF SULTAN  
CONCERNING  
ACQUISITION OF PROPERTY WITH CONSERVATION FUTURES FUNDS**

THIS INTERLOCAL COOPERATION AGREEMENT BETWEEN SNOHOMISH COUNTY AND THE CITY OF SULTAN CONCERNING ACQUISITION OF PROPERTY WITH CONSERVATION FUTURES FUNDS (this "Agreement"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between SNOHOMISH COUNTY, a political subdivision of the State of Washington (the "County"), and the CITY OF SULTAN, a Washington municipal corporation (the "City") pursuant to Chapter 39.34 RCW.

**RECITALS**

A. The County manages a Conservation Futures funding program pursuant to RCW 84.34.200 et seq. and Chapter 4.14 Snohomish County Code.

B. Cities and towns located in Snohomish County, nonprofit historic preservation corporations, and nonprofit nature conservancy corporations or associations as such are described in RCW 84.34.210 are eligible to apply to the County for resources to fund acquisition of interests or rights in real property located within Snohomish County that meet the conservation criteria described in RCW 84.34.210 et seq.

C. The City applied for resources from the Snohomish County Conservation Futures Property Tax Fund to enter (i) into a land lease for trail purposes (hereinafter referred to as the "Trail Lease") and (ii) acquire fee simple interest in unimproved real property bounded on the North by Osprey Park and on the South by River (hereinafter referred to as the "Property"). The Trail Lease and the Property are more particularly described in Section 1.1 below.

D. The Snohomish County Conservation Futures Program Advisory Board, at their August 20, 21 and 23, 2013, meetings, reviewed all of the project sponsor requests and, after review, recommended funding the request of the City of Sultan for Three Hundred Twenty Four Thousand Six Hundred and 00/100 Dollars (\$324,600.00) from the Snohomish County Conservation Futures Property Tax Fund.

E. On September 11, 2013, the Snohomish County Council, by Amended Motion No. 13-353, allocated funding in the amount of Three Hundred Twenty Four Thousand Six Hundred and 00/100 Dollars (\$324,600.00) to the City of Sultan from the Snohomish County Conservation Futures Property Tax Fund for that purpose.

NOW, THEREFORE, in consideration of the mutual promises set out below and for other good and valuable consideration, the Parties agree as follows:

1. **Identification of Trail Lease and Property.** The unimproved Property is located in the City of Sultan, Washington, and is generally legally described as follows:

SEE ATTACHED EXHIBIT A.

The real property subject to the Trail Lease is located in the City of Sultan, Washington, and is generally legally described as follows:

SEE ATTACHED EXHIBIT B.

2. **Purpose of Acquisition.** The Trail Lease is to be leased and the Property is to be acquired in fee for the purpose of conserving open spaces and areas as authorized by RCW 84.34.200 et seq., and for conservation and for passive, public recreation.

3. **Duration.** This Agreement shall become effective when executed by both parties and posted on the County's Interlocal Agreements website (the "Effective Date"). If the Trail Lease and Property are acquired within the time frame provided in Section 5.1 below, this Agreement shall be in effect perpetually, subject to any amendments agreed to in writing by the parties. If the Trail Lease and Property are not acquired within the time frame provided in Section 5.1 below, this Agreement shall be terminated; PROVIDED, HOWEVER, that the County and the City may mutually agree in writing, prior to termination, upon an extension of time.

4. **Administrators.** Each party to this Agreement shall designate an individual (an "Administrator") who may be designated by title or position, to oversee and administer such party's participation in this Agreement. The parties' initial Administrators shall be the following:

**County's Initial Administrator:**  
Tom Teigen, Director  
Snohomish County Parks and  
Recreation  
6705 Puget Park Drive  
Snohomish, WA 98296

**City's Initial Administrator:**  
City of Sultan  
Office of the Mayor  
P O Box 1199  
Sultan, WA 98294-1199

Either party may change its Administrator at any time by delivering written notice of such party's new Administrator to the other party.

5. **Duties of the City to Acquire, Operate, Maintain and Conserve.** The City shall:

5.1 Acquire the Trail Lease and Property within eighteen (18) months of the Effective Date of this Agreement and upon closing maintain, operate and conserve the Trail Lease and Property for open space and passive park purposes. The City shall undertake all reasonable efforts to acquire the Trail Lease and Property but if the owner of is not a willing seller, the City shall not utilize the power of eminent domain to acquire either the Trail Lease or the Property. The Trail Lease is subject to County review and written approval prior to execution in order to make sure the conservation values are adequately addressed.

5.2 Immediately following acquisition of the Property, execute and record an instrument conveying a Conservation Easement for the Property to the County in substantially the form attached hereto as Exhibit B (the "Conservation Easement").

5.3 Submit an annual report to the County on February 1 of each subsequent year detailing compliance with all on-going requirements of this Agreement.

5.4 Forward a copy of the recorded deed conveying the Property and a copy of the executed Conservation Easement for the Property to the County as soon as the same are returned from the Snohomish County Auditor.

5.5 Provide an identifying sign, the size and design of which shall be approved by the Snohomish County Department of Parks and Recreation, at the entrance to the Trail Lease and Property which shall be in plain sight in perpetuity, listing the County as a participant in the acquisition of the Trail Lease and Property through the Snohomish County Conservation Futures Program.

5.6 Fund any improvements that are made to the Trail Lease and Property from revenue sources other than Conservation Futures Program Funds and limit any such improvements to those that meet the requirements and intent of RCW 84.34.200 et. seq. and the Conservation Easement.

5.7 Submit to the County a long-term maintenance plan for the Trail Lease and Property and any improvements within three (3) months of the completed Trail Lease and Property acquisition.

5.8 Pay to the County at the end of each calendar year a pro rata share of any income the City has realized from the Trail Lease and/or Property, less the City's costs of operation and maintenance of the Trail Lease and Property. The pro rata share will be equal to the percentage of the cost of acquisition funded

by the County pursuant to this Agreement. This information shall be submitted as part of the February 1 annual report to the Snohomish County Department of Parks and Recreation.

5.9 Pay to the County, upon sale of any of the City's interest in the Trail Lease or Property, or any portion thereof, a pro rata share of any consideration received, less the costs of improvements funded by the City. The pro rata share will be equal to the percentage of the cost of acquisition funded by the County pursuant to this Agreement.

5.10 Pay on a current basis all taxes or assessments levied on Trail Lease-and/or Property-related activities and the Trail Lease and Property; PROVIDED, HOWEVER, that nothing contained herein will modify the City's right to contest any such tax, and the City will not be deemed to be in default as long as it is, in good faith, contesting the validity or amount of any such taxes.

5.11 Obtain and maintain, at its own costs and expense, all necessary permits, licenses and approvals related to the purchase, ownership, and on-going maintenance and management of the Trail Lease and Property.

**6. Payment from the County.** The County shall provide financial assistance to the City in the amount of up to \$324,600.00 from the Conservation Futures Fund for the acquisition of the Trail Lease and Property. Payment shall be made within ten (10) days of County receipt of a City invoice submitted with documentation of imminent purchase of the Trail Lease and Property and transfer of title, provided the City has complied with all of the terms of this Agreement. In no event shall the County be obligated to provide any payment to the City in excess of the actual purchase price of the Trail Lease and Property. Any obligations of the County beyond the current fiscal year are subject to appropriation of funds for the specific purpose of funding this Agreement in accordance with its Charter and applicable law.

**7. Compliance with Laws.** The parties shall comply with all applicable federal, state and local laws, rules and regulations in performing this Agreement, including, but not limited to, laws against discrimination.

**8. Records, Inspections and Audits.** The City will keep such full and detailed accounts as may be necessary for proper financial management under this Agreement. The County may, at its sole discretion, from time to time whether before or after acquisition of the Trail Lease and Property or termination of this Agreement inspect all books and records and other materials related to any matters covered by this Agreement and not otherwise privileged, belonging to the City or any contractor or to elect to have an audit conducted to verify acquisition-related costs through the date of the acquisition, income from the Trail Lease and Property, maintenance and operation costs, and the cost of post-acquisition improvements. Such books, records and other

materials shall be made available for County inspection during regular business hours within a reasonable time of the request. If the County elects to conduct such an audit, it will give notice to the City, and such audit will be conducted as soon as is reasonably feasible thereafter, but County payments to the City (if any) will not be delayed pending the outcome of the audit. Such audit will be conducted by an auditor selected by the County, and the County will, except as provided herein, pay the cost of such audit. The City agrees to cooperate with the auditor and to make available for examination at its principal office all of its books, records, correspondence and other documents deemed necessary to conduct the audit by the auditor. If the audit reveals a variation equal to five percent (5%) or more of the cost of acquiring the Lease Trail and Property, then the City will pay the cost of the audit, not to exceed Ten Thousand and 00/100 Dollars (\$10,000.00).

The City will preserve all records for a period of seven (7) years; PROVIDED, HOWEVER, that if the City proposes to dispose of any documents materially related to the Trail Lease and Property for a period less than seven (7) years, then the City will deliver the same to the County for disposition by the County.

The County may at all times enter the Trail Lease and Property to determine the City's compliance with the terms and conditions of this Agreement or to post notices. Any person or persons who may have an interest in the purposes of the County's visit may accompany the County.

The City acknowledges and agrees that its obligations under this Section 8 will survive termination of this Agreement.

**9. Risk of Loss.** All of the City's personal property of any kind or description whatsoever, or that of its employees, agents, contractors, and/or invitees placed on the Trail Lease and Property shall be at the City's sole risk, and the County will not be liable for any damage done to, or loss of, such personal property.

**10. Public Records Act.** This Agreement and all public records associated with this Agreement shall be available from the County for inspection and copying by the public where required by the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that public records then in the custody of the City are needed for the County to respond to a request under the Act, as determined by the County, the City agrees to make them promptly available to the County. If the City considers any portion of any record provided to the County under this Agreement, whether in electronic or hard copy form, to be protected from disclosure under law, the City shall clearly identify any specific information that it claims to be confidential or proprietary. If the County receives a request under the Act to inspect or copy the information so identified by the City and the County determines that release of the information is required by the Act or otherwise appropriate, the County's sole obligations shall be to notify the City (a) of the request and (b) of the date that such information will be released to the requester

unless the City obtains a court order to enjoin that disclosure pursuant to RCW 42.56.540. If the City fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified.

The County has, and by this section assumes, no obligation on behalf of the City to claim any exemption from disclosure under the Act. The County shall not be liable to the City for releasing records not clearly identified by the City as confidential or proprietary. The County shall not be liable to the City for any records that the County releases in compliance with this Section or in compliance with an order of a court of competent jurisdiction.

**11. Hold Harmless and Indemnification.** The City shall assume the risk of, be liable for, and pay all damage, loss, costs and expense of any party arising out of the activities under this Agreement and all use of any improvements it may place on the Trail Lease and/or Property. The City shall hold harmless, indemnify and defend the County, its officers, elected and appointed officials, employees and agents from and against all claims, losses, lawsuits, actions, counsel fees, litigation costs, expenses, damages, judgments, or decrees by reason of damage to any property or business and/or any death, injury or disability to or of any person or party, including but not limited to any employee, arising out of or suffered, directly or indirectly, by reason of or in connection with the acquisition or use of the Trail Lease and/or Property and this Agreement; PROVIDED, that the above indemnification does not apply to those damages caused by the sole negligence or willful misconduct of the County, its elected and appointed officials, officers, employees or agents.

In executing this Agreement, the County does not assume liability or responsibility for or in any way release the City from any liability or responsibility which arises in whole or in part from the existence or effect of City ordinances, policies, rules or regulations. If any cause, claim, suit, action or administrative proceeding is commenced in which the enforceability and/or validity of any such City ordinance, policy, rule or regulation is at issue, the City shall defend the same at its sole expense and, if judgment is entered or damages are awarded against the City, the County, or both, the City shall satisfy the same, including all chargeable costs and reasonable attorney's fees.

**12. Dispute Resolution.** The Parties agree to use their best efforts to resolve disputes and other matters arising out of this Agreement or the ongoing administration of this Agreement. If a dispute arises, then (i) within ten (10) business days of a written request by either Party, the City's designated representative and County's designated representative shall meet and resolve the issue; if these parties cannot resolve the issue within ten (10) business days of the meeting, then (ii) the issue shall be submitted to the City's Mayor and to the Director of the Snohomish County Department of Parks and Recreation; if these parties cannot resolve the issue within fifteen (15) business days of submission to them, then (iii) the issue shall be submitted for mediation; if mediation

does not successfully resolve the dispute, then (iv) either Party may file suit in a court of competent jurisdiction. The prevailing party in any legal action shall be entitled to a reasonable attorneys' fee and court costs.

**13. Notice.** All notices required to be given by any party to the other party under this Agreement shall be in writing and shall be delivered either in person, by United States mail, or by electronic mail (email) to the applicable Administrator or Administrator's designee. Notice delivered in person shall be deemed given when accepted by the recipient. Notice by United States mail shall be deemed given as of the date the same is deposited in the United States mail, postage prepaid, and addressed to the Administrator or Administrator's designee at the addresses set forth in Section 1.4 above. Notice delivered by email shall be deemed given as of the date and time received by the recipient.

**14. Miscellaneous.**

**14.1. Entire Agreement; Amendments.** This Agreement shall constitute the full and complete Agreement of the parties regarding the subject matter hereof, and supersedes any and all prior oral or written agreements between the parties regarding the subject matter contained herein. This Agreement may be amended only by written agreement of the parties, executed in the same manner as provided by the Interlocal Cooperation Act, Chapter 39.34 RCW, governing the execution of this Agreement.

**14.2. Interpretation.** This Agreement and each of the terms and provisions of it are deemed to have been explicitly negotiated by the parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either of the parties hereto. The captions and headings in this Agreement are used only for convenience and are not intended to affect the interpretation of the provisions of this Agreement. This Agreement shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.

**14.3. Governing Law and Stipulation of Venue.** This Agreement shall be governed by the laws of the State of Washington and the parties stipulate that any lawsuit regarding this Agreement must be brought in Snohomish County, Washington. In the event that a lawsuit is instituted to enforce any provision of this Agreement, the prevailing party shall be entitled to recover all costs of such a lawsuit, including reasonable attorney's fees.

**14.4. Rights and Remedies.** The rights and remedies of the Parties to this Agreement are in addition to any other rights and remedies provided by law except as otherwise provided in this Agreement.

**14.5. No Third Party Rights.** It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other party. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under, or by reason of, this Agreement on any persons other than the Parties.

**14.6. Binding on Successors.** All of the terms, provisions and conditions of this Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective successors, permitted assigns and legal representatives.

**14.7. No Waiver.** Payment by the County under this Agreement shall not constitute a waiver by the County of any claims it may have against the City for any breach of this Agreement or for failure of City to perform the work or actions, as specified in this Agreement. Forbearance of the rights of the parties under this Agreement will not constitute waiver of entitlement to exercise their respective rights as to any future acts or omissions by the offending party.

**14.8. No Employee Relationship.** In performing work and services pursuant to this Agreement, the City, its, employees, consultants, agents, and representatives shall be acting as agents of the City and shall not be deemed or construed to be employees or agents of the County in any manner whatsoever. The City shall not hold itself out as, nor claim to be, an officer or employee of the County and will not make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of County. The City shall be solely responsible for any claims for wages or compensation by the City's employees, consultants, agents, and representatives, including sub-consultants, or any agency, and shall defend, indemnify and hold County harmless therefrom.

**14.9 Conflicts between Attachments and Text.** Should any conflicts exist between any attached exhibit or schedule and the text or main body of this Agreement, the text or main body of this Agreement shall prevail.

**14.10 Execution in Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement.

**14.11 Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be found invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected thereby, but shall instead continue in full force and effect, to the extent permitted by law.

**14.12 No Assignment.** This Agreement shall not be assigned, either in whole or in part, by either party without the express written consent of the other party, which may be granted or withheld in such party's sole discretion. Any attempt to assign this



Deputy Prosecuting Attorney      Date

City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney                      Date

**EXHIBIT A**

**Legal Description**  
**Fee Simple Acquisition**

For APN/Parcel ID(s): 27080600103900 (Dolly Boucher, Grantor)

Sec 06 TWP 27 RGE 08 ALL TH PTN NE1/4 LY N OF PSH & LY NELY OF SULTAN RIVE & LY E OF FDL- BEG NE COR SEC TH S 552.5 FT THE S 58\*00 OO W 110FT TPB SD LN TH S TO BK OF SULTAN RIV & TERM SD LY EXCANY PTN TH OF LY NLY OF N LN ALDER ST EXT SWLY TO MIDDLE OF SULTAN RIV SD ALDER ST BEING LOC IN NW ¼ 5-27-8 & SD LN BEING MORE PARTICULARLY DAF – BAAP ONE LN SEC 6 570 FT M/L S OF NE COR SD SEC TH SWLY TO MIDDLE OF SULTAN RIVE & TERM SD LN

And

APN/Parcel ID(s): ptn. 28083100400800 (Roger and Patricia Knowlton)

The west 100.00 feet of Government Lot 12, Section 31, Township 28 North, Range 8 East, W.M.

Situate in the County of Snohomish, State of Washington.

Subject to easements and reservations of record.

Situate in the County of Snohomish, State of Washington

**EXHIBIT B**

**Legal Description  
Lease**

APN/Parcel ID(s): ptn. 27080600100600 and ptn. 27080600104000 (WSDOT Grantor)

A strip of land in Government Lot 1, Section 6, Township 27 North, Range 8 East, W.M., said strip of land being 10.00 feet in width, and being landward of and adjacent to the ordinary high water line of the left bank of the Sultan river. The northern limit of this easement is the north line of said Government Lot 1. The eastern limit of this easement is the east line of said Government Lot 1.

**EXHIBIT C**

**Conservation Easement**

After Recording Return to:  
Assistant Clerk  
Snohomish County Council  
3000 Rockefeller Avenue MS 609  
Everett, WA 98201

Document Title: Grant of Conservation Easement

Reference Numbers:

Grantor: City of Sultan, a municipal corporation of the State of Washington

Grantee: Snohomish County, a political subdivision of the State of Washington

Abbreviated Legal Description:

Additional legal on page 17

Assessor's Property Tax Parcel No.: 27080600103900, Ptn. 28083100400800

## GRANT OF CONSERVATION EASEMENT

This grant of a perpetual CONSERVATION EASEMENT (hereinafter "Conservation Easement") is made this \_\_\_\_ day of \_\_\_\_\_, 2013, by the City of Sultan, a municipal corporation of the State of Washington (hereinafter "Grantor"), to Snohomish County, a political subdivision of the State of Washington (hereinafter "Grantee" or "County"), in perpetuity as holder of the Conservation Easement pursuant to RCW 64.04.130.

### RECITALS

A. Grantor is the sole owner in fee simple of the property legally described on Exhibit A, which is attached hereto and incorporated herein by reference (the "Protected Property"), which consists of approximately 1.92 acres of land, located on portions of tax parcel(s) 27080600103900 and 28083100400800 Snohomish County, Washington; and

B. Grantor warrants that Grantor has good legal title to the Protected Property, as well as the right to convey this Conservation Easement, and that the Protected Property is free and clear of any encumbrances except those general exceptions contained in the title policy and any special exceptions shown on the Preliminary Commitment that are accepted by the Grantee; and

C. Grantor warrants that Grantor has no actual knowledge of a release or threatened release of hazardous substances or waste on the Protected Property; and

D. The Protected Property possesses significant long-term natural and open space values ("Conservation Values") of great importance to the people of Snohomish County for passive recreation; and

E. This Conservation Easement is authorized by RCW 64.04.130, the provision of state law governing conservation easements; and

F. The Grantor and the Grantee intend and have the common purpose of retaining the Protected Property for open space and passive recreation by placing restrictions on the use of the Protected Property, which shall continue as a servitude running with the land, and authorizing Grantee to monitor and enforce such restrictions, as described herein; and

G. To document the present condition of the Protected Property so that Grantee or its assigns are able to monitor future uses and assure compliance with the terms of this Conservation Easement, Grantee has, at its expense, prepared baseline data consisting of photographs and other documentation summarized in Exhibit B and incorporated herein by reference as though set forth in full (the "Baseline Documentation") that the parties agree provide an accurate representation of the Protected Property as of the date of this Conservation Easement; and

H. Snohomish County, as the Grantee of this Conservation Easement, is a qualified holder of conservation easements under RCW 64.04.130; and

I. This Conservation Easement is being purchased with funds provided, in part, by the County's Conservation Futures Program pursuant to RCW 84.34.200, RCW 84.34.210, RCW 84.34.220 and chapter 4.14 SCC, which authorizes Snohomish County to purchase conservation easements for the purpose of protecting open space and timber land through restrictions on incompatible uses of the land;

NOW, THEREFORE, for and in consideration of the above recitals and the mutual covenants, terms, conditions, and restrictions contained herein and in payment of one dollar (\$1.00) and other valuable consideration by Grantee, the receipt of which is hereby acknowledged by Grantor, and pursuant to the laws of the State of Washington, including chapters 64.04 and 84.34 of the Revised Code of Washington, the parties agree as follows:

I. Grant. Grantor hereby grants to the Grantee a perpetual Conservation Easement over, under, across and through the Protected Property, as described in Exhibit A attached hereto, to protect, preserve, maintain, improve, restore, limit future use of or otherwise conserve the Protected Property as open space pursuant to chapter 84.34 RCW.

II. Purpose. The purpose of this Conservation Easement is to assure that the Protected Property will be retained forever in its natural and open space condition and to prevent any use of the Protected Property that will significantly impair or interfere with the Conservation Values. Grantor intends that this Conservation Easement will confine the use of, or activity on, the Protected Property to such uses and activities that are consistent with this purpose. This statement of purpose is intended as a substantive provision of the Conservation Easement. Any ambiguity or uncertainty regarding the application of the provisions of this Conservation Easement will be resolved so as to further this purpose.

III. Rights of the Grantee. Grantor hereby conveys to the Grantee all rights necessary to accomplish the purpose of this Conservation Easement, including, without limitation, the following:

- A. The right to protect, conserve, maintain, improve and restore the Conservation Values of the Protected Property;
- B. The right to enter the Protected Property or allow Grantee's invitees or licensees to enter, at a reasonable time and upon prior written notice to the Grantor, for the following purposes (i) to make general inspection of the Protected Property to monitor compliance with this Conservation Easement; (ii) to protect, preserve, maintain, improve and restore the Conservation Values of the Protected Property; and (iii) to mitigate or terminate any violation or otherwise enforce the provisions of this Conservation Easement.
- C. The right to enjoin any use of, or activity on, the Protected Property that is inconsistent with the purpose of this Conservation Easement, including trespasses by members of the public, and to require the restoration of such area or features of the Protected Property as may be damaged by uses or activities inconsistent with the provisions of this Conservation Easement, all in accordance with Section XI.
- D. The right to enforce the terms of this Conservation Easement, consistent with Section XI.
- E. The right to place a sign on the Protected Property which acknowledges this Conservation Easement, any conditions on access, and any funding contribution to the acquisition of the Conservation Easement.

The foregoing are rights, not obligations, and shall not create any third party rights of enforcement.

**IV. Permitted Uses and Activities.**

- A. Grantor reserves to itself, and to its successors and assigns all rights accruing from its ownership of the Protected Property, including the right to engage in or permit or invite others to engage in all uses of the Protected Property that are not prohibited herein and are not inconsistent with the purpose of this Conservation Easement. In the event Grantor plans to undertake actions that could be inconsistent with the purpose of this Conservation Easement, Grantor shall provide Grantee written notice of such intent not less than sixty (60) days prior to the date Grantor intends to undertake the activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit Grantee to make an informed judgment as to its consistency with the purpose of this Conservation Easement. Grantee shall grant or withhold its approval in writing within sixty (60) days of receipt of Grantor's notice. Grantee's approval may be withheld only upon a reasonable determination by Grantee that the action proposed would be inconsistent with the purpose of this Conservation Easement.
  
- B. Any improvements to the Protected Property shall be limited to those which are passive in nature and meet the requirements and intent of RCW 84.34.200-220. Passive improvements include, but are not limited to, trails, interpretive centers, viewpoints, picnicking facilities, access, restrooms, playgrounds and restoration projects. Active recreational improvements are prohibited. Such improvements include, but are not limited to ball fields, use by motorized vehicles, swimming pools, and recreation centers.
  
- C. Nothing herein precludes the Grantor from demolishing, removing, and remediating existing improvements on the property as of the date of this Conservation Easement.

V. **Prohibited Uses and Activities.** Neither Grantor nor its licensees or invitees shall use the Protected Property for any activity or purpose that is inconsistent with the purpose of this Easement. Without limiting the generality of the foregoing, the following activities are expressly prohibited in the Protected Property:

- A. The placement or construction of any buildings, structures, improvements or equipment of any kind except as permitted in subsection IV. B;
- B. The continuation, creation, expansion or intensification of any use or activity that is contrary to the purpose of this Conservation Easement or prohibited in this section;
- C. Mining or extraction of soil, sand, gravel, oil, natural gas or other mineral;
- D. Dumping or accumulation of trash or refuse;
- E. The use of motorized vehicles except for those necessary to conduct the uses permitted under this Conservation Easement; and
- F. Any construction, expansion, repair or other development activity that would result in more than ten percent (10%) of the area of the Protected Property being covered with impervious surfaces, including, without limitation, asphalt, concrete, gravel, buildings, or ponds.

VI. Transfer of Property. The Grantor agrees to:

- A. *Incorporate the terms of this Conservation Easement by reference in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including, without limitation, leasehold interests.*
- B. Describe the Conservation Easement in and append it to any contract for the transfer of any interest in the Protected Property.
- C. Give written notice to the Grantee of the transfer of any interest in all or any portion of the Protected Property no later than forty five (45) days prior to the date of such transfer. Such notice to the Grantee shall include the name, address and telephone number of the prospective transferee or the prospective transferee's representative.

The failure of the Grantor to perform any act required by this subsection shall not impair the validity of this Conservation Easement or limit its enforceability.

VII. Extinguishment. This Conservation Easement may be terminated or extinguished, whether in whole or in part, only under one or more of the following circumstances:

- A. By judicial determination, by a court having jurisdiction over the Conservation Easement, those circumstances have rendered the purpose of this Conservation Easement impossible to achieve.
- B. In the event all or any of the Protected Property is taken by exercise of the power of eminent domain or acquired in lieu of condemnation, whether by public, corporate or other authority, except by the parties hereto.

VIII. Proceeds. In the event of termination or extinguishment of this Conservation Easement, Grantee shall be compensated by Grantor for the fair market value of its interest in the Protected Property as determined by either a real estate appraiser licensed by the State of Washington or a court of competent jurisdiction.

IX. Transfer or Assignment of the Conservation Easement. *This Conservation Easement is transferable, but Grantee may assign its rights under this Conservation Easement only to an agency or organization that is authorized to acquire and hold conservation easements under RCW 64.04.130 or RCW 84.34.250, or otherwise qualified at the time of transfer under §170(h) of the Internal Revenue Code of 1986. As a condition of such transfer, Grantee shall require that the transferee exercise its rights under the assignment consistent with the purpose of this Conservation Easement.*

X. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to ownership, operation, upkeep, and maintenance of the Protected Property.

- A. Taxes. Grantor shall continue to be solely responsible for payment of all taxes and assessments levied against the Protected Property.
- B. Attorneys' fees and costs for enforcement. If the Grantee commences and successfully prosecutes an enforcement action pursuant to Section XI below, the Grantor shall pay all reasonable costs and expenses associated with the enforcement action, including but not limited to, reasonable attorneys' fees.

XI. Enforcement & Monitoring. Grantee shall have the authority to enforce the terms of this Conservation Easement. To exercise this authority and thereby further the purpose of this Conservation Easement, the Grantee shall have the

following rights under this Conservation Easement, which are subject to the stated limitations:

- A. Entry onto Protected Property with Reasonable Notice. If the Grantee has reason to believe that a violation of the terms of this Conservation Easement has occurred or is occurring, the Grantee shall have the right to enter the Protected Property, provided that reasonable advance notice is given to the Grantor, for the purpose of inspecting it for violations of any requirement set forth in this Conservation Easement. Additionally, the Grantee shall have the right to enter the Protected Property at least once a year, at a mutually agreed time, for purposes of inspection and compliance monitoring regardless of whether Grantee has reason to believe that a violation of this Conservation Easement exists.
- B. Enforcement Mechanisms and Remedial Measures. If the Grantee finds what it believes to be a violation of this Conservation Easement, it may, at its discretion, use any available legal or equitable remedy to secure compliance, including but not limited to seeking injunctive relief and/or specific performance requiring the Grantor to cease and desist all activity in violation of the terms of this Conservation Easement and to return the Protected Property to its condition prior to any violation(s). Except when an imminent violation could irreversibly diminish or impair the Conservation Values of the Protected Property, the Grantee shall give the Grantor written notice of the violation and thirty (30) days in which to take corrective action prior to commencing any legal action. The failure of Grantee to discover a violation or to take immediate legal action shall not bar it from doing so at a later time or constitute a waiver of its rights. Grantee may use the Baseline Documentation as a basis for enforcing the provisions of this Conservation Easement, but is not limited to the use of the Baseline Documentation to show a change of conditions.
- C. Emergency Enforcement. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damages to the Conservation Values of the Protected Property, Grantee may pursue its remedies under this section without prior notice to Grantor or without waiting for the period provided for cure to expire.
- D. Scope of Relief. Grantee's rights under this section apply equally in the event of either actual or threatened violations of the terms of this Conservation Easement. Grantor agrees that the Grantee's remedies at law for any violation of the terms of this Conservation Easement are inadequate and that Grantee shall be entitled to the

injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

- E. Costs of Enforcement. In the event Grantee must enforce the terms of this Conservation Easement, any costs of restoration necessitated by acts or omissions of Grantor, its agents, employees, contractors, invitees or licensees in violation of the terms of this Conservation Easement and Grantee's reasonable enforcement expenses, including reasonable attorneys' and consultants' fees and costs, shall be borne by Grantor, its successors or assigns.
- F. Waiver of Defenses. Grantor acknowledges it has carefully reviewed this Conservation Easement and has consulted or had the opportunity to consult with counsel of its terms and requirements. In full knowledge of the provisions of this Conservation Easement, Grantor hereby waives any claim or defense it may have against Grantee or its successors or assigns under or pertaining to this Conservation Easement based upon waiver, laches, estoppel or prescription.
- G. Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement shall be construed to entitle the Grantee to bring any action against Grantor to abate, correct or restore any condition in the Protected Property or to recover damages for any injury to or change in the Protected Property resulting from causes beyond Grantor's control, including fire, flood, storm, and earth movement or the like.

XII. Hold Harmless. Grantor hereby agrees to release and hold harmless, indemnify and defend Grantee, its officers, elected and appointed officials, employees and agents (collectively "Indemnified Parties") from all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands or judgments, including, without limitation, reasonable attorneys' and consultants' fees arising from or in any way connected with:

- A. Injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition or other matter related to or occurring on or about the Protected Property that is not a consequence of an activity of the Indemnified Parties



and Grantee may jointly amend this Conservation Easement by a written instrument to be recorded with the Snohomish County Auditor, provided that such an amendment does not diminish the effectiveness of this Conservation Easement in carrying out its purpose to permanently preserve and protect in perpetuity the Conservation Values of the Protected Property.

- B. Controlling Law. The interpretation or performance of this Conservation Easement shall be governed by the laws of the State of Washington and the Laws of the United States. Any legal proceeding regarding this Conservation Easement shall be initiated in Snohomish County Superior Court.
- C. Interpretation. This Conservation Easement shall be interpreted to resolve any ambiguities and questions of the validity of specific provisions to give maximum effect to its preservation purpose, as stated in Section II, above. If the Grantor has any doubt concerning the Conservation Easement, covenants, conditions, limitations or restrictions herein contained with respect to any particular use of the said Protected Property, it may submit a written request to the Grantee for consideration and approval of such use.
- D. Definitions. Any masculine term used in this Conservation Easement shall include the female gender. The terms "Grantor" and "Grantee," wherever used in this Conservation Easement, and any pronouns used in their place, shall be held to mean and include respectively the above named Grantor, its successors, and assigns, and the above-named Grantee, its successors and assigns.
- E. Entire agreement. This Conservation Easement sets forth the entire agreement of the parties with respect to the issues addressed herein and supersedes all prior discussions, negotiations, understandings, or agreements relating to these issues, all of which are merged herein.
- F. No forfeiture. Nothing in this Conservation Easement shall result in a forfeiture or revision of Grantor's title in any respect.
- G. Successors. As stated in the above recitals, all covenants, terms, conditions, and restrictions of this Conservation Easement shall run with the land and be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

- H. Severability. If any portion of this Conservation Easement is declared unlawful or invalid, the remainder of the Conservation Easement shall remain in full force and effect.
- I. Authority of signatories. The individuals executing this Conservation Easement warrant and represent that they are duly authorized to execute and deliver this Conservation Easement.
- J. No merger. If Grantee at some future time acquires the underlying fee title in the Protected Property, the interest conveyed by this Deed will not merge with fee title but will continue to exist and be managed as a separate estate.

XVI. Environmental Compliance.

- A. Grantor represents and warrants that, after reasonable investigation and to the best of Grantor's knowledge, Grantor and the Protected Property are in compliance with all federal, state and local laws, regulations and requirements applicable to the Protected Property and its use, including without limitation all federal, state and local environmental laws, regulations and requirements.
- B. Grantor further represents and warrants that there has been no release, dumping, burying, abandonment or migration from offsite onto the Property of any substances, materials or wastes that are hazardous, toxic, dangerous or harmful or are designated as, or contain components that are subject to regulation as hazardous, toxic, dangerous or harmful by any federal, state or local law, regulation, statute or ordinance. There is no pending or threatened litigation affecting the Property or any portion of the Property that will materially impair the Conservation Values. No civil or criminal proceedings have been instigated or are pending against Grantor or its predecessors by government agencies or third parties arising out of alleged violations of environmental laws, and neither Grantor nor its predecessors in interest have received any notice of violation, penalties, claims, demand letters or other notifications relating to a breach of environmental laws.
- C. Remediation. If at any time there occurs or has occurred a release in, on or about the Property of any substances now or hereafter defined, listed or otherwise classified pursuant to any federal, state or local law, regulation or requirement as hazardous, toxic or dangerous to the air, water or soil, or in any way harmful or threatening to human health or environment, Grantor agrees to take all steps necessary to assure its containment and

remediation, including any cleanup that may be required, unless the release was caused by the Grantee, in which case Grantee shall be responsible for remediation.

TO HAVE AND TO HOLD unto GRANTEE SNOHOMISH COUNTY, its respective successors and assigns forever.

IN WITNESS WHEREOF the parties have, by their authorized officers, set their own hands as of the day and year first stated above.

GRANTOR:

\_\_\_\_\_

By:

Its: City Mayor

STATE OF WASHINGTON            )  
  ) ss.  
COUNTY OF SNOHOMISH         )

I, \_\_\_\_\_ certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument; on oath stated that (he/she) was authorized to execute the instrument; and acknowledged it, as the \_\_\_\_\_ of the \_\_\_\_\_, the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_.  
My Commission Expires: \_\_\_\_\_.

**Attest:**

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

**APPROVED AS TO FORM**

\_\_\_\_\_  
City Attorney                      Date

ACCEPTED BY GRANTEE:

On \_\_\_\_\_, 201\_ the Snohomish County Council adopted Motion \_ - \_\_\_\_ authorizing the County Executive to accept the Conservation Easement, pursuant to RCW 64.04.130.

GRANTEE:  
SNOHOMISH COUNTY

By: \_\_\_\_\_  
John Lovick  
Snohomish County Executive

STATE OF WASHINGTON            )  
  ) ss.  
COUNTY OF SNOHOMISH        )

I, \_\_\_\_\_ certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument; on oath stated that (he/she) was authorized to execute the instrument; and acknowledged it, as the \_\_\_\_\_ of Snohomish County, the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_.  
My Commission Expires: \_\_\_\_\_.

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy Prosecuting Attorney   Date

## EXHIBIT A

### LEGAL DESCRIPTION OF PROPERTY SUBJECT TO CONSERVATION EASEMENT

#### **Legal Description** Fee Simple Acquisition

For APN/Parcel ID(s): 27080600103900

Sec 06 TWP 27 RGE 08 ALL TH PTN NE1/4 LY N OF PSH & LY NELY OF SULTAN RIVE & LY E OF FDL- BEG NE COR SEC TH S 552.5 FT THE S 58\*00 OO W 110FT TPB SD LN TH S TO BK OF SULTAN RIV & TERM SD LY EXCANY PTN TH OF LY NLY OF N LN ALDER ST EXT SWLY TO MIDDLE OF SULTAN RIV SD ALDER ST BEING LOC IN NW ¼ 5-27-8 & SD LN BEING MORE PARTICULARLY DAF – BAAP ONE LN SEC 6 570 FT M/L S OF NE COR SD SEC TH SWLY TO MIDDLE OF SULTAN RIVE & TERM SD LN

And

APN/Parcel ID(s): ptn. 28083100400800

The west 100.00 feet of Government Lot 12, Section 31, Township 28 North, Range 8 East, W.M.

Situate in the County of Snohomish, State of Washington.

Subject to easements and reservations of record.

Situate in the County of Snohomish, State of Washington  
and

**EXHIBIT B**

**(BASELINE DOCUMENTATION)**

**I. CURRENT CONDITIONS**

**II. PROPERTY DATA**

**A. Present Use.**

**B. Accessibility and Road Frontage.**

**C. Land Area.**

**D. Land Shape.**

**E. Land Contour and Elevations.**

**F. Minerals and Soil.**

**G. Flood Zone Information.**

**H. Flora.**

**I. Wetlands.**

**III. PICTORIAL ASSESSMENT OF CURRENT SITE CONDITIONS**

The following photographs of the Protected Property are not in recordable form and are available and on file with the Snohomish County Parks and Recreation Department:

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Said photographs demonstrate current site conditions, features, typical flora, and impact of human development