

1. Agenda

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2. Meeting Materials

Documents:

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[5B CALENDAR REMINDER.PDF](#)

[6A COMMUNITY DEVELOPMENT MINUTES.PDF](#)

[7A APPROVAL OF VOUCHER AND PAYROLL CHECKS.PDF](#)

[7B 6-14-2018 CITY COUNCIL MEETING MINUTES.PDF](#)

[7D 7 26 2018 MEETING CANCELLATION.PDF](#)

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AGENDA
CITY COUNCIL REGULAR MEETING
Thursday, June 28, 2018 – 7:00 p.m.
Stanwood-Camano School District
Administration Building Board Room
26920 Pioneer Highway, Stanwood, WA 98292

- 1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. APPROVAL OF THE AGENDA**
- 4. CITIZEN COMMENTS**
- 5. STAFF REPORTS**
 - a. Police Compstat Report – May 2018
 - b. Reminder - Regular City Council Meeting August 23, 2018 Canceled
- 6. COMMITTEE REPORTS**
 - a. Community Development
- 7. CONSENT AGENDA**
 - a. Approve Vouchers and Payroll Checks
 - b. Approve June 14, 2018 Regular Meeting Minutes
 - c. Special Event Permit – Stanwood Fair Parade
 - d. Cancel July 26, 2018 Council Meeting
 - e. Authorize the mayor to sign Heartland Merchant Services contract for Credit Card Processing Services
 - f. Adopt Resolution 2018-17 Authorizing Investment in the LGIP
- 8. OLD BUSINESS**
 - a. Ordinance 1458 Amending Various Chapters of SMC Relating to Fees, First Reading and Resolution 2018-15 – Update Consolidated Schedule of Fees and Charges
 - b. Adopt Resolution 2018-16 Placing Annexation into NCRFA on November Ballot
 - c. Authorize the mayor to sign the Integrated Planning Grant with Department of Ecology and Approve the Scope of Work from Maul Foster & Algoni
- 9. NEW BUSINESS**
 - a. Adopt Resolution 2018-13 – Tourism Grant
 - b. Authorize the mayor to sign an agreement with WSDOT for Maintenance of Shelter at Stanwood Station
 - c. Authorize the mayor to sign a contract with RH2 to perform Water/Sewer Availability Analysis
 - d. Authorize the mayor to sign ILA with Snohomish County for Emergency Management Services
- 10. REPORTS OF OFFICERS AND COMMITTEES**
 - a. Mayor's Report
 - b. City Administrator's Report
 - c. Councilmember Reports/Questions
- 11. CITIZEN CLOSING COMMENTS**
- 12. ADJOURN TO EXECUTIVE SESSION FOR PROPERTY ACQUISITION [RCW 42.30.110(C)]**
- 13. RECONVENE AND ADJOURN**

Upcoming Meetings:

July 12, 2018 Regular Meeting
July 26, 2018 Regular Meeting



**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 5a
DATE: June 28, 2018
SUBJECT: Police May 2018 Compstat Report
CONTACT PERSON: Peggy Girard, Police Records Clerk
ATTACHMENTS: A – May 2018 Compstat Report

SUMMARY STATEMENT

Attached is the May 2018 Compstat Report for council review.

Stanwood Police Department

May 2018

Administrative Personnel

Chief Norm Link

Sergeant Greg Sanders

Peg Girard – Stanwood City Employee

Amanda Slattery – Stanwood City Employee

Operational Personnel

	Assigned	Vacancies	Percentage
Sergeants	2	0	100%
MPD	0	0	N/A
Deputies	6	0	100%
SRO	1	0	100%
Detectives	1	0	100%
Total	10	0	100%

Area of Operation

The City of Stanwood contracts its police services through the Snohomish County Sheriff's Office. The population for Stanwood is currently 6,635, however due to the makeup of the community the service population is 40,000+. Stanwood's city limit encompasses 2.8 square miles.



COMPSTAT REPORT

Type of Crime	May 2018	Year To Date 2018	May 2017	Year to Date 2017
Homicide	0	0	0	0
Rape	1	2	0	1
Robbery	0	3	0	2
Assault	7	23	3	21
Burglary	0	9	3	10
Larceny	8	49	19	66
Motor Vehicle Theft	2	10	1	6
General	May 2018	Year To Date 2018	May 2017	Year To Date 2017
Calls for Service (Incidents)	611	3225	868	3602
Case Reports	52	268	70	309
Traffic Collisions	9	54	10	50
Arrests (Adult/Juvenile)	15	89	24	106
Drug Arrests	1	10	2	14
Warrant Arrests	3	14	0	15
Impaired Driving Arrests	0	3	2	7
Infractions Issued	9	40	26	92
Public Disclosure Requests	29	199	36	165
Concealed Pistol Licenses	42	306	42	202
Fingerprinting & Approx. timeframe	44 @ 11 hrs	233 @ 58 ¼ hrs	38 @ 9.5 hrs	175 @43.75 hrs

City Collisions for May 2018

City Collisions for May Totals: 9					
5/7/2018	2018-2766	8200 Block SR 532			Vehicle Issues
5/11/2018	2018-2861	10500 Block SR 532			Inattentive
5/14/2018	2017-2927	27600 Block Cedarhome Rd			Distracted Driving
5/18/2018	2018-2999	7200 Block 272nd ST NW			Struck Pedestrian
5/22/2018	2018-3066	8800 Block SR 532			Cellphone While Driving
5/28/2018	2018-3171	8900 Block SR 532			Inattentive
5/29/2018	2018-3189	26700 Block 72nd Ave NW			Inattentive
5/29/2018	2018-3195	7800 Block SR 532			Following too Close
5/31/2018	2018-3226	8800 Block SR 532			Following too Close

Stanwood School Dist. Resource Officer (SRO) Activity Report.

May 2018

ACTIVITY	SHS	PSMS	SMS	CES	SES	TCE	EBE	UBE	LHHS
Administrative	82								
Arson									
Assault	1								
Bomb Threat									
Burglary									
Collision	2								
Counseling									
CPS Referral									
Crisis Planning									
Felony VUCSA									
Fight									
Harassment									
Mal Mis									
Marijuana	1								
Mental Health	1								
MIP	3								
Paraphernalia									
Public Assist									
Runaway									
Sexual Assault									
Suspicious									
Teaching	1								
Theft									
Threats									
Trespass									
Violation of Order									
Warrant									
Weapons									



SRO REPORT



MAY 2018

MAY EVENTS

ASSAULTS



The high school had two reported assaults in the month of May. The first assault occurred in the beginning of the month between a male and female student. The male punched the female's breast twice and tried to kiss her. The male was referred for assault 4 with sexual motivation.

The second assault occurred between two male students over perceived comments that were made to a female student. The assault occurred at the end of school near the buses. The aggressor in the assault was referred for assault in the fourth degree.

VAPE AND DABS



A female in a health class decided she did not want to be found with a "dabs" (concentrated THC) Vape pen. She offered the Vape pen to another female. This female refused to take it but she later found the pen in her back pack. The female tried to have a male take it to the bathroom during 6th period to dispose of it. The female did not bring the pen to the office or turn it over to the teacher. The teacher noticed the pen change hands and had both students brought to the office. The female was found in possession of the Vape pen. The "juice" in the pen was tested and found to contain THC. The female was referred for possession of marijuana less than 40g.

DETECTIVE REPORT



May, 2018

Sexual Assault Case

In April 2018 a teenage girl met with a deputy at the Stanwood Police Department to report multiple incidents of assault by a teenage boy over the preceding couple of months at a residence in the City of Stanwood. Detective Martin was assigned the case in May and interviewed the victim and several potential witnesses. Detective Martin is in the process of collecting medical records and waiting for a response from the parents of the alleged teenage suspect as to whether or not he will be participating in an interview.

The case will eventually be referred to the Prosecutor's Office for review.

In This Issue

- Sexual Assault Case
- Prescription Fraud Case Update



Prescription Fraud Case Update

During the summer and fall of 2017, Detective Martin investigated several incidents of prescription fraud involving various pharmacies located within the City of Stanwood. The investigation revealed that a group of East African males from Seattle were creating forged prescription documents and using female accomplices to pass the forged scripts in attempts to obtain controlled substances from pharmacies across the State of Washington and in other states. Thanks to the work of Deputy Dan Scott, three suspects were arrested after attempting to pass a forged script at the Stanwood Rite Aid on 08-23-17. A subsequent search warrant service on an associated vehicle revealed the scope of their criminal enterprise and evidence to support charges related to prescription fraud. The Snohomish County Prosecutor's Office has reviewed related cases referred by agencies in Snohomish County to include the Stanwood Police and is preparing to charge the suspects. Detective Martin is working on a follow up investigation that involves getting statements from doctors who have been listed as prescribing physicians on the forged prescriptions and search warrants for phones and phone records as requested by the Prosecutor's Office.





CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 5b
DATE: June 28, 2018
SUBJECT: Council Meeting Cancellation Reminder
CONTACT PERSON: Erica Schorn, Deputy Clerk
ATTACHMENT: A – Council's Rules of Procedure
B – Council Calendar Changes – Remainder of 2018

SUMMARY STATEMENT

As approved at the January 11, 2018 City Council Meeting, the August 23rd and December 27th regular City Council Meetings are cancelled. Council cancels the second meeting in August and December each year.

As a reminder, the second meeting in November falls on Thanksgiving, and Council's Rules of Procedure (Attachment A) allow the meeting to be moved to the previous Monday (November 22, 2018). This was also approved at the January 11, 2018 meeting. Attached is a list of Council Calendar changes for the remainder of 2018 (Attachment B).

ATTACHMENT A

COUNCIL MEETINGS

Rule 2. The regular meetings of the Stanwood City Council shall be held at 7:00 p.m. on the second and fourth Thursday of each month. When the date for any regular meeting of the City Council falls upon a day designated by law as a legal or national holiday, such meeting shall be held at the same hour on the next succeeding Monday or the previous Monday, not a holiday. (SMC 2.44.035)

Cancellations. During an open public meeting a majority of the Council may agree to cancel an upcoming regular meeting, special meeting, or workshop meeting. Also, if no items of business have been submitted to the City Clerk for deliberation at said upcoming meeting, the Mayor, Mayor pro tem and City Clerk may cancel the upcoming meeting, if all agree. In the case of such cancellation, payroll checks and vouchers will be approved at the next regular City Council meeting. (RCW 42.24.180/SMC 3.20.020)

ATTACHMENT B

Council Calendar Changes 2018

Council Meeting Changes

Thursday, July 26 (canceled – if approved by council)
Thursday, August 23 (canceled)
Thursday, November 22 (moved to November 19)
Thursday, December 27 (canceled)



**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 6a

DATE: June 28, 2018

SUBJECT: Community Development Committee Meeting Minutes

CONTACT PERSON: Patricia Love, Community Development Director

ATTACHMENTS: A – June 14, 2018 Meeting Minutes

SUMMARY STATEMENT

Minutes from the June 14, 2018 meeting are attached to this staff report for approval as presented.

**City Council
COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE**

June 14, 2018 Meeting

The Community and Economic Development Committee (CEDC) met on June 14, 2018 with Councilmembers Judy Williams, Rob Johnson, and Elizabeth Callaghan; as well as Patricia Love, Community Development Director and Ryan C. Larsen, City Administrator. In addition, Tim Schmitt and Cathy Wooten attended.

1. *Special Events / Grant Process*

City Administrator, Ryan Larsen, presented Resolution 2018-13 establishing a special events grant program. The purpose of the grant program is to bring economic benefit to the community by supporting tourism activities and special events that bring new and repeat visitors to Stanwood. The intent is to kick-start an event by providing financial assistance with marketing and advertising.

The Economic Development Board acts as the Review Committee. The criteria for review includes: benefit to the Stanwood business community; cost effectiveness; ability to promote tourism and community marketing; and new or innovative ideas. The Mayor approves the grant awards based on a recommendation of the Economic Development Board. Copies of the grant awards are provided to Council.

Grant funds fall into three categories:

- New Events: applications for up to \$3,000
- Second Year Events: applications for up to \$1,500; and
- Recurrent Events: grants up to \$500.00 per year

Grant applications can be submitted twice a year, once by the last Friday in October and the second by the last Friday in March. The Committee recommended forwarding the resolution to the City Council for approval.

2. *Shoreline Master Plan Update*

Stanwood is required to update its SMP on or before June 30, 2019. To meet that schedule the majority of the staff work needs to be completed in 2018 with public hearings tentatively scheduled for early 2019. The State is not requiring any major updates to the City's inventory, restoration efforts, or cumulative impact analysis. However, we must include all state mandated updates between 2007 and 2017 as well as any local changes which have occurred since the last SMP adoption.

The Committee reviewed the \$15,000 grant award contract with the Department of Ecology and the draft Public Participation Plan Resolution 2018-14 with proposed schedule. The Public Participation Plan is required of all jurisdictions to show how the public will be informed and how they can stay

involved in the update process. The grant funds cover a portion of the city's cost to complete the SMP update as well as conducting an analysis of waterfront access and uses in Ovenell and Hamilton Parks.

The Planning Commission reviewed the Plan on June 11, 2018 and recommended that the Parks and Trails Advisory Committee and community students be included in the City's outreach efforts. The Planning Commission will act as the principal review body of the SMP updates with updates to the Community and Economic Development Committee as needed throughout the process. The CEDC had no changes and recommended to proceed as proposed.

3. *General Industrial Code Amendment*

There has been a request by several members of the community to make changes to the LI and GI zone surrounding air quality, odor, and dust. The City's Comprehensive Plan includes policies that support this effort: the Comprehensive Plan envisions residential and commercial areas connected with sidewalks, trails, and parks. Industrial uses are encouraged which do not adversely affect the health and safety of adjacent non-industrial and residential uses.

Stanwood has adopted additional development standards for light industrial parks within the Light Industrial zoning district. These standards contain specific language prohibiting typical uses that would be bothersome to adjoining commercial or residential neighborhoods. Staff is proposing to use these standards as the starting point for the code amendment.

The Planning Commission reviewed the preliminary draft on June 11, 2018 and recommended that staff consider amendments to reduce "vagueness" in the code and address enforcement issues. The CEDC agreed with the Planning Commission's recommendations.



**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 7a
DATE: June 28, 2018
SUBJECT: Approval of Voucher and Payroll Checks
CONTACT PERSON: Reina Barber, Accounting Specialist
ATTACHMENTS: A - Voucher Check Detail

SUMMARY STATEMENT

Approve issuance of Washington Federal Bank voucher checks 30059 through 30101 and electronic funds transfers from Umpqua Bank in the amount of \$1,159,114.71. Approve issuance of Washington Federal Bank payroll checks 1500 through 1508 and electronic funds transfers in the amount of \$231,981.44.

RECOMMENDED MOTION

I MOVE TO APPROVE ISSUANCE OF WASHINGTON FEDERAL BANK VOUCHER CHECKS 30059 THROUGH 30101 AND ELECTRONIC FUNDS TRANSFERS FROM UMPQUA BANK IN THE AMOUNT OF \$1,159,114.71. APPROVE ISSUANCE OF WASHINGTON FEDERAL BANK PAYROLL CHECKS 1500 THROUGH 1508 AND ELECTRONIC FUNDS TRANSFERS IN THE AMOUNT OF \$231,981.44.

CHECK REGISTER

City Of Stanwood

Time: 10:43:59 Date: 06/19/2018

MCAG #: 0695

06/07/2018 To: 06/19/2018

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3467	06/08/2018	Claims	2	EFT	Chicago Title Ins Company	739,347.65	Purchase Johnson Farms Land
3469	06/11/2018	Claims	2	EFT	Umpqua Bank Merchant Services	47.48	June Merchant Fees
3531	06/19/2018	Claims	2	EFT	RH2 Engineering Inc	214.23	City Of Stanwood
3532	06/19/2018	Claims	3	30059	Aramark Uniform Services Inc	457.72	937963000
3533	06/19/2018	Claims	3	30060	The Blueline Group	37,681.00	City Of Stanwood
3534	06/19/2018	Claims	3	30061	Cascade Septic, LLC	110.00	City Of Stanwood
3535	06/19/2018	Claims	3	30062	City of Marysville	1,800.00	City Of Stanwood
3536	06/19/2018	Claims	3	30063	Databar Inc.	897.79	8952
3537	06/19/2018	Claims	3	30064	Edge Analytical Inc	468.00	STA01
3538	06/19/2018	Claims	3	30065	Forest Land Services Inc	2,676.17	City Of Stanwood
3539	06/19/2018	Claims	3	30066	Frontier *	1,170.76	206-188-0411-053105-5; 360-629-4907-072497-5;
3540	06/19/2018	Claims	3	30067	J.A. Brennan Associates, PLLC	20,080.25	City Of Stanwood
3541	06/19/2018	Claims	3	30068	Les Schwab Tire Centers	632.96	S34-00006; S34-00006
3542	06/19/2018	Claims	3	30069	Meyer Sign & Advertising Co. Inc	1,920.16	City Of Stanwood
3543	06/19/2018	Claims	3	30070	Navia Benefits	100.00	City Of Stanwood
3544	06/19/2018	Claims	3	30071	Office Depot	103.63	36274097; 36274097
3545	06/19/2018	Claims	3	30072	PUD Of Snohomish County *	9,173.26	200240505; 200128742; 200367373; 202882056; 202727285; 221041510; 202694204; 202670675; 202579512; 200142180; 201942398; 200738672; 200103539;
3546	06/19/2018	Claims	3	30073	Pitney Bowes Inc- Global Financial Svc	359.85	0013214658
3547	06/19/2018	Claims	3	30074	Refund - Dominic Atchison	92.38	Refund - Dominic Atchison Utility Acct #1180
3548	06/19/2018	Claims	3	30075	Ricoh USA, Inc.	260.43	1316669-3660140
3549	06/19/2018	Claims	3	30076	Signature Forms Inc	94.47	CSTAN
3550	06/19/2018	Claims	3	30077	Site Development Associates, LLC	14,611.00	City Of Stanwood
3551	06/19/2018	Claims	3	30078	Skagit Farmers Supply	184.31	135052
3552	06/19/2018	Claims	3	30079	Sno Co District Court	357.78	City Of Stanwood
3553	06/19/2018	Claims	3	30080	Sno Co Information Services *	4,762.49	DIS1107
3554	06/19/2018	Claims	3	30081	Sno Co Sheriff's Office - CB	3,029.97	City Of Stanwood
3555	06/19/2018	Claims	3	30082	Sno Co Sheriffs Office *	286,636.34	SSH00001
3556	06/19/2018	Claims	3	30083	Snohomish County 911	6,658.91	City Of Stanwood
3557	06/19/2018	Claims	3	30084	Snohomish County Treasurer	29.38	City Of Stanwood - Crime Victims
3558	06/19/2018	Claims	3	30085	Everett Daily Herald/ Sound Publishing	344.95	51439981
3559	06/19/2018	Claims	3	30086	Stanwood Auto Parts	672.79	56100
3560	06/19/2018	Claims	3	30087	Stanwood Camano News	58.18	261981
3561	06/19/2018	Claims	3	30088	Stanwood City Utility	2,362.45	1075; 2688; 2741; 2749; 2886; 2964; 3184; 3439; 2965;
3562	06/19/2018	Claims	3	30089	Twin City Lanes & Trophy	64.15	City Of Stanwood
3563	06/19/2018	Claims	3	30090	US Bank Na Custody/ Treas Div- Money Ctr	116.00	777221717
3564	06/19/2018	Claims	3	30091	US Bank	3,015.61	4485 5945 5564 1495
3565	06/19/2018	Claims	3	30092	US Postal Service-Stanwood *	506.55	City Of Stanwood Permit 44
3566	06/19/2018	Claims	3	30093	United Rentals NW Inc	1,191.10	1383862
3567	06/19/2018	Claims	3	30094	Utilities Underground Loc	74.82	134200
3568	06/19/2018	Claims	3	30095	Verizon Wireless	887.71	372541731-0001
3569	06/19/2018	Claims	3	30096	WA St Treasurer	1,569.70	City Of Stanwood
3570	06/19/2018	Claims	3	30097	Washington State Patrol *	228.00	STA301
3571	06/19/2018	Claims	3	30098	Washington Tractor Inc.	38.61	111096

CHECK REGISTER

City Of Stanwood
MCAG #: 0695

06/07/2018 To: 06/19/2018

Time: 10:43:59 Date: 06/19/2018

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3572	06/19/2018	Claims	3	30099	Wave Broadband	142.65	8136 10 015 0064630
3573	06/19/2018	Claims	3	30100	Weed, Graafstra & Associates, Inc., P.S	13,833.07	3868-0000M
3574	06/19/2018	Claims	3	30101	YMCA	50.00	Refund YMCA - Special Event Permit #20150176
						001 General Fund	324,357.46
						101 Street Fund	5,776.04
						103 Street Construction Fund	37,681.00
						104 Park Improvement Fund	763,765.45
						401 Sewer Fund	5,153.90
						403 Sewer Construction Fund	214.23
						410 Drainage Fund	747.44
						411 Drainage Construction Fund	14,611.00
						421 Water Fund	4,993.21
						630 Agency Fund	1,814.98
							Claims: 1,159,114.71
						* Transaction Has Mixed Revenue And Expense Accounts	1,159,114.71

CERTIFICATION: 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 herein and that the claim is a just, due and unpaid obligation against the City of Stanwood, and that I am authorized to authenticate and certify to said claim.

() Finance Director () Auditing Officer
() Deputy Finance Director



Date: 6-20-18

CHECK REGISTER

City Of Stanwood
MCAG #: 0695

06/07/2018 To: 06/19/2018

Time: 10:44:20 Date: 06/19/2018

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3259	06/08/2018	Payroll	3	EFT		3,531.55	May 2018 Payroll
3260	06/08/2018	Payroll	3	EFT		3,663.29	May 2018 Payroll
3261	06/08/2018	Payroll	3	EFT		2,179.78	May 2018 Payroll
3262	06/08/2018	Payroll	3	EFT		322.86	May 2018 Payroll
3263	06/08/2018	Payroll	3	EFT		1,374.85	May 2018 Payroll
3264	06/08/2018	Payroll	3	EFT		2,246.01	May 2018 Payroll
3265	06/08/2018	Payroll	3	EFT		5,286.73	May 2018 Payroll
3266	06/08/2018	Payroll	3	EFT		3,294.68	May 2018 Payroll
3267	06/08/2018	Payroll	3	EFT		701.46	May 2018 Payroll
3268	06/08/2018	Payroll	3	EFT		1,079.98	May 2018 Payroll
3269	06/08/2018	Payroll	3	EFT		1,826.63	May 2018 Payroll
3270	06/08/2018	Payroll	3	EFT		3,781.67	May 2018 Payroll
3271	06/08/2018	Payroll	3	EFT		2,990.89	May 2018 Payroll
3272	06/08/2018	Payroll	3	EFT		2,805.39	May 2018 Payroll
3273	06/08/2018	Payroll	3	EFT		5,187.40	May 2018 Payroll
3274	06/08/2018	Payroll	3	EFT		322.71	May 2018 Payroll
3275	06/08/2018	Payroll	3	EFT		3,864.08	May 2018 Payroll
3276	06/08/2018	Payroll	3	EFT		5,713.71	May 2018 Payroll
3277	06/08/2018	Payroll	3	EFT		830.34	May 2018 Payroll
3278	06/08/2018	Payroll	3	EFT		758.12	May 2018 Payroll
3279	06/08/2018	Payroll	3	EFT		4,349.57	May 2018 Payroll
3280	06/08/2018	Payroll	3	EFT		940.68	May 2018 Payroll
3281	06/08/2018	Payroll	3	EFT		3,145.74	May 2018 Payroll
3282	06/08/2018	Payroll	3	EFT		322.86	May 2018 Payroll
3283	06/08/2018	Payroll	3	EFT		1,177.18	May 2018 Payroll
3284	06/08/2018	Payroll	3	EFT		4,768.69	May 2018 Payroll
3285	06/08/2018	Payroll	3	EFT		113.12	May 2018 Payroll
3286	06/08/2018	Payroll	3	EFT		318.80	May 2018 Payroll
3287	06/08/2018	Payroll	3	EFT		2,291.92	May 2018 Payroll
3288	06/08/2018	Payroll	3	EFT		2,457.72	May 2018 Payroll
3289	06/08/2018	Payroll	3	EFT		2,954.13	May 2018 Payroll
3290	06/08/2018	Payroll	3	EFT		2,249.46	May 2018 Payroll
3291	06/08/2018	Payroll	3	EFT		3,341.66	May 2018 Payroll
3292	06/08/2018	Payroll	3	EFT		3,030.64	May 2018 Payroll
3293	06/08/2018	Payroll	3	EFT		2,911.91	May 2018 Payroll
3294	06/08/2018	Payroll	3	EFT		4,398.48	May 2018 Payroll
3295	06/08/2018	Payroll	3	EFT		1,698.63	May 2018 Payroll
3296	06/08/2018	Payroll	3	EFT		647.84	May 2018 Payroll
3297	06/08/2018	Payroll	3	EFT		2,252.77	May 2018 Payroll
3298	06/08/2018	Payroll	3	EFT		323.00	May 2018 Payroll
3299	06/08/2018	Payroll	3	EFT		322.78	May 2018 Payroll
3311	06/08/2018	Payroll	3	EFT	Internal Revenue Service (941)	42,832.16	941 Deposit for Pay Cycle(s) 06/08/2018 - 06/08/2018
3312	06/08/2018	Payroll	3	1500	AFLAC	614.96	Pay Cycle(s) 06/08/2018 To 06/08/2018 - AFLAC, Pre-Tax; Pay Cycle(s) 06/08/2018 To 06/08/2018 - AFLAC, Post-Tax
3313	06/08/2018	Payroll	3	1501	AWC Employee Benefit Trust	21,317.81	Pay Cycle(s) 06/08/2018 To 06/08/2018 - AWC - Medical; Pay Cycle(s) 06/08/2018 To 06/08/2018 - AWC- Dental; Pay Cycle(s) 06/08/2018 To 06/08/2018 - AWC - Vision; Pay Cycle(s) 06/08/2018 To 06/08/2018;
3314	06/08/2018	Payroll	3	1502	Colonial Life Insurance	66.75	Pay Cycle(s) 06/08/2018 To 06/08/2018 - Colonial Life Ins

CHECK REGISTER

City Of Stanwood
MCAG #: 0695

06/07/2018 To: 06/19/2018

Time: 10:44:20 Date: 06/19/2018

Page: 2

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3315	06/08/2018	Payroll	3	1503	Department Of Retirement Systems	38,606.17	Pay Cycle(s) 06/08/2018 To 06/08/2018 - PERS2; Pay Cycle(s) 06/08/2018 To 06/08/2018 - PERS 3; Pay Cycle(s) 06/08/2018 To 06/08/2018 - 457 - DRS (DCP)
3316	06/08/2018	Payroll	3	1504	Hartford Retirement Plan Services	816.00	Pay Cycle(s) 06/08/2018 To 06/08/2018 - 457 - Hartford; Pay Cycle(s) 06/08/2018 To 06/08/2018 - Roth 457(b)
3317	06/08/2018	Payroll	3	1505	ICMA Retirement Trust	2,103.78	Pay Cycle(s) 06/08/2018 To 06/08/2018 - 457 - ICMA
3318	06/08/2018	Payroll	3	1506	Navia Benefits	155.00	Pay Cycle(s) 06/08/2018 To 06/08/2018 - Medical FSA- S125
3319	06/08/2018	Payroll	3	1507	Teamsters Union Local 231	1,229.00	Pay Cycle(s) 06/08/2018 To 06/08/2018 - Teamsters Dues
3320	06/08/2018	Payroll	3	1508	Washington Teamsters Welfare Trust	28,460.10	Pay Cycle(s) 06/08/2018 To 06/08/2018 - Union Dental; Pay Cycle(s) 06/08/2018 To 06/08/2018 - Teamsters Medical

001 General Fund	119,443.22
101 Street Fund	17,519.68
108 Transportation Sales Tax Fund	1,163.55
401 Sewer Fund	34,632.64
410 Drainage Fund	18,536.66
421 Water Fund	40,685.69

231,981.44 Payroll: 231,981.44

CERTIFICATION: 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 herein and that the claim is a just, due and unpaid obligation against the City of Stanwood, and that I am authorized to authenticate and certify to said claim.

() Finance Director () Auditing Officer
() Deputy Finance Director



Date: 6-20-18



**CITY OF STANWOOD
COUNCIL AGENDA STAFF REPORT**

ITEM NUMBER: 7b

DATE: June 28, 2018

SUBJECT: City Council June 14, 2018 Regular Meeting Minutes

CONTACT PERSON: Erica Schorn, Deputy Clerk

ATTACHMENTS: A – Council Regular Meeting Minutes

SUMMARY STATEMENT

Minutes of the June 14, 2018 Regular City Council Meeting are attached.

RECOMMENDED MOTION

I MOVE TO APPROVE THE MINUTES OF THE JUNE 14, 2018 REGULAR COUNCIL MEETING AS PRESENTED.

CITY OF STANWOOD
Regular Meeting of the City Council
Thursday, June 14, 2018 – 7:00 p.m.
Stanwood Camano School District Administration Board Room
MINUTES

1. Call to Order and Pledge of Allegiance

Mayor Kelley called the meeting to order at 7:01 p.m. and led the Pledge of Allegiance.

2. Roll Call

Deputy Clerk Erica Schorn called the roll with the following Councilmembers present: Rob Johnson, Elizabeth Callaghan, Timothy Pearce, Larry Sather, and Judy Williams. The meeting was quorate.

Also present: City Administrator Ryan Larsen, Finance Director David Hammond, Public Works Director Kevin Hushagen, Police Chief Norm Link, Fire Chief John Cermak, City Attorney Grant Weed, Deputy Clerk Erica Schorn and Deputy Clerk Tania Hawes.

3. Approval of the Agenda

Motion by Councilmember Sather, second by Councilmember Callaghan, to approve the agenda with the addition of Item 4b presentation of a plaque. Motion carried unanimously.

4. Presentations

a. Skagit STEM Girls Tech Event

Student Alex Shepler and his Father Mark Shepler spoke about the Girls Tech Event in McIntyre Hall which he helped organize. The event took place on May 15th, and over 500 high school girls attended. The presentation was aimed at inspiring women to explore STEM fields in their education. As Shepler was taking college classes in STEM he realized that there were very few women in his classes which inspired him to reach out to fellow students who are female. Alex would love to hold a similar event in Stanwood in the future.

The mayor presented certificates of achievement to the following students who participated in the event: Alex Shepler, Grace Henken, Jolene Henrikson, and Mischa Kessler.

Councilmember Johnson stated that his son went to the University of Washington for mechanical engineering. At that time the term STEM was not well known. All of the women in his son's class were offered top paying positions in STEM related fields.

b. Presentation of Plaque

Mayor Kelley presented a plaque to former Councilmember Conrad Ryer for his dedicated service to Stanwood.

Stanwood City Council Meeting Minutes – June 14, 2018

5. Citizen Comments

Mayor Kelley announced that council would not be taking comments regarding anything on the agenda except for the Six Year Transportation Improvement Plan during the Public Hearing.

Tim Schmitt - 27308 101st Ave

Mr. Schmitt commented on the value of public testimony. He requested that citizens be prepared and respectful when they give public comment.

6. Interview Applicants for Council Vacancy

Prior to the meeting, the applicants for the vacant city council position drew numbers to determine the interview order. A fourth applicant was not present during the drawing of numbers and left the meeting before being called forward for his interview. The interview order was as follows: Steve Shepro, Darren Robb, and Kelly McGill. Prior to interviewing, each applicant left the room and then returned as they were called upon for their interview. The council and mayor asked each candidate three questions during their interview as well as follow-up questions as necessary. The mayor explained that the candidates would be discussed during executive session at the end of the meeting.

7. Staff Reports

- a. Public Works Monthly Report – April 2018
- b. Salary Commission Meeting Minutes and Decision Letter – June 4, 2018
- c. Waste Management 2018 Rates

City Administrator Ryan Larsen introduced two new staff members: Patricia Love, the new Community Development Director, and Tania Hawes, who will fill the role of Deputy Clerk while the current deputy is on maternity leave.

8. Committee Reports

- a. Community Development
- b. Finance
- c. Public Safety

9. Consent Agenda

- a. Approve Vouchers and Payroll Checks
- b. Approve May 24, 2018 Regular Meeting Minutes
- c. Special Event Permit – National Night Out Against Crime
- d. Authorize the mayor to sign ILA with City of Marysville for outdoor video services for Movies in the Park

Motion by Councilmember Sather, second by Councilmember Callaghan, to approve the consent agenda items a through d. Motion carried unanimously.

Stanwood City Council Meeting Minutes – June 14, 2018

10. Old Business

- a. Ordinance 1456 – Retail Marijuana Rules, First and Second Reading and Final Adoption

City Administrator Ryan Larsen presented first and second reading of Ordinance 1456. He reviewed the highlights of the ordinance including approved retail marijuana locations. The ordinance restricts potential locations to no more than one within the city.

Motion by Councilmember Sather, second by Councilmember White, to approve first and second reading and final adoption of Ordinance 1456 as set forth in Attachment "A" by amending Title 17 for changes associated with the allowance for retail marijuana sales. Johnson – yes, White – yes, Callaghan – no, Pearce – no, Sather – yes, Williams – yes. Motion carried.

11. Public Hearing

- a. To Hear Public Testimony regarding the Six Year Transportation Improvement Plan

Public Works Director Kevin Hushagen presented the 2019-2024 6-Year TIP. This item was presented to council on May 24th, 2018.

Mayor Kelley requested citizen comment on the Six Year Transportation Improvement Plan and opened the public hearing. There were no comments.

- i. Resolution 2018-12, Six Year Transportation Improvement Plan 2019-2024

Councilmember Johnson commented that public works projects have to be in the TIP in order to be eligible for grant funding.

Councilmember White stated the money comes from grants and the grants come from Olympia, so any encouraging words that citizens of Stanwood would like to send to Olympia could be very helpful.

Motion by Councilmember Sather, second by Councilmember Williams, to adopt Resolution 2018-12 the City of Stanwood's Six-Year Transportation Improvement Plan. Motion carried unanimously.

The mayor closed the public hearing.

12. New Business

- a. Authorize the mayor to renew IT contract with Snohomish County IT

Finance Director David Hammond presented a new IT contract with Snohomish County. The current contract expires at the end of 2018. The cost will go up considerably, and staff has considered providing IT in-house, or attempting to competitively seek an alternative contractor, but does not recommend these options at this time. The significant cost increase is partly due to the fact that the price did not increase in 2017 or 2018, and is also a reflection of two additional FTE's.

Councilmember Williams asked for clarification on why we are not pursuing another company.

Stanwood City Council Meeting Minutes – June 14, 2018

Finance Director Hammond stated that the county has an extensive list of clients, and a competitive procurement process is a long process on both ends.

Councilmember Johnson commented that though he was not happy about the steep increase in costs, other options are even worse.

Councilmember White stated that we are getting our money's worth with Snohomish County, and the cost of the new contract is nearly the same as one FTE.

Mayor Kelley asked if the county provides help with public records requests.

Finance Director Hammond stated that the county does provide us access to the eDiscovery tool which allows us to search email records.

Motion by Councilmember Sather, second by Councilmember Johnson, to authorize the mayor to sign a five year service and equipment maintenance contract with Snohomish County Information Technology Department. Motion carried unanimously.

- b. Authorize the mayor to sign the Shoreline Grant Agreement with the Department of Ecology and adopt Resolution 2018-14 Establishing Public Involvement Process

Community Development Director Patricia Love presented a grant agreement with the Department of Ecology for \$15,000, and a resolution for the public participation plan. The resolution identifies how the city will reach out to the community and encourage public comment. The Planning Commission reviewed this item at the June 11th meeting and had two comments. The commission requested staff reach out to students in the community and to engage with the Parks and Trails Advisory Committee (PTAC). The grant will be used to support the development of the Shoreline Master Program and to look at Stanwood's waterfront access and uses.

Motion by Councilmember Johnson, second by Councilmember Sather, to authorize the mayor to sign the grant award with the Department of Ecology for the periodic update of the City of Stanwood's Shoreline Master Program. Motion carried unanimously.

Motion by Councilmember Sather, second by Councilmember Johnson, to authorize the mayor to sign Resolution 2018-14, Public Participation Plan, for the periodic update of the City of Stanwood's Shoreline Master Program. Motion carried unanimously.

13. Reports of Officers and Committees

a. Mayor's Report

- Farmer's Market on Friday
- First Summer Concert June 24th – performer will be Momma Dirty Skirt
- Special City Council Meeting June 21st at City Hall
- Soap Box Derby on Saturday on Camano Island

b. City Administrator's Report

- Special City Council Meeting on June 21st at City Hall – dinner at 5:15 pm, meeting beginning at 5:35 pm

Stanwood City Council Meeting Minutes – June 14, 2018

c. Councilmember Reports/Questions

Councilmember Johnson reminded everyone that the Twin City Idler's Car Show is being held on June 24th.

14. Citizen Closing Comments

Cathy Wooten – 27828 84th Ave NW

Mrs. Wooten mentioned there will be a dedication and ribbon cutting for the Labyrinth at City Hall on June 21st at 4:30 pm.

Steve Shepro – 8611 280th St NW

Mr. Shepro promoted the Saturday night cruise that takes place the day before the Idler's car show.

Les Anderson – 27201 102nd Dr NW

Mr. Anderson stated that the Saturday night cruise has grown every year. He expects 300-400 cars this year. All kinds of cars attend. Trophies will be handed out on Saturday as well as during the car show on Sunday.

Nick Foxon - 8532 157th – did not provide full address

Mr. Foxon has attended the Saturday night cruise for several years and it's one of the safest cruises he has seen. The Boy Scout taco booth will also be at the car show this year by the Country Store.

15. Adjourn to Executive Session – Evaluate the Qualifications of a Candidate for Appointment to Elective Office [RCW 42.30.110(1)(h)] and Property Acquisition [RCW 42.30.110(c)]

At 8:10 p.m., the mayor adjourned the meeting to executive session to evaluate the qualifications of the candidates for appointment to elective office, and to discuss property acquisition for 10 minutes.

Prior to entering executive session, City Attorney Grant Weed added that the council cannot make a decision on a candidate during the executive session, it can only discuss candidate qualifications. Any final decision will be made when the meeting reconvenes after executive session.

At 8:20 p.m., City Attorney Grant Weed stated an additional 10 minutes would be needed.

The meeting reconvened at 8:30 p.m. Mayor Kelley called for a vote for each candidate:

Johnson: McGill
White: McGill
Callaghan: Robb
Pearce: Robb
Sather: McGill
Williams: McGill

Stanwood City Council Meeting Minutes – June 14, 2018

Motion by Councilmember White, second by Councilmember Johnson, to appoint Kelly McGill to the vacant position 6 on the Stanwood City Council. Motion carried unanimously.

Mayor Kelley congratulated Mr. McGill and reported that the Oath of Office will be administered before the June 21st Special City Council Meeting.

16. Adjourn

There being no further business before the council, Mayor Kelley adjourned the meeting at 8:35. p.m.

CITY OF STANWOOD

ATTEST:

Leonard Kelley, Mayor

Erica Schorn, Deputy Clerk



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 7d
DATE: June 28, 2018
SUBJECT: Cancellation of July 26, 2018 City Council Meeting
CONTACT PERSON: Erica Schorn, Deputy Clerk
ATTACHMENT: A – Council's Rules of Procedure, Rule 2

SUMMARY STATEMENT

The July 26, 2018 Regular City Council Meeting is cancelled due to upcoming staff vacations. Rule Two of Council's Rules of Procedure (Attachment A) allows for the cancelation of a meeting if during an open public meeting a majority of council agree to cancel an upcoming meeting.

COUNCIL MEETINGS

Rule 2.

...

Cancellations. During an open public meeting a majority of the Council may agree to cancel an upcoming regular meeting, special meeting, or workshop meeting. Also, if no items of business have been submitted to the City Clerk for deliberation at said upcoming meeting, the Mayor, Mayor pro tem and City Clerk may cancel the upcoming meeting, if all agree. In the case of such cancellation, payroll checks and vouchers will be approved at the next regular City Council meeting. (RCW 42.24.180/SMC 3.20.020)



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 7e
DATE: June 28, 2018
SUBJECT: Credit Card Processing Services
CONTACT PERSON: David A. Hammond, Finance Director
ATTACHMENTS: A – Heartland Merchant Processing Agreement

ISSUE

Should council approve a contract with Heartland Payment Systems for credit card processing services?

RECOMMENDATION

Council should approve a contract with Heartland Payment Systems for credit card services (Attachment A).

SUMMARY STATEMENT

From November 2013 to early 2018, the city contracted with Umpqua bank for banking and credit card services. Due to the relocation of Umpqua's local banking branch, the city switched to Washington Federal for its banking services in March of 2018. Currently, the city continues to use Umpqua for its credit card services, and would like to switch to Heartland, which partners with Washington Federal in order to consolidate banking services.

FINANCIAL IMPACT

The costs of service differ little between Umpqua Bank and Heartland.

FINANCE COMMITTEE RECOMMENDATION

This item has not been reviewed by the Finance Committee.

CITY COUNCIL OPTIONS

1. Authorize the mayor to sign an agreement with Heartland Payment Systems for credit card processing services.
2. Do not authorize the mayor to sign an agreement with Heartland Payment Systems for credit card processing services.
3. Do not authorize the mayor to sign an agreement with Heartland Payment Systems for credit card processing services and ask staff to address specific questions or areas of concern.

RECOMMENDED MOTION

I MOVE TO AUTHORIZE THE MAYOR TO SIGN AN AGREEMENT WITH HEARTLAND PAYMENT SYSTEMS FOR CREDIT CARD PROCESSING SERVICES.

Merchant Processing Agreement

Card Acceptance Policies | Procedures | Terms & Conditions

Heartland

Merchant Processing Agreement

Welcome to Heartland Payment Systems®

Thank you for selecting Heartland Payment Systems® as your payments processor and welcome to the Heartland family!

We look forward to bringing you worry-free payments processing, processing your payments quickly, efficiently and accurately and providing full and honest disclosure with easy-to-read statements so you can focus on what really matters most: improving and growing your business.

Heartland Payment Systems believes in fairness and transparency in credit and debit card processing. That's why we developed and adhere to The Merchant Bill of Rights®, a public advocacy initiative that educates business owners about the complexities of card processing and managing the associated costs.

The Merchant Bill of Rights calls for:

1. The right to know the fee for every transaction and who's charging it.
2. The right to know the markup on Visa®, MasterCard®, American Express® and Discover Network® fee increases.
3. The right to know all Visa, MasterCard, American Express and Discover fee reductions.
4. The right to know all transaction middlemen.
5. The right to know all surcharges and bill-backs.
6. The right to a dedicated local service representative.
7. The right to encrypted card numbers and secure transactions.
8. The right to real-time fraud and transaction monitoring.
9. The right to reasonable equipment costs.
10. The right to live customer support 24/7/365.

To learn more, visit MerchantBillOfRights.com

By using equipment or services by Heartland Payment Systems, you (the merchant) acknowledge you have reviewed and understand the policies, procedures, terms and conditions outlined in this document, and further agree the information you supplied to obtain such services is, and remains, accurate.

Merchant Processing Agreement

PLEASE READ SECTION 17 (“DISPUTE RESOLUTION”) CAREFULLY AS IT RELATES TO ARBITRATION AND CLASS ACTIONS

The following are the Terms & Conditions of the Merchant Processing Agreement (“Agreement”):

1. Services

- 1.1** Merchant agrees that during the Term of this Agreement, Heartland Payment Systems, LLC (“HPS®” or “Heartland”) shall be the exclusive provider of the types of services received hereunder, including for all electronic payments processing, for Merchant and each of its Locations, and it will not use the services of any bank, corporation, entity or any other person other than HPS for the processing of bankcard Transactions, unless otherwise approved by HPS.
- 1.2** Merchant acknowledges and agrees that HPS may provide payment processing services hereunder through the Card Schemes and contracts or subcontracts with third parties engaged in the business of processing and Authorization, and specifically authorizes such third parties, including the Card Schemes, to exercise all of the rights of HPS hereunder, including but not limited to, the rights under Section 4.18 to debit Merchant’s Account for all fees, costs, charges, and other liabilities. Upon request in writing by Merchant, HPS will identify the third parties involved in Merchant’s processing.
- 1.3** Merchant agrees that it:
 - (a) shall comply with the Rules and this Agreement;
 - (b) shall cause, to the extent applicable, each of its Locations and Third Party Agents to comply with the Rules and this Agreement; and
 - (c) is responsible for any non-compliance by its Locations and/or Third Party Agents.

2. Definitions

- 2.1** “**ACH**” means the Automated Clearing House service offered by the Federal Reserve.
- 2.2** “**Agreement**” means this Merchant Processing Agreement and the Merchant Application as may be amended from time to time and any product-specific addenda executed by the parties for additional services. It includes the application submitted and executed by the Merchant and HPS.
- 2.3** “**Authorization**” means the act of attempting to obtain an approval from the Card Issuer for an individual Transaction.
- 2.4** “**Card**” means:
 - (a) a valid credit, debit, charge or payment card in the form issued under license from a Card Scheme; or
 - (b) any other valid credit, debit, charge or payment card accepted by Merchant under this Agreement with HPS.
- 2.5** “**Card Schemes**” **used interchangeably with Card Brands** means VISA U.S.A., Inc., VISA International, Inc., MasterCard International, Inc., Discover Financial Services, American Express Travel Related Services Company, Inc., PayPal® or any other payment network, as well as any other Card Issuer that provides Cards that are accepted by Merchant under this Agreement with HPS and, with respect to on-line debit Card Transactions the on-line Debit Networks.
- 2.6** “**Card Issuer**” means the financial institution or company that has provided a Card to the Cardholder.
- 2.7** “**Cardholder**” **used interchangeably with Card Member** means the person or Card Member whose name is embossed upon the face of the Card.
- 2.8** “**Card-Not-Present Transaction**” means any Transaction for which required data is not electronically captured by reading information encoded in or on the Card and includes without limitation mail order, telephone order and Internet Transactions.

- 2.9** “**Card Swipe**” means the electronic capture of a Card’s magnetic stripe data or microprocessor chip by point of sale equipment or other electronic payment device at the time of Transaction, and the inclusion of that data with the electronic submission of the Transaction. Only a “Card Swipe,” “EMV Transaction” or its manual equivalent, an “Imprint,” is acceptable by the Card Scheme as proof that the Card was present at the time of the Transaction.
- 2.10** “**Chargeback**” means the procedure by which:
(a) a Transaction (or disputed portion thereof) is disputed by a Cardholder or Card Issuer or returned to HPS by a Card Issuer, for any reason.
- 2.11** “**Credit Voucher**” means a document or Transaction executed by Merchant evidencing any refund or price adjustment relating to products or services to be credited to a Cardholder account.
- 2.12** “**Debit Networks**” means the Authorization networks utilized by Merchant for PIN Debit Transactions.
- 2.13** “**Discount**” means the fee paid by Merchant to HPS expressed as a percentage of the Transaction amounts processed by HPS.
- 2.14** “**EBT Provider**” means any Merchant which participates in programs for debit card access to electronically distributed government benefits.
- 2.15** “**EBT Transaction**” means any retail sale of Products, from a Merchant for which the customer makes payment using an EBT Card presented to HPS for payment.
- 2.16** “**EMV Card**” refers to a form of smart payment card with technical standards originally created by Europay, MasterCard and Visa (EMV) embedded with a microprocessor chip containing encrypted Cardholder account information, which is readable by an EMV-enabled device. An EMV Card may be used by: (1) inserting it into a card reader that is integrated with a point of sale system; or (2) by tapping it against a point of sale device’s contactless reader. Visit <http://www.emv-connection.com/> for more information on EMV.
- 2.17** “**EMV Transaction**” means the electronic acceptance of an EMV Card’s microprocessor chip data by point of sale equipment or other electronic payment device at the time of the Transaction, and the inclusion of that data with the electronic submission of the Transaction. Only a “Card Swipe”, “EMV Transaction” or its manual equivalent, an “Imprint”, is acceptable by the Card Scheme as proof that the Card was present at the time of the Transaction.
- 2.18** “**HPS**” means collectively Heartland Payment Systems, LLC, a registered Independent Sales Organization (ISO) of Member Sponsor Banks, and subsidiary of Global Payments Inc.
- 2.19** “**Imprint**” means:
(a) a physical impression of a Card on a Sales Draft manually obtained through the use of an imprinter; or
(b) the electronic equivalent obtained by swiping, inserting or tapping a Card using equipment and electronically printing a Sales Draft. Only an “Imprint” or its electronic equivalent, a “Card Swipe” or “EMV Transaction,” are acceptable by the Card Scheme as proof that the Card was present at the time of Transaction.
- 2.20** “**Internet Merchant**” means a Merchant that accepts Transactions electronically via the World Wide Web (www).
- 2.21** “**Locations**” means an entity that receives Authorization and settlement from or through Merchant pursuant to a contractual arrangement with Merchant; including Merchant-owned Locations and Locations owned by third parties for whom Merchant assumes complete responsibility, including but not limited to licensees, franchisees, jobbers, and dealers.
- 2.22** “**Merchant**” generally means the party identified as the recipient of this Agreement and its principals and owners and, as applicable each separate Location of Merchant.
- 2.23** “**MCC**” also known as “**Merchant Category Code**” is a 4 digit number used to describe the Merchant’s primary business.
- 2.24** “**Member Sponsor Bank**” is a bank that has obtained a membership with the Card Brands to allow a processor to access the Card Schemes.

- 2.25 “Merchant Servicer”** means a Third Party Agent that:
- (a) is engaged by a Merchant;
 - (b) is not a Member of the Card Schemes;
 - (c) is not directly connected to VISANet;
 - (d) is party to the Authorization and/or clearing message; and
 - (e) has access to Cardholder data, or processes, stores, or transmits Transaction data.
- 2.26 “Non-Qualified” or “Non-Qualifying”** means a Transaction that did not meet the Card Schemes Authorization and/or settlement requirements and is not eligible for the best rate possible. Some of these Transactions may be prevented while other Non-Qualified Card type Transactions are assessed higher rates than preferred rates by the Card Schemes and may not be prevented.
- 2.27 “Outbound Telemarketing Transaction”** means a Transaction in which a sale of Products results from a Merchant initiated contact with a Cardholder via a telephone call, or a mailing (other than a catalog) that instructs the Cardholder to call the Merchant.
- 2.28 “Pass Through” or “Pass Thru”** means charging the Merchant the precise amount of monies designated as interchange, costs, dues, assessments and fees as per the Card Schemes. Pass Thru or Pass Through means no mark-ups are taken by the payment processor or any other party when interchange, dues, fees, costs and assessments are collected from the Merchant.
- 2.29 “Payment Facilitator (PF)”** is a Merchant of record who facilitates transactions on behalf of a sub-merchant whose volume is less than USD 1,000,000 in MasterCard and Maestro volume combined.
- 2.30 “Payment Service Provider (PSP)”** is an entity contracting with a Visa, Discover or American Express member to provide payment services to sponsored merchants. The new term PSP replaces the old terminology IPSP which now includes all commerce type aggregation, including face-to-face in addition to ecommerce merchant aggregation.
- 2.31 “PCI DSS”** means the Payment Card Industry Data Security Standard, the technical and operational requirements of each of the data security compliance programs of the Payment Card Industry Security Standards Council (“PCI SSC”) to protect Cardholder data.
- 2.32 “Products”** means all goods and services that are sold or provided by Merchant.
- 2.33 “Recipient”** means a recipient of benefit of an EBT Program.
- 2.34 “Reserve Account”** means a non-interest bearing account established by HPS based upon Merchant's processing history and anticipated risk of loss to HPS.
- 2.35 “Rules”** means the operating rules and regulations, requirements, and terms and conditions of the Card Schemes or Debit Networks presently in effect and as they may be amended from time to time.
- 2.36 “Sales Draft”** means the paper form, whether electronically or manually imprinted, evidencing a Transaction.
- 2.37 “Service Providers (SP)”** means non-members that are registered by MasterCard International Incorporated as Service Providers to provide processing services to a member, including any member that is registered by MasterCard International Incorporated as a SP to provide Third Party Processor (TPP) Program Services to another member.
- 2.38 “Sub-merchant”** is a customer conducting business through a Third Party relationship acting as a Payment Facilitator (PF) or Payment Service Provider (PSP).
- 2.39 “Third Party Agent (TPA)”** means entities that have been engaged by a Merchant or a member to perform contracted services on behalf of that Merchant or member, including value added resellers (VARs) and payment gateway providers.
- 2.40 “Transaction”** means any retail sale of Products, or credit therefor, from a Merchant for which the customer attempts to make payment using any Card presented to HPS for payment.

- 2.41** “**Transaction Data**” means any information or data collected, recorded, generated or otherwise created or obtained by HPS in relation to the provision of Card services to Merchant hereunder, including without limitation, Cardholder Data.
- 2.41** “**Virtual Terminal**” means a credit Card processing equipment on a secure server on the Internet whereby Merchant can key enter credit Card Transactions manually.
- 2.42** “**Voice Authorization**” means an Authorization obtained by a direct-dialed telephone call.

3. Data Security Requirements

- 3.1** The PCI Security Standards Council (“PCI SSC”) was founded by American Express, Discover Financial Services, JCB, MasterCard Worldwide and Visa, Inc. All five founders agreed to incorporate the PCI DSS as the technical requirements of each of their data security compliance programs. The PCI SSC is responsible for the Payment Application Data Security Standard (“PA-DSS”) and PIN Transaction Security Requirements for PIN-Entry Devices (“PED”).

PCI DSS applies to HPS and any Merchant or Merchant Servicer that stores, processes or transmits Cardholder information. HPS acknowledges that it has an obligation to comply with PCI DSS for Cardholder information it possesses.

For the avoidance of doubt, as between Merchant, HPS and the Member Sponsor Bank, Merchant shall be solely responsible for any unauthorized access to Cardholder information or Transaction Data while such Cardholder Information or Transaction Data resides on Merchant’s or its Third Party Agent’s systems or networks. Any such unauthorized access shall be considered an Event of Default.

All eligible Merchants, regardless of size, must comply with these standards. Following are standards that, at a minimum, Merchant must comply with:

- (a) Install and maintain a firewall configuration to protect Cardholder data.
- (b) Do not use vendor-supplied defaults for system passwords and other security parameters.
- (c) Protect stored Cardholder data.
- (d) Encrypt transmission of Cardholder data across open, public networks.
- (e) Use and regularly update anti-virus software or programs.
- (f) Develop and maintain secure systems and applications.
- (g) Restrict access to Cardholder data by business need-to-know.
- (h) Assign a unique ID to each person with computer access.
- (i) Restrict physical access to Cardholder data.
- (j) Track and monitor all access to network resources and Cardholder data.
- (k) Regularly test security systems and processes.
- (l) Maintain a policy that addresses information security for all personnel.

More information, including the complete PCI DSS specifications can be found at:

<https://www.pcisecuritystandards.org>

Each of the Card Schemes has requirements based on PCI DSS that define a standard of due care and enforcement for protecting sensitive information. Merchant must meet the compliance validation requirements defined by the Card Schemes available at:

www.visa.com/cisp

www.mastercard.com/sdp

www.discovernetwork.com/fraudsecurity/disc.html

www.americanexpress.com/datasecurity - For American Express Direct merchants only

In cases where payment application software is used as a part of Authorization or settlement of Cardholder data, Merchant must use a PA-DSS compliant payment application or have current proof of PCI DSS compliance validation. The List of Validated Payment Applications may be found at:

https://www.pcisecuritystandards.org/approved_companies_providers/vpa_agreement.php

In cases where PIN-based debit Transactions are processed, Merchant must use a compliant PIN Entry Device (“PED”). The List of PCI SSC Approved PIN Transaction Security Devices may be found at:

https://www.pcisecuritystandards.org/assessors_and_solutions/vpa_agreement

Transactions must comply with the Triple Data Encryption Standard (TDES) and any successor technologies or standards connected therewith.

In addition, Merchant must immediately notify HPS of its use of any agent or Merchant Servicer that will have any access to Cardholder data and provide the full name and business address of such agent or Merchant Servicer and any changes thereto.

- 3.2** A Card Scheme may require Merchant, by notice to either HPS, Member Sponsor Bank or Merchant, to conduct an independent forensics review due to its data security procedures and/or Transaction activities. Upon notice of such request from either a Card Scheme or HPS, Merchant, at its sole cost and expense, shall retain the requisite forensics services and provide, through the requisite forensic review process, information as may be required by the Card Scheme. If Merchant fails to retain the requisite forensics services, HPS may retain such forensics services on Merchant's behalf, and Merchant shall remain responsible for payment and/or reimbursement to HPS of all cost and expense associated with such forensics services. In addition, Merchant shall be solely responsible for the cost and expense associated with any changes to its systems or other remediation required by the Card Scheme as a result of the forensic review process.
- 3.3** Merchant agrees that it will not introduce into HPS's of Member Sponsor Bank's system any virus, "time bomb," or any other contaminant, including but not limited to, codes, commands, or instructions that could damage or disable HPS's of Member Sponsor Bank's system or property.

4. Rights, Duties, and Responsibilities of Merchants

- 4.1** Merchant shall make a selection on Card acceptance as follows: All Cards Accepted, Credit/Business Cards Only and Consumer Prepaid/Debit (Check Cards) Only. At the time of signing of the Agreement, Merchant will select one of the options, which will be indicated on the Agreement. Merchant shall honor the Card types selected provided that the Card is valid and is presented to Merchant at the time of the sale by the Cardholder or an authorized user of the Card. A Card is valid only if it is presented on or after the valid date, if any, and before the expiration date shown on its face and the Card is used as payment for Products that are sold or rendered by Merchant under the terms of this Agreement. Merchant represents and warrants that no one other than Merchant has any claim against indebtedness submitted under this Agreement except as authorized in writing by HPS and Sponsor Bank. Merchant hereby assigns to HPS and Sponsor Bank all of its right, title, and interest in and to all indebtedness submitted hereunder, agrees that HPS and Sponsor Bank have the sole right to receive payment on any indebtedness purchased hereunder, and further agrees that Merchant shall have no right, title or interest in any such funds, including any such funds held in a Reserve Account (as defined below).
- 4.2** In accordance with applicable law and the Rules:
- (a) Merchant may establish a minimum sale amount as a condition for honoring credit Card Transactions, so long as such minimum amount does not exceed \$10.00. This amount shall be subject to automatic increase as provided by applicable law. In accordance with applicable law and the Rules, a maximum sale amount for Card Transactions may only be set by Merchants that are federal agencies or institutions of higher learning;
 - (b) Except as specifically set forth in this Section 4.2, Merchant shall not establish a minimum or maximum sale amount as a condition for honoring PIN Debit, Signature Debit (non-PIN Debit) and/or prepaid Cards.

Merchant shall not request or require that a Cardholder provide any personal information as a condition for honoring PIN Debit, Signature Debit (non-PIN Debit) and/or prepaid Cards Transactions unless such information is required to provide delivery of goods and services or Merchant has reason to believe the identity of the person presenting the Card may be different from that of the Cardholder.

- 4.3** Merchant shall complete a Sales Draft or Credit Voucher, in a form approved by HPS and in compliance with the Rules, which shall be legible and adhere to or contain the following:
- (a) the Merchant and Cardholder's electronically printed copy shall not contain the expiration date and should only display in legible print the last four digits of the Card number. Any other portion of the Card number must be represented by fill characters such as "x", "*", or "#";
 - (b) the information embossed on the Card being presented;
 - (c) the date of the Transaction;
 - (d) a brief description of the Products involved in detail sufficient to identify the Transaction;
 - (e) the total amount of the sale or credit (including any applicable taxes) or the words "deposit" or "balance" if full payment is to be made at different times on different Sales Drafts;
 - (f) the city and state where such Transaction occurred; and
 - (g) the signature of the Cardholder of the Card.

In cases where prompted by the equipment to do so, Merchant shall key enter the last four digits of the Card to verify the contents of the magnetic stripe and shall deliver a completed copy of the Sales Draft to the Cardholder.

This provision shall not apply to those Transactions specifically excluded from these requirements by the Rules.

- 4.4** For all mail or telephone orders, Merchant shall type or legibly print on the signature line of the Sales Draft the letters or words indicated: "Mail Order," "MO," or "Telephone Order," " TO."
- 4.5** In the event a Transaction is to be completed without a (legible) Card imprint, Merchant shall print legibly the following information on the Sales Draft:
- (a) Merchant's name and address;
 - (b) the Card Issuer's name;
 - (c) the account number of the Card;
 - (d) the expiration date of the Card and any effective date on the Card; and
 - (e) the Cardholder's name. In a non-imprint Transaction, regardless of whether an Authorization is obtained, Merchant shall be deemed to warrant to HPS the Cardholder's identity as an authorized user of the Card.

Merchant shall:

- (a) compare the signature on the Sales Draft with the signature on the Card presented to ascertain that they appear to be the same;
 - (b) check the effective date, if any, and expiration date on the Card;
 - (c) examine any security features on the Card; and
 - (d) compare the actual Card number against the information contained in the electronic equipment by review of the equipment screen or by verification of the printed receipt. In the event the two signatures do not bear a reasonable resemblance or there exists any other discrepancy in these verification requirements or there exists any other reasonably presumed indication of fraud or of prohibited or improper usage, Merchant shall not honor the Card tendered. This provision shall not apply to those Transactions specifically excluded from these requirements by the Rules.
- 4.6** Merchant's policy for the exchange or return of goods sold and adjustment for services rendered shall be established and posted in accordance with applicable regulations of the applicable Card Scheme and laws. Merchant agrees to disclose, if applicable, to a Cardholder before a Card sale is made, that if merchandise is returned:
- (a) no refund, or less than full refund, will be given;
 - (b) returned merchandise will only be exchanged for similar merchandise of comparable value;
 - (c) only a credit toward purchases will be given;
 - (d) a restocking fee will be charged; or
 - (e) special conditions or circumstances apply to the sale (e.g. late delivery, delivery charges or other non-credit terms).

If Merchant does not make these disclosures, a full refund in the form of a credit to the Cardholder's Card account must be given. In no circumstances shall any cash refunds be given on any item originally charged to a Card.

The foregoing disclosures must be made on all copies of Sales Drafts across all Card Schemes issued at the time of the sale in letters approximately $\frac{1}{4}$ inch high in close proximity to the space provided for the Cardholder's signature. In circumstances where credits or adjustments are due, Merchant shall prepare and deliver to the Cardholder a properly completed Credit Voucher. Merchant will input Credit Vouchers into the equipment on the day of the credit Transaction for inclusion in Merchant's daily transmission of Transactions.

- 4.7** Merchant shall not transmit for processing and payment any Transaction(s) representing the refinancing of an existing obligation of a Cardholder including, but not limited to, obligations:
- (a) previously owed to Merchant;
 - (b) arising from the dishonor of a Cardholder's personal check; or
 - (c) representing the collection of any other pre-existing debt.
- 4.8** Merchant shall not, under any circumstances, (a) disclose, sell, purchase, provide or exchange, or (b) use for any purpose other than completing a Transaction, any Cardholder's account number or any credit information relating to any Cardholder's account or any Sales Drafts or Credit Vouchers that may have been obtained or imprinted with any Card to any person other than HPS, except as expressly authorized in writing by the Cardholder, HPS, or as required by law.

- 4.9** On the date of the Transaction and prior to honoring any Card, Merchant agrees to obtain an Authorization on all Transactions for the total amount of the Transaction by physically sliding, dipping, or inserting the Card through the Card reader of the equipment (or tapping the NFC-enabled Card in the case of an NFC-enabled Transaction) thereby causing the equipment to electronically read a magnetically encoded stripe or EMV chip on the reverse side of each Card, except for Card-Not-Present Transactions, which are governed by Section 4.15 hereof.

Any Transaction that cannot be authorized electronically through the equipment or manually key entered is subject to a Voice Authorization call. Merchant shall obtain an Authorization prior to completing a Card-Not-Present Transaction.

Any Transaction that is not properly authorized is made with full recourse and may be charged back to Merchant; furthermore, any Card-Not-Present Transaction will be subject to additional charges for a Mid-Qualifying or Non-Qualifying Transaction. An Authorization does not constitute a guarantee of payment, only an indication of available credit, and may be subject to dispute or Chargeback.

Except at such times as the equipment may be inoperable, Merchant shall not engage in soliciting or accepting Card-Not-Present Transactions without the prior written permission of HPS, and then only for such Products and in such amounts as stated in such written permission. Merchant shall not utilize the service of any third party (e.g. telemarketer) to solicit or accept orders or engage in Outbound Telemarketing Transactions.

- 4.10** MERCHANT ACKNOWLEDGES THAT AN AUTHORIZATION DOES NOT CONSTITUTE:
- (A) A WARRANTY THAT THE PERSON PRESENTING THE CARD IS THE RIGHTFUL CARDHOLDER; OR
 - (B) A PROMISE OR GUARANTEE BY HPS THAT IT WILL PAY OR ARRANGE FOR PAYMENT TO MERCHANT FOR THE AUTHORIZED TRANSACTION. AN AUTHORIZATION DOES NOT PREVENT A SUBSEQUENT CHARGEBACK OF AN AUTHORIZED TRANSACTION PURSUANT TO THIS AGREEMENT.
- 4.11** When possible to do so, Merchant shall utilize the equipment as the exclusive method for obtaining Authorization codes. Voice Authorization service is for use during equipment downtime periods only. Use of Voice Authorization systems will result in additional charges for such use being assessed to Merchant based on HPS then-current rates. Merchant will record for every Transaction applicable Authorization and reference numbers on each Sales Draft to facilitate the timely and accurate retrieval of information as requested by HPS.
- 4.12** Merchant shall use its best efforts, by reasonable and peaceful means, to recover the Card when:
- (a) Merchant is advised to recover the Card in response to an Authorization request; or
 - (b) Merchant has reasonable grounds to believe that the Card is counterfeit, fraudulent or stolen. Merchant shall take no action to recover a Card that may result in a breach of the peace.
- 4.13** Merchant may utilize the equipment's keypad to input Card number(s) in the following instances:
- (a) Card-Not-Present Transactions; or
 - (b) the magnetic stripe on a Card is damaged and therefore unreadable by the equipment; or
 - (c) the equipment's Card reader is inoperative, in which case Merchant shall immediately advise HPS.
- 4.14** If a Merchant is approved as an Internet, Mail Order or Telephone Order Merchant, the following sections of this Agreement shall not apply: 4.3 (b) and (g), 4.5, 4.9, 4.12, and 4.13 and such sections shall be replaced by the following:
- (a) Merchant shall obtain an Authorization for all Transactions. Any Transaction that cannot be authorized electronically is subject to a Voice Authorization call. Any Transaction that is not properly authorized is made with full recourse and may be charged back to the Merchant. An Authorization does not constitute a guarantee of payment, but may be subject to dispute or Chargeback;
 - (b) Merchant shall print legibly the following information on the Sales Draft; Merchant's name and address;
 - (i) the Card Issuer's name;
 - (ii) the truncated account number of the Card;
 - (iii) the expiration date of the Card and any effective date on the Card; and
 - (iv) the Cardholder's name. Merchant shall be deemed to warrant to HPS the Cardholder's identity as an authorized user of the Card;
 - (c) Merchant is required to use a real-time Internet payment gateway authorized in advance by HPS to obtain Authorization codes and process Transactions;
 - (d) Internet Transactions are Card-Not-Present Transactions and must be performed on the Internet by the customer; or
 - (e) In the case of a Virtual Terminal, the Internet Merchant Store Front (the customer interface) must be Web Hosted so that the credit Transactions are received over a secure socket layer (SSL) by the Merchant;

- (f) In any Card-Not-Present Transaction, as a material part of the consideration for HPS to enter into this Agreement, Merchant accepts such Transactions solely at its own risk, and further assumes all risks of loss attendant to non-imprint Card-Not-Present Transactions.
- (g) Internet Merchant Website Requirements. Internet Merchant shall use the eCommerce Gateway solely for Merchant's internal business purposes and shall not allow any third party use of or access to the eCommerce Gateway. An Internet Merchant agrees to adhere to those Rules governing electronic commerce as well as HPS requirements as set forth herein; which include, but are not limited to ensuring the following information is included or properly referenced on the Internet Merchant website:
 - (i) Contact information including: customer service telephone number, email and URL addresses, legal name and permanent corporate address including the country of domicile which should be located on the check-out screen, along with the final purchase amount or those pages accessed by a Cardholder during the checkout process;
 - (ii) a complete description of the Products offered for sale and related prices, form of currency, as well as how to complete a purchase and the point at which the purchase is complete;
 - (iii) Include a method by which the Cardholder can affirmatively consent to the Transaction (i.e., an "order now" or "purchase now" option);
 - (iv) Provide clear disclosure of all material terms of the Transaction: (i.e., all sales are final, applicable restocking fees, returns, etc.);
 - (v) shipping and delivery policies will be clearly and accurately stated;
 - 1) if providing age restricted products/services, Merchant shall clearly state the age restrictions on the website and implement an age verification process;
 - (vi) refund and returned merchandise policies and terms of use;
 - (vii) Merchant's privacy policy clearly and accurately in accordance with all applicable laws and the Rules, including, but not limited to, the content, location and accessibility of its privacy policy;
 - (viii) security policy indicating that:
 - 1) the transmission of payment and will adhere to the PCI DSS for storing and transmitting Cardholder data;
 - 2) Merchant remains fully responsible and liable for the security of Transaction and personal data submitted to and/or processed through your website or as may otherwise be in Merchant's or its agents or vendors' control, including implementing fraud prevention measures as required by law or industry regulation;
 - 3) Merchant will use Cardholder Data for the sole purpose of supporting payment for and delivery of Merchant's goods and services and consistent with Merchant's privacy policy;
 - 4) Merchant will maintain the security of any and all passwords, ID number or other access control methods to use the e-Commerce Payment Gateway; and
 - (ix) any other legal policies, including export control and terms of use.

4.15 The following additional terms apply to Card-Not-Present Transactions:

- (a) Merchant shall use and retain for not less than one year proof of a traceable delivery system utilized for the delivery of Products to customers.
- (b) Merchant shall use an address verification service to verify each Transaction.
- (c) Merchant must utilize if available through their gateway a Payer Authentication Program. This program identifies the Cardholder by authenticating their personal PIN entry. Specific programs could include Verified by VISA and MasterCard Secure Code.
- (d) Except where Merchant has specified future delivery on the Application, a customer's Card shall not be debited until the Product purchased has been shipped.
- (e) Upon request by HPS, Merchant shall provide copies of all advertisements, catalogues, brochures or other materials used to solicit mail or telephone orders and any forms used in recording or transmitting orders.

4.16 In all cases, unless stipulated otherwise in the Merchant Processing Agreement, the shipment of goods to a Cardholder will be no later than the business day following the date on which that Transaction was transmitted to HPS for processing.

4.17 Merchant agrees to electronically deposit Sales Drafts and Credit Vouchers no later than the day of the Transaction. The time of receipt by HPS will affect the timing of payment to Merchant. If Merchant fails to submit Transactions on a timely basis as provided herein, Merchant will be charged and agrees to pay the additional fees assessed to HPS by the Card Schemes.

4.18 Merchant shall at all times maintain a direct deposit Account (the "Account" or "DDA") in good standing at a bank that is a Receiving Depository Financial Institution (RDFI) of the Federal Reserve Bank ACH System or other ACH settlement network. Merchant agrees that all credits for collected funds and debits for fines, fees, Chargebacks, Credit Vouchers, payments and adjustments and other amounts due under the terms of this Agreement (including but not limited to attorney's fees and early termination charges) may be made to the

Account. Merchant shall not close, restrict or change the Account without prior written approval from HPS. Merchant agrees to pay HPS a twenty-five dollar (\$25.00) handling fee to change the DDA information and a twenty-five dollar (\$25.00) fee on all returned ACH items. Merchant is solely liable for all fees and all overdrafts, regardless of cause. HPS shall have the unlimited right to debit, without prior notice, any DDA Account containing funds for the purpose of satisfying any liability incurred by or on behalf of Merchant.

- 4.19** Merchant agrees to retain original Card Scheme Sales Drafts and Credit Vouchers as specified by the Rules and Merchant assumes liability for all fines, fees, failures, charges and penalties charge to Merchant or HPS for a failure to comply therewith.

Such documents shall be stored in a secure manner permitting retrieval and submission of legible copies on the same day that Merchant receives a request from HPS. Since a Card Issuer may over a period of time request duplicate copies of the same Sales Draft, Merchant must retain at least one legible copy of each Card Transaction.

Failure to provide HPS with requested documentation within five (5) business days after receipt of such request may result in the Transaction being charged back to the Merchant and HPS shall have the right to debit the Account for the full amount of the Transaction. Merchant agrees that it shall destroy material containing Cardholder account information in a manner that renders the data unreadable.

- 4.20** Merchant shall not submit any Transaction for processing for the purpose of obtaining or providing a cash advance, or make a cash disbursement to any other Cardholder (including Merchant when acting as a Cardholder), or receive monies from a Cardholder and subsequently prepare a credit to Cardholder's account.
- 4.21** As partial consideration for this Agreement, Merchant expressly authorizes HPS to change the financial institution providing settlement services to Merchant. Merchant will execute all necessary documents enabling HPS to effect such change.
- 4.22** Merchant shall provide HPS with immediate notice of its intent to:
- (a) transfer, sell or liquidate any substantial part of its assets;
 - (b) change the basic nature of its business, including selling any Products not related to its current business;
 - (c) change ownership or transfer control of business; or
 - (d) enter into any joint venture, partnership or similar business arrangement whereby any person or entity not a party to this Agreement assumes more than a ten percent (10%) interest in Merchant's business.

Merchant also shall provide HPS with prompt written notice of any material changes regarding any information provided in the Application, including Merchant's address, ticket size or monthly volume.

Merchant and principal owner(s) identified on an approved Application and any new owner of Merchant or successor Merchant shall be jointly and severally liable to HPS and remain liable for any and all losses, costs and expenses suffered or incurred by HPS in accordance herewith, unless the original Merchant or successor thereof is released in writing by HPS.

- 4.23** Merchant agrees to pay HPS the face amount of any Transaction processed by HPS pursuant to this Agreement whenever any Card Transaction is reversed in accordance with the Rules, any state or federal statute, regulation, court or administrative order or terms of this Agreement, or in the event of a Chargeback.
- 4.24** Merchant agrees to pay Member Sponsor Bank and/or HPS any fees, fines, penalties or assessments imposed directly or indirectly on Member Sponsor Bank and/or HPS by a Card Scheme resulting from all acts or omissions of Merchant, including without limitation, any fines, fees, penalties or assessments (such as Card replacement cost) imposed by Card Schemes in relation to Merchant's or a Third Party Agent's non-compliance with PCI DSS and/or Rules.
- 4.25** HPS agrees to use commercially reasonable efforts to mail or electronically transmit all Chargeback documentation to Merchant promptly at Merchant's address shown in the Application; however, HPS may at any time without prior notice may debit Merchant's DDA or any other Merchant Account for Chargebacks without prior notice in accordance with this Agreement.

If Merchant notifies HPS after such time, HPS may, in its discretion, assist Merchant, at Merchant's expense, in investigating whether any adjustments are appropriate and whether any amounts are due to or from other parties; however, HPS shall not have any absolute obligation to investigate or effect any such adjustments. Any voluntary efforts by HPS to assist Merchant in investigating such matters shall not create an obligation to continue such investigation or any future investigation. Merchant must provide all information requested by HPS

by the time specified in a request for information. Failure to respond within the specified time shall constitute a waiver by Merchant of its ability to dispute or reverse a Chargeback or other debit, and Merchant shall be solely responsible where it fails to timely provide information concerning any Chargeback.

If HPS elects, in its sole discretion, to take action on a Chargeback after the time specified to respond has expired, Merchant agrees to pay all costs incurred by HPS. Merchant agrees to pay HPS a processing fee for Sales Draft retrieval requests at HPS' discretion.

- 4.26** Merchant agrees to reimburse HPS for the amount of the Sales Draft in the event of a Chargeback together with a handling fee for each Chargeback, which fee may be amended from time to time. Merchant hereby irrevocably authorizes HPS to debit without notice Chargebacks and Chargeback handling fees and all other amounts due hereunder from Merchant's daily deposit and if such collection is inadequate, agrees to reimburse HPS immediately for any shortage that occurs as a result of such charges.
- 4.27** Merchant will be subject to debit for a Chargeback in accordance with the Rules in effect at the time of the Chargeback. The basis for Chargebacks and the rules for their processing are governed by the Rules. However, all disputes that are not resolved through established Chargeback procedures shall be settled between Merchant and the Cardholder, and Merchant will indemnify HPS for all expenses, including reasonable attorneys' fees, that may be incurred as the result of any Cardholder claim that is pursued outside the Rules. Merchant acknowledges and agrees that it is bound by the rules of the Card Schemes with respect to any Chargeback. Merchant further acknowledges that it is solely responsible for providing HPS and Sponsor Bank with any available information to re-present a Chargeback and that, regardless of any information it provides or does not provide HPS and Sponsor Bank in connection with a Chargeback, or any other reason, Merchant shall be solely responsible for the liability related to such Chargeback. If any such amount is uncollectible through withholding from any payments due hereunder or through charging Merchant's Account or the Reserve Account, Merchant shall, upon demand by HPS, pay HPS the full amount of the Chargeback.
- 4.28** Merchant shall not accept or deposit any fraudulent Transaction, or any Transaction about which Merchant has knowledge or notice of circumstances that would impair the validity of the Transaction or the indebtedness thereunder or its collectability.
- 4.29** Merchant unconditionally represents and warrants to HPS that all Sales Drafts submitted to HPS hereunder will represent the indebtedness of the Cardholder with whom Merchant has completed a Transaction in amounts set forth therein for Products only and shall not involve any element of credit for any other purposes, and shall not be subject to a defense, dispute, offset or counterclaim that may be raised by Cardholder under the Card Schemes Rules, the Consumer Credit Protection Act (15 USC § 1601) or other relevant state or federal statute or regulation. Further, Merchant warrants that any Credit Voucher that it issues represents a bona fide refund or adjustment on a Transaction by Merchant with respect to which a Sales Draft has been accepted by HPS.
- 4.30** Merchant shall not, under any circumstances, present for processing or credit, directly or indirectly, a Transaction that originates with any other Merchant or any other source.
- 4.31** Merchant shall not deposit duplicate Transactions. Merchant shall be debited for any adjustments for duplicate Transactions and shall be liable for any Chargebacks which may result therefrom.
- 4.32** Merchant shall not initiate a Transaction in an attempt to collect a Chargeback.
- 4.33** Merchant shall give HPS immediate written notice of any complaint, subpoena, civil investigative demand or other process issued by any state or federal governmental entity that alleges, refers or relates to any illegal or improper conduct of Merchant, its owner(s) or other entity under common ownership or control. Failure to give such notice shall be deemed to be a material breach of this Agreement.
- 4.34** Merchant must obtain final approval by HPS of Debit Network sponsorship prior to submitting any debit Transaction.
- 4.35** Merchant shall not be assessed a Chargeback fee for the first three (3) Chargeback requests processed in any twelve month period beginning with the Merchant's anniversary date. Once three Chargeback requests have been submitted by the Card Scheme or a card issuer in any such 12 month period, HPS shall bill all applicable Chargeback fees. For purposes of this Section 4.37, the anniversary date shall be the date of Merchant's first deposit with HPS unless otherwise designated by HPS.
- 4.36** HPS shall have no liability for customer data that is lost or stolen from the Merchant's POS system or equipment and Merchant shall indemnify HPS from any claim or loss arising out of or relating to such lost or stolen data.

- 4.37** Merchant shall ensure HPS has the correct business taxpayer ID (“TIN”) and legal name on file for Form 1099-K tax reporting purposes. Any Merchant reporting an invalid TIN and legal name combination is subject to a backup withholding amount as defined by IRS and state regulations.
- 4.38** Merchant shall at all times comply with the Rules, as well as all applicable federal, state and local rules and regulations.
- 4.39** Merchant, at its own expense, will have installed and will maintain the equipment, unless otherwise agreed to by the parties in writing. Each equipment type installed at a Location must be compatible with HPS’ System and HPS has the right to test the equipment to assure compatibility. Merchant will submit each equipment type and all new core hardware, and any releases of modifications to the implementation software, to HPS for quality assurance testing at least thirty (30) days prior to the equipment, hardware or software’s first use at a Location; provided however, both parties acknowledge that the quality assurance test may take less than thirty (30) days and HPS will use commercially reasonable efforts to accomplish the testing as soon as practicable. Quality assurance testing is applicable to each implementation software release for each equipment type. If Merchant changes the method used to communicate with HPS’ System from one form of technology to another, e.g. dial to frame relay, once any necessary quality assurance testing has been completed, Customer will arrange for, with the assistance of HPS, if necessary, the equipment to be connected to HPS and then tested to ensure that the new method of communication works properly, which test will be conducted in accordance with Merchant’s and HPS’ procedures and paid by each party, respectively. Once the new technology has been tested and approved, it will not be necessary for each Location that adopts the new technology to perform the testing referred to in this paragraph.
- 4.40** Merchant shall assume responsibility for managing the repair of problems associated with Merchant’s own telecommunications and processing system (both hardware and software), including terminals.
- 4.41** Special pricing through an agreement between HPS and a Merchant association shall apply to Merchant members in good standing of such Merchant association; any special pricing may be discontinued without notice.
- 4.42** Merchant agrees to provide HPS such financial statements and other information concerning Merchant as HPS may reasonably request from time to time. Merchant agrees that HPS, or its duly authorized representative, may examine Merchant’s books and records related to its receipt of the services from HPS hereunder, including records of Transactions submitted hereunder.
- 4.43** Merchant shall not engage in any services that require registration with the applicable Card Schemes as a Payment Service Provider (PSP) or Payment Facilitator (PF) without prior written approval from HPS. In the event Merchant is registered as a PSP/PF, Merchant agrees to promptly disclose to all Sub-merchants any new or increased Card Scheme related Dues, Assessments and Fees, including but not limited to Convenience fees, in accordance to the contracted services performed by the Merchant. For the avoidance of doubt, all Service Providers, Third Party Agents, Payment Service Providers, and Payment Facilitators must comply with all Rules, including those found at the following websites (or their successor websites):
- <https://usa.visa.com/dam/VCOM/download/merchants/third-party-agent-due-diligence-risk-standards.pdf>
 - <https://www.mastercard.us/content/dam/mccom/en-us/documents/rules/mastercard-rules-nov-15-2016.pdf>
- 4.44** Merchant must meet requirements as defined by the Card Schemes. Information is available at:
- www.visa.com
 - www.mastercard.com
 - www.discovernetwork.com
 - www.americanexpress.com/merchanttopguide - For American Express OptBlue Program merchants only.
 - www.americanexpress.com - For American Express Direct merchants only.

5. Debit Card Processing; EBT Services

If Merchant elects to receive Debit Card processing services, the following terms will apply:

- 5.1** Merchant understands and agrees that HPS and any bank which is a party to this Agreement (or to which this Agreement is assigned) is a sponsored affiliate or member of each Debit Network and HPS is a service provider for processing Merchant’s debit Card Transactions pursuant to the terms herein.

- 5.2** Until and unless otherwise authorized by HPS, Merchant agrees to utilize compliant and compatible equipment/PIN-pads or systems capable of processing all ACH debit Card Transactions as well as online-Debit Card Transactions at its Locations. All HPS applications software residing on the equipment or systems is the sole property of HPS. Any software residing in Merchant owned or leased equipment or systems must be HPS compatible.
- Merchant's placement of the equipment or system at its Locations shall constitute acceptance of all terms and conditions set forth in this section. Merchant understands and agrees that HPS has no responsibility whatsoever for inoperative equipment or systems (or software if applicable).
- In the case of inoperative terminal or system, Merchant shall consult Merchant's warranty or equipment maintenance agreement as applicable. Merchant also acknowledges that all equipment/pin-pads or systems capable of processing all debit Card Transactions at its Locations must remain compliant with the data security requirements of Section 3 of this Agreement.
- 5.3** Merchant shall utilize HPS compatible equipment/pinpad or system to process all debit Card Transactions and to abide by all applicable Rules of the applicable debit Card on-line network selected by HPS. HPS has no responsibility or liability for any of the debit Card Networks.
- 5.4** Merchant agrees to indemnify and hold HPS harmless from any and all claims, actions, proceeding and other liability, which may arise pertaining to such debit Transactions.
- 5.5** Any claims Merchant may have regarding Debit services may not be offset against bankcard sales.
- 5.6** Merchant assumes all responsibility for retention of paper copies of debit Card Transactions; pursuant to the appropriate debit Card network Rules.
- 5.7** Within one (1) business day of the original Transaction, Merchant must balance each Location to the system for each business day that each Location is open. If Merchant determines that any Transaction(s) have been processed in error, Merchant will initiate the appropriate Transaction for adjustment. Merchant is responsible for all applicable adjustment fees assessed by the Card Schemes.
- 5.8** Merchant shall be responsible for all telephone message unit costs, if any, as they are incurred by Merchant for any of the services provided.
- 5.9** HPS will provide installation, training, service and support for all purchased and rented equipment provided by HPS. Equipment purchased and provided by a third party vendor should be supported and maintained by the vendor.
- 5.10** Merchant shall be responsible for the following debit related fees:
- (a) HPS Debit Fee (does not include Debit Network Fee);
 - (b) Debit Network Set-up Fee;
 - (c) Service & Regulatory Mandate Fee.
- 5.11** Debit Transactions are governed by network regulations as well as federal and state laws and regulations, including but not limited to the Electronic Funds Transfer Act, and Regulation E, pursuant to which consumers may have up to sixty (60) days to dispute a Transaction. Merchant shall comply with all applicable federal, state and local laws and regulations.
- 5.12** Non-Request for PIN Disclosure Procedures. Merchant agrees to ensure that no employee or agent requests a Cardholder to divulge their PIN number.
- 5.13** Prevention of PIN Entry Observation. Merchant agrees to undertake commercially reasonable actions to prevent others from observing the entered PIN number. Some prevention examples could be, but not limited to:
- (a) Placement of security cameras in relation to PIN Entry Device (PED);
 - (b) PED shielding; or
 - (c) PED placement on POS counter.
- 5.14 EBT Transactions**
- If Merchant elects to accept Electronic Benefit Transactions ("EBT"), the additional following terms and conditions will apply:
- 5.14.1 EBT Services.**

Merchant will participate in and HPS will provide access to the programs for debit card access to electronically distributed government benefits as agreed to between the parties from time to time. ("EBT Programs"). Each EBT Program shall be treated as a "Network" for purposes of the Agreement and each EBT card issued for access to government benefits issued under such EBT Programs shall be treated as a "debit card" under the Agreement.

5.14.2 Rights, Duties and Responsibilities of Merchant.

- (a) At all times during the term, including any renewal thereof, Merchant shall remain a participant in good standing in each EBT Program selected hereunder.
- (b) Merchant shall submit to HPS written requests to participate in each EBT Program as amended from time to time, for each Location where EBT will be offered. HPS must receive such EBT request a minimum of fourteen (14) days prior to the desired activation date.
- (c) Merchant shall notify HPS at least thirty (30) days prior to the termination or withdrawal of its participation in any such EBT Program, or if such participation is terminated involuntarily and without prior notice to Merchant, immediately following such notice.
- (d) Merchant shall pay to HPS all EBT related fees set forth in the Agreement.
- (e) Merchant will comply with all applicable laws, regulations, Rules, or administrative guidelines related to its participation in each EBT Program and acceptance of EBT Cards, including any Network Rules. Without limiting the foregoing, Merchant shall not resubmit any EBT Transactions except as specifically permitted by Rules related to such EBT Program. In addition, if Merchant accepts EBT under the Food Stamp Program, Merchant shall deploy and identify its equipment consistent with Department of Agriculture requirements. Merchant will not take any action that would cause HPS to be in violation of any law, regulation, rule or administrative guideline applicable to an EBT Program, including any Network Rules.
- (f) With respect to each EBT Program in which Merchant participates, Merchant shall comply with any obligations or duties imposed on Merchants participating in such EBT Program under an Agreement ("Processor Agreement") between HPS and the administrator of the EBT Program ("EBT Provider") pursuant to which HPS is authorized to process Transactions for the EBT Program, and the EBT Provider shall have the right to directly enforce the terms and conditions of the Processor Agreement against Merchant in the event that Merchant breaches its obligations hereunder.
- (g) Merchant agrees that HPS may release information regarding Merchant's use of the EBT Program upon request by any Federal or State agency, and that Merchant shall not have a claim or cause of action for such release of information.
- (h) Merchant will accept EBT Cards only for Transactions and purchases permitted under the applicable EBT Program.
- (i) Regardless of Merchant's standard operating procedure for handling refunds, it shall provide refunds with respect to EBT Transactions only in accordance with applicable laws, regulations, Rules, or administrative guidelines related to its participation in each EBT Program, including Network Rules.
- (j) If required by an EBT Program, Merchant shall seek to obtain telephone Authorization of each EBT Transaction in situations in which it is unable to obtain electronic response from the Card Authorization system for the EBT Program. If HPS processes manual Sales Drafts for Merchant; Merchant shall complete any such manual Sales Draft for an EBT Transaction in accordance with the requirements of the EBT Program.
- (k) Merchant shall maintain records of EBT Transactions as required by applicable laws, regulations, Rules or administrative guidelines related to its participation in each EBT Program, including Network Rules.
- (l) Merchant shall not use or disclose any information concerning a Recipient for any purpose not directly connected with the performance of Merchant's duties under an EBT Program.
- (m) Merchant shall not discriminate in the provision or denial of any EBT Transactions on the basis of a Recipient's disability or handicap (if any), age, race, color, religion, sex, sexual preference, political belief, national origin, creed, marital status or veteran's status.
- (n) Merchant shall provide to HPS and any EBT Provider any information reasonably required by HPS or the EBT Provider to assist HPS or the EBT Provider in ensuring the integrity, security and successful performance of the EBT Network.
- (o) Merchant shall, at its own expense, ensure that its employees receive appropriate training in the use of equipment and procedures with respect to each EBT Program in which Merchant participates. If Merchant so requests, HPS and Merchant shall enter into a written agreement pursuant to which HPS shall provide such training to Merchant's employees, provided that Merchant shall pay HPS the usual and customary fees charged by HPS for its employees time in conducting such training and shall reimburse HPS for employee travel, lodging and other reasonable out-of-pocket expenses incurred in conducting on-site training.

5.14.3 HPS Representations and Warranties.

HPS hereby represents and warrants that it is a qualified processor in each EBT Program identified and that it has obtained any and all Authorizations, certifications or other evidence of authority and has properly executed and delivered any and all applications, Agreements or other documents necessary to participate in each such EBT Program.

5.14.4 Rights, Duties and Responsibilities of HPS.

- (a) HPS shall provide the EBT services identified in accordance with the terms of EBT, the Agreement and applicable laws, regulations, Rules and administrative guidelines applicable to each selected EBT Program, including any Network Rules.
- (b) HPS shall have the authority, without any liability, to terminate or suspend the provision of services hereunder with respect to each and every EBT Program, at the direction of any federal, state or other authority with responsibility for oversight or implementation of such EBT Program, or upon HPS determination to terminate support for such EBT Program for all customers. If HPS is directed to terminate or suspend the provision of services hereunder with respect to an EBT Program, HPS may also terminate or suspend provision of services hereunder for any other EBT Program without liability.

5.14.5 Indemnity.

In addition to any indemnification obligations of Merchant set forth elsewhere in this Agreement, Merchant agrees to indemnify and hold harmless HPS and Member Sponsor Bank from and against any and all claims or losses arising out of:

- (a) any act or omission by Merchant in violation of any applicable federal, state or local law or regulation, or rule or administrative guideline related to any EBT Program, including a Network Rule;
- (b) any negligent or fraudulent act or omission or intentional misconduct by Merchant;
- (c) any failure by Merchant to comply with any obligation or duty imposed on Merchants participating in an EBT Program under a Processor Agreement; or
- (d) any act or omission of Merchant that causes HPS to breach any undertaking under a Processor Agreement, including any performance standards hereunder.

5.14.6 Limitation of Liability.

In addition to any other limitations of liability set forth in this Agreement, Merchant agrees and acknowledges that HPS and Member Sponsor Bank shall have no liability to Merchant arising out of any act or omission by an EBT Provider. Without limiting the foregoing, HPS and each EBT Provider shall have no liability to Merchant for an EBT Provider's rejection, Chargeback or other failure to fully process in the ordinary course and without penalty any adjustment based upon a restriction on any EBT Provider's ability to process such adjustment to the Account of a recipient of government benefits, regardless of whether the error being adjusted was caused, in whole or in part, by HPS.

5.14.7 Deluxe EBT Program.

If Merchant is a participant in an EBT Program in the State of Kansas, Louisiana, (or any other state where Deluxe Data Systems, Inc. ["Deluxe"] is the prime contractor for the state), Merchant agrees that Deluxe, which is the EBT Provider for those states, shall have no liability to Merchant arising out of Deluxe's management of the EBT Program or processing of Transactions except for Merchant's direct damages caused by fraud or intentional misconduct committed by Deluxe's employees. In no event shall Deluxe be liable to Merchant for indirect, incidental or consequential damages. Merchant agrees and acknowledges that Deluxe is a third party beneficiary of EBT for purposes of this limitation liability.

6. Fees

- 6.1** As consideration for the services to be provided by HPS, Merchant shall pay HPS various fees in the manner and pursuant to the Fee Schedule set forth herein and in the Application. The Fee Schedule may be amended as set forth in Section 18.11 of this Agreement. Merchant is responsible for verifying the accuracy of its monthly statements received from HPS for the services provided hereunder.

- 6.2** Merchant shall pay fees charged to Merchant by third parties for telephone equipment, the preparation of the site(s) prior to installation of electronic data capture equipment and/or peripheral equipment, installation, maintenance, line charges, and utility costs. In addition, Merchant shall be responsible for any increase in long-distance communication costs, internet access, gateway costs, IP, SSL, DSL, lease, frame, and processing charges from third party vendors.
- 6.3** Merchant shall pay all applicable sales taxes for services and products provided by HPS.
- 6.4** All Card-Not-Present Transactions will be subject to the applicable interchange rates as defined by the Card Schemes. Notwithstanding the fees and costs listed in the Fee Schedule, Merchant shall pay any additional costs and fees associated with "Non-Qualifying Transactions" (including, but not limited to, Card-Not-Present Transactions, or Transactions involving corporate, business, purchasing and/or rewards Cards or any other types of Cards subject to Non-Qualifying rates). In addition, Merchant shall pay a voice Authorization fee \$0.65 per Transaction or HPS' then current rate for Voice Authorizations.
- 6.5** Merchant shall pay such fees and charges as may be set by HPS for any requested system enhancements or services in addition to those specified herein or in the application or as may be requested by applicable law or changes in the Rules.

7. Rights, Duties and Responsibilities of HPS

- 7.1** HPS will accept all Sales Drafts and Credit Vouchers deposited by Merchant that comply with the terms of this Agreement. HPS will pay to Merchant the total face amount of each valid Sales Draft, less any Credit Vouchers, Discounts, fees or adjustments determined daily, weekly or monthly. All payments, credits and charges are subject to audit and final review by HPS and prompt adjustment shall be made as required. Notwithstanding any other provision in this Agreement, HPS may refuse to accept any Sales Draft, revoke its prior acceptance, or delay processing of any Sales Draft for any period of time, as HPS deems necessary and appropriate. HPS shall have no liability to Merchant for additional charges, higher rates, or any other loss, expense or damage Merchant may incur directly or indirectly due to any such refusal, revocation or delay.
- 7.3** HPS will accept customer service calls and other communications from Merchant relating to the services provided under this Agreement including, but not limited to, equipment service, disbursement of funds, Account charges, Merchant statements and Chargebacks.
- 7.4** HPS will process requests for Sales Drafts from Card Issuers and all Chargebacks and will provide Merchant with notice of requests and Chargebacks.
- 7.5** HPS may provide terminals, printers and peripheral equipment at Merchant's request and expense. HPS will obtain repair and replacements on purchased and rented equipment. Merchant shall be liable for all non-warranty repairs, shipping and handling costs.
- 7.6** HPS may provide online data management information concerning Merchant to Member Sponsor Banks, Card Schemes, Card Issuers or any other party. This information includes but is not limited to Merchant identification information, Transaction information, deposits, ACH, batches, equipment, Chargebacks, retrievals, online statements and monthly affiliate reports.
- 7.7** Upon receipt of written request by Merchant, HPS may provide Merchant with certain supplies to complete and document Transactions at Merchant's request and expense as set forth in HPS product price list in effect at the time of such request.
- 7.8** From time to time HPS may refer Merchant to certain independent third party providers of certain products or services. Any Agreement relating to the provision of such products or services shall be solely between the provider and Merchant. Under no circumstance shall HPS have any liability arising out of or related to the performance or non-performance of any product or service to be provided by any such third party provider.
- 7.9** HPS reserves the right, without notification, to change or modify all or part of the network configuration used to provide the services. Selection of equipment, hardware, etc. to be used by HPS or HPS' system shall be left solely to HPS' discretion. HPS shall not change its equipment protocol or HPS compatibility requirements without notice to Merchant.

8. Privacy, Data Sharing & Confidentiality

- 8.1** Merchant is solely responsible for compliance with any privacy laws applicable to its use of HPS products and services, and its acceptance of Card Transactions. If Merchant is a Covered Entity, HealthCare Provider, or Business Associate under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA Rules"), Merchant represents and warrants that it shall not transmit to HPS any Protected Health Information ("PHI"), as defined in 45 C.F. R. §164.501. HPS operates under an exemption in the HIPAA Rules for financial institutions performing consumer conducted payment Transactions.

Furthermore, any exposure to PHI shall be random, infrequent and incidental to the provision of services by HPS, as allowed under the HIPAA Rules, and is not meant for the purpose of accessing, managing the PHI or creating or manipulating the PHI. Any transmission of PHI by Merchant to HPS shall be the responsibility of Merchant and Merchant agrees to pay HPS any fees or fines imposed on HPS by any agency of the U.S. Government with respect to or resulting from acts or omissions of Merchant regarding PHI.

- 8.2** As between HPS and Merchant, HPS shall be deemed the owner of all Transaction Data. Merchant shall have no rights in or title to Transaction Data, notwithstanding HPS's provision of access to certain Transaction Data in relation to the provision of Services hereunder.
- 8.3** Merchant authorizes HPS to use, make available to third parties and/or exchange information, including Transaction Data, and information that relates to an identifiable individual ("Personal Information"), about Merchant (and about its partners, principals, proprietors, officers, shareholders and managing agents who have provided their written consent pursuant to this Agreement) with other financial institutions, payment networks, and any other persons or entities for the purpose of providing services under this Agreement or as HPS otherwise deems appropriate or necessary.
- 8.4** Merchant authorizes HPS to use, make available to third parties, and/or exchange information, including Transaction Data and Personal Information, about Merchant (and about its partners, principals, proprietors, officers, shareholders and managing agents who have provided their written consent pursuant to this Agreement) for statistical analysis, marketing purposes, and any other purpose related to the provision of HPS or a third party's products and services.
- 8.5** Merchant acknowledges that HPS may use, make available to third parties or exchange information, including Transaction Data and Personal Information, about Merchant (and about its partners, principals, proprietors, officers, shareholders and managing agents who have provided their written consent pursuant to this Agreement) with other entities that have products or services that may be of interest to Merchant. Personal Information regarding Merchant or Merchants customers will not be used in any way contrary to any applicable laws.
- 8.6** Upon acceptance of this Agreement, Merchant confirms it has read, understood and accepted the HPS Online Privacy Policy.
- 8.7** Confidential Information. Merchant and HPS will take reasonable steps to protect and maintain the confidentiality of confidential information as defined below ("Confidential Information").
- (a) The types of Confidential Information that HPS may collect, share or make available to Merchants will depend on the products or services provided to the Merchant. Confidential Information may include, but is not limited to, financial information, such as transaction data and financial account information of Merchant and/or its customers. Confidential Information further includes Personal Information, including but not limited to: social security number, driver's license number, credit or debit card number, personal identification number or password that would permit access to a financial account, personal bank account number, passport number or email address. Confidential Information further includes information HPS provides to Merchant about HPS's products, services, systems, and business.
- (b) Confidential Information shall not include information that is lawfully obtained and publicly available or that is derived from federal, state, or local government records lawfully made available to the public.
- (c) HPS may otherwise share or disclose Confidential Information pursuant to Sections 8.1, 8.2 and 8.3 or if it determines, in its sole discretion, that it is required to do so pursuant to any applicable law, regulatory requirement, and/or contractual obligation.

9. Reserve and Payment Obligations

- 9.1** At any time, HPS may establish a Reserve Account to secure the performance of Merchant's obligations hereunder, including without limitation in the event of: (a) a breach of this Agreement by Merchant; (b) a material adverse change in Merchant's financial condition; (c) Merchant receives excessive Chargebacks as determined by HPS, a Member Sponsor Bank or any Card Scheme; (d) Merchant has submitted fraudulent or suspicious Transactions; (e) HPS has reasonable grounds to believe that it may be or become liable to third parties due to Merchant's action or inaction hereunder; (f) a change in Merchant's transaction volume or average ticket, or (g) HPS has reasonable grounds to believe that material fines, fees, or penalties may be assessed against HPS or a Member Sponsor Bank by a Card Scheme arising out of or relating to Merchant's failure to comply with the Rules. The amount of such Reserve Account shall be set and may be revised by HPS in its sole discretion at any time, based upon Merchant's processing history and the anticipated risk of loss to HPS.
- 9.2** HPS may require that such Reserve Account be funded by all or any combination of the following:
- (a) debits to Merchant's Account or any other Accounts owned by Merchant;
 - (b) deductions or offsets to any payments otherwise due to Merchant;
 - (c) Merchant's delivery of a letter of credit; or
 - (d) Merchant's pledge to HPS of a freely transferable negotiable certificate of deposit. Any such letter of credit or certificate of deposit shall be issued or established by a financial institution acceptable to HPS.

In the event of termination of this Agreement by either Merchant or HPS, an immediate Reserve Account, if not already established, may be established by HPS and the Reserve Account will be held by HPS for six (6) months after termination of this Agreement or for such longer time as HPS may, in its discretion, deem reasonably necessary based upon Merchant's liability to HPS arising prior to or after termination of this Agreement and HPS may deposit into and retain in the Reserve Account any and all amounts otherwise payable to Merchant.

Funds held in a Reserve Account may be held in a commingled Reserve Account for the reserve funds held in relation to HPS's other Merchants, without involvement by an independent escrow agent. Merchant agrees that it shall have no right, title or interest in or to the commingled Account and shall receive no interest on funds held in a Reserve Account. However, Merchant may have an unsecured contractual claim against HPS with respect to any amount which may be due to Merchant after the expiration of the period described herein. Alternatively in the sole discretion of HPS, HPS may place the funds in a Reserve Account in Merchant's name, and such funds shall be payable to Merchant therefrom in accordance with this Agreement. Any amount remaining in the Reserve Account when HPS determines that the Reserve Account may be closed shall be released to Merchant.

- 9.3** To secure the Merchant's obligations to HPS under this Agreement, and any other agreement for the provision of related equipment or related services ("Obligations"), Merchant grants to HPS a lien and security interest in and to any of Merchant's funds now or hereafter in the possession of HPS, whether now or hereafter due or to become due to Merchant from HPS. HPS is hereby authorized (any related notice and demand are hereby expressly waived), to set off, recoup, appropriate, and apply any and all such funds against and on account of Merchant's obligations under this Agreement, whether such obligations are liquidated, un-liquidated, fixed, contingent, matured or un-matured. Merchant agrees to duly execute and deliver to HPS such instruments and documents as HPS may reasonably request to perfect and confirm the lien, security interest, right of set off, recoupment and appropriation set forth in this Agreement.
- 9.4** Merchant agrees that HPS may withdraw funds from the Reserve Account at any time without notice to Merchant in the amount of any obligation of liability of Merchant to HPS hereunder, arising prior to or after termination, including any applicable Early Termination Fees pursuant to Section 13.4.

If the Reserve Account funds are not sufficient to cover the Chargebacks, adjustments, fees and other charges due from Merchant, or if the funds in the Reserve Account have been released, Merchant agrees to promptly pay HPS the amount of such deficiency upon request.

10. Indemnification; Due Care

- 10.1** Merchant shall indemnify and hold harmless HPS and Member Sponsor Bank from all claims, liability, loss and damage, including reasonable attorney's fees and costs, whether direct or indirect, arising out of: (i) any breach by Merchant of the terms of this Agreement; (ii) any act or omission of Merchant, (iii) Merchant's failure or alleged failure to comply with the Rules, or any federal or state law, rule or regulation, including, without limitation, any rules or regulations promulgated by the PCI SSC or any other applicable security standards; (iv) death or injury caused by the Products sold by Merchant, (v) all web-based, internet or electronic commerce transactions including Merchant's insecure transmission of card transaction data and/or storage of cardholder information, (vi) any agreement to permit Merchant to access other financial services through point of sale equipment provided by HPS and/or Member Sponsor Bank, (vii) the services provided to Merchant from a Merchant Servicer or Third Party Agent, including any and all claims related to the performance or non-performance of Merchant Servicer or Third Party Agent pursuant to such agreement or non-compliance thereof or (viii) HPS's and/or Member Sponsor Bank's reporting of Merchant's business name and the names and other identification of its principals to the Terminated Merchant File in accordance with Section 14.1 hereof. Merchant shall pay all fees, costs associated with any action brought by HPS and/or Member Sponsor Bank to collect amounts owed by Merchant to HPS and/or Member Sponsor Bank under this Agreement.

11. Limitation of Liability

- 11.2** HPS and Member Sponsor Bank shall have no liability whatsoever and for any reason for:
- (a) increased fees or other charges resulting from Merchant's use of equipment or other software provided or serviced by any Service Provider or Third Party Agent, or
 - (b) for any act, omission or damages arising from services provided to Merchant from a Merchant Servicer or Third Party Agent.
- 11.3** **IT IS AGREED THAT IN NO EVENT WILL HPS OR MEMBER SPONSOR BANK BE LIABLE FOR ANY CLAIM, LOSS, BILLING ERROR, DAMAGE, OR EXPENSE ARISING OUT OF OR RELATING TO THIS AGREEMENT WHICH IS NOT REPORTED IN WRITING TO HPS OR MEMBER SPONSOR BANK BY MERCHANT WITHIN SIXTY (60) DAYS OF SUCH FAILURE TO PERFORM, OR IN THE EVENT OF A BILLING ERROR WITHIN NINETY (90) DAYS OF THE DATE OF THE INVOICE OR APPLICABLE STATEMENT. MERCHANT HEREBY EXPRESSLY WAIVES ANY SUCH CLAIM THAT IS NOT BROUGHT WITHIN THE SPECIFIED TIME PERIODS.**
- 11.4** **THE LIABILITY FOR HPS AND MEMBER SPONSOR BANK FOR ANY LOSS ARISING OUT OF OR RELATING IN ANY WAY TO THIS CARD SERVICES AGREEMENT, INCLUDING BUT NOT LIMITED TO DAMAGES ARISING FROM THE UNAVAILABILITY OR MALFUNCTION OF THE SERVICES PROVIDED HEREUNDER, PERSONAL INJURY, OR OTHER PROPERTY DAMAGE, SHALL, IN THE AGGREGATE, BE LIMITED TO ACTUAL, DIRECT, AND GENERAL MONEY DAMAGES IN AN AMOUNT NOT TO EXCEED ONE (1) MONTH'S AVERAGE CHARGE PAID BY MERCHANT HEREUNDER (EXCLUSIVE OF INTERCHANGE FEES, ASSESSMENTS, AND ANY OTHER FEES OR COSTS THAT ARE IMPOSED BY A THIRD PARTY IN CONNECTION WITH MERCHANT'S PAYMENT PROCESSING) FOR THE SERVICES PROVIDED HEREUNDER DURING THE PREVIOUS TWELVE (12) MONTHS OR SUCH LESSER NUMBER OF MONTHS AS SHALL HAVE ELAPSED SUBSEQUENT TO THE EFFECTIVE DATE OF THIS AGREEMENT.**
- 11.5** IN NO EVENT SHALL HPS OR MEMBER SPONSOR BANK BE LIABLE FOR SPECIAL, CONSEQUENTIAL, INDIRECT OR EXEMPLARY DAMAGES, INCLUDING LOST PROFITS, REVENUES AND BUSINESS OPPORTUNITIES. MERCHANT AGREES TO REIMBURSE HPS FOR ALL COSTS AND EXPENSES, INCLUDING WITHOUT LIMITATION, REASONABLE ATTORNEY'S FEES INCURRED AS A RESULT OF ANY SUCH ACTION, PROCEEDING OR LIABILITY. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT. Without limitation of the foregoing, HPS shall not be liable to Merchant for delays in data transmission.
- 11.6** HPS AND MEMBER SPONSOR BANK MAKE NO WARRANTY WHATSOEVER REGARDING CARD AUTHORIZATIONS, DECLINES OR REFERRAL CODES, RESPONSES TO REQUESTS FOR AUTHORIZATION, PROCESSING, SETTLEMENT, OR ANY OTHER SERVICES PROVIDED BY OR ON BEHALF OF HPS AND MEMBER SPONSOR BANK HEREUNDER, AND HPS AND MEMBER SPONSOR BANK HEREBY DISCLAIM ANY AND ALL SUCH WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY TITLE, OR NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE and HPS and Member Sponsor Bank shall have no liability to

Merchant or any other person for any loss, liability or damage arising directly or indirectly in connection herewith. Without limitation of the foregoing, Merchant acknowledges that HPS and Member Sponsor Bank have no liability or responsibility for the actions or failures of any Card Scheme, Card Issuer or Cardholder.

- 11.7** HPS AND MEMBER SPONSOR BANK SHALL BE EXCUSED FOR UNTIMELY PERFORMANCE OR NON-PERFORMANCE OF THE SERVICES PROVIDED HEREUNDER INCLUDING PROCESSING DELAYS OR OTHER NON-PERFORMANCE CAUSED BY SUCH EVENTS AS FIRES, TELECOMMUNICATIONS FAILURES, EQUIPMENT FAILURES, STRIKES, RIOTS, WAR; NON-PERFORMANCE OF VENDORS, SUPPLIERS, PROCESSORS OR TRANSMITTERS OF INFORMATION; ACTS OF GOD OR ANY OTHER CAUSES OVER WHICH HPS OR MEMBER SPONSOR BANK HAS NO CONTROL.

12. Display of Materials: Trademarks

- 12.1** Use of promotional materials and use of any trade name, trademark, service mark or logo type ("Marks") associated with each Card Scheme shall fully comply with specifications contained in applicable Rules.
- 12.2** Merchant shall only use each Mark in a way to indicate that the Card Scheme is accepted at Merchant and that Merchant is customer of HPS. Marks may not be edited or combined with other Marks. Merchant shall not use any promotional materials or Marks in any way that suggests or implies that a Card Scheme endorses Merchant's Products or services.

13. Term: Termination

- 13.1** This Agreement shall become effective upon acceptance of the first Merchant deposit by HPS and shall continue in effect for a term of thirty-six (36) months therefrom ("Term"). Thereafter, the Agreement will automatically renew for additional twelve (12) month periods unless terminated by any party by giving written notice to the other party at least sixty (60) days prior to the end of the Term or any renewal term, except that in case of an Event of Default by Merchant, or as required by a Card Scheme or Member Sponsor Bank, this Agreement may be terminated or suspended immediately and HPS shall give Merchant written notice within fifteen (15) days thereafter.
- 13.2** Upon the occurrence of any Event of Default, all amounts payable hereunder by Merchant to HPS shall be immediately due and payable in full without demand or other notice of any kind, all of which are expressly waived by Merchant. For the purposes of this Section 13 an "Event of Default" occurs when:
- (a) Merchant shall default in any material respect in the performance or observance of any term, covenant, condition contained in this Agreement, including, but not limited to, the establishment of or maintenance of funds in a Reserve Account in accordance with the provision of Section 9.1 and 9.2; or any noncompliance with the Rules or the operating regulations of a Card Issuer or a reasonable belief by HPS that Merchant will constitute a risk to HPS by failing to meet the terms of this Agreement;
 - (b) Material adverse change in the business, financial condition, business procedure, prospects, Products or services of Merchant;
 - (c) any information contained in the Application was or is incorrect in any material respect, is incomplete or omits any information necessary to make such information and statements not misleading to HPS;
 - (d) any assignment or transfer of control of Merchant or its parent;
 - (e) a sale, transfer or liquidation of all or a substantial portion of Merchant's assets;
 - (f) irregular Card sales or credits by Merchant, Card sales substantially greater than the annual volume or average ticket amount stated on Merchant's Application, excessive Chargebacks or any other circumstances which, in the sole discretion of HPS, may increase the risk of Merchant Chargebacks or otherwise present a financial or security risk to HPS;
 - (g) reasonable belief by HPS that Merchant is engaged in practices that involve elements of fraud or conduct deemed to be injurious to Cardholders, including, but not limited to fraudulent, prohibited or restricted Transaction(s);
 - (h) any voluntary or involuntary bankruptcy or insolvency proceedings involving Merchant, its parent or an affiliated entity, or any other condition that would cause HPS to deem Merchant to be financially insecure;
 - (i) Merchant engages in any Outbound Telemarketing Transactions;
 - (j) Merchant or any other person owning or controlling Merchant's business is or becomes listed in any Card Schemes security reporting; or
 - (k) Early termination of the Agreement by Merchant without cause, including without limitation by Merchant's use of another processor to provide services similar to those provided by HPS hereunder.

Then, upon occurrence of any Event of Default, all amounts payable hereunder by Merchant to HPS, including any applicable Early Termination Fees (payable as set forth in Section 13.4), shall be immediately due and payable in full without demand or other notice of any kind, all of which are expressly waived by Merchant.

- 13.3** In the event of termination, regardless of cause, Merchant agrees that all obligations and liabilities of Merchant including all Chargebacks, fees, credits and adjustments with respect to any Sales Draft or Credit Voucher presented prior to the effective date of termination shall survive such termination and expressly authorizes HPS to withhold and discontinue the deposit to Merchant's Account for all Card and other payment Transactions of Merchant in the process of being collected and deposited.
- 13.4** Merchant may be charged a fee of \$295 per Location ("Early Termination Fee" or "ETF") if Merchant terminates the Agreement prior to the expiration of the Term (except if as a result of HPS' material uncured breach of the Agreement). The ETF may be deducted in a single payment for the full amount via ACH debit to the Account, at HPS' option, upon or at any time after HPS' receipt of Merchant's notice of termination.
- 13.5** Neither the expiration nor termination of this Agreement shall terminate the obligations or rights of the parties pursuant to provisions of the Agreement, which by their terms are intended to survive or be perpetual or irrevocable.
- 13.6** The provisions governing processing and settlement of Card Transactions, all related adjustments, fees and other amounts due from Merchant and the resolution of any related Chargebacks, will continue to apply after termination of this Agreement.
- 13.7** Supply orders are shipped via ground and any additional shipping fees such as overnight, second day, third day and Saturday delivery will be charged to the Merchant. HPS will collect all charges for supplies and shipping via ACH.

14. Terminated Merchant File

- 14.1** If Merchant is terminated for cause by a Card Scheme, including but not limited to fraud, counterfeit, duplicate or unauthorized Transactions, excessive Chargebacks or suspect activity, HPS and/or Member Sponsor Bank may report Merchant's business name and the names and other identification of its principals to the Terminated Merchant File. Merchant expressly agrees and consents to such reporting, and HPS and Member Sponsor Bank have no liability to Merchant for any loss, expense or damage Merchant may sustain, directly or indirectly, due to such reporting.

15. Additional Locations & Services

- 15.1** Merchant may wish to utilize services provided by HPS under this Agreement at its other business Locations ("Additional Locations"). Merchant may apply to add such Additional Locations provided that such Locations conduct the same type of business and sell the same type of Products. Additional Locations submitted to receive Services under this Agreement shall be subject to approval by HPS and Member Sponsor Bank, and Merchant shall submit a new Application for any such Additional Location(s).
- 15.2** Merchant may request additional systems and services ("Additional Services") from HPS beyond those originally requested in the Application. In order to expedite the establishment of Additional Services, Merchant hereby authorizes HPS to take whatever measures necessary to promptly establish any Additional Service that Merchant might request in writing and to execute necessary authorization(s) on Merchant's behalf on the warranty hereby given that Merchant's signature on the Agreement shall be valid for all Additional Services. Delivery of any requested Additional Services shall be deemed to have occurred upon Merchant's first use of any such Additional Services. Merchant acknowledges that all Additional Services shall be governed by this Agreement and the Rules.

16. Notices

- 16.1** All notices and other communication required or permitted under this Agreement shall be deemed delivered when mailed first-class mail, postage prepaid, addressed to the Merchant at the address stated in the Application and to HPS at the address set forth below, or at such other address as the receiving party may have provided by written notice to the other:

Heartland Payment Systems, LLC

Attn: Customer Care
One Heartland Way
Jeffersonville, IN. 47130
Phone: (888) 963-3600

Member Sponsor Banks**Issues Regarding Credit Cards****Barclays Bank**

125 South West Street
Wilmington, DE 19801
Phone: (302) 622-8990

The Bancorp Bank

409 Silverside Road, Suite 105
Wilmington, DE 19809
Phone: (302) 385-5000

Wells Fargo Bank, N.A.

1200 Montego
Walnut Creek, CA 94598
Phone: (844) 284-6834

Issues Regarding Debit Cards**Bay Bank, FSB**

7151 Columbia Gateway Drive
Suite A
Columbia, MD 21046

17. DISPUTE RESOLUTION – ARBITRATION AND CLASS ACTION WAIVER**NOTE: PLEASE READ THIS SECTION CAREFULLY AS IT AFFECTS YOUR RIGHTS AND THE RESOLUTION OF DISPUTES**

- 17.1 MANDATORY ARBITRATION:** ANY DISPUTE OR CLAIM ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT OR THE RELATIONSHIPS WHICH RESULT FROM THIS AGREEMENT SHALL BE RESOLVED BY BINDING ARBITRATION, RATHER THAN IN COURT; HOWEVER, YOU MAY ASSERT CLAIMS IN SMALL CLAIMS COURT IF (1) THE CLAIMS QUALIFY FOR SMALL CLAIMS COURT; (2) THE MATTER REMAINS IN SMALL CLAIMS COURT AT ALL TIMES; AND (3) THE MATTER PROCEEDS ONLY ON AN INDIVIDUAL (NOT A CLASS OR REPRESENTATIVE) BASIS). ARBITRATION DOES NOT PROCEED BEFORE A JURY AND MAY INVOLVE MORE LIMITED DISCOVERY THAN A COURT PROCEEDING. **ANY ARBITRATION UNDER THIS AGREEMENT WILL ONLY BE ON AN INDIVIDUAL BASIS. CLASS ARBITRATIONS, CLASS ACTIONS, PRIVATE ATTORNEY GENERAL ACTIONS, AND CONSOLIDATION WITH OTHER ARBITRATIONS ARE NOT PERMITTED.** The arbitrator's award or decision will not affect issues or claims involved in any proceeding between HPS and any person or entity who is not a party to the arbitration. The arbitrator may award monetary, declaratory or injunctive relief only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim. The arbitrator's award, if any, will not apply to any person or entity that is not a party to the arbitration. However, nothing in this Section or Agreement shall preclude any party from bringing issues to the attention of federal, state or local agencies. Such agencies can, if the law allows, seek relief on your behalf. Further, notwithstanding the foregoing, nothing in this Section or this Agreement prohibits a party from applying to a court of competent jurisdiction for a temporary restraining order, preliminary injunction, or other equitable relief.

The Federal Arbitration Act (9 U.S.C. § 1 et seq.) governs the interpretation and enforcement of the arbitration provisions of this section. Arbitration will be administered by JAMS (www.jamsadr.com). For claims greater than \$250,000, the JAMS Comprehensive Arbitration Rules and Procedures in effect at the time the arbitration is commenced will apply (if no such rules are in effect, JAMS default arbitration rules shall apply). For claims equal to or less than \$250,000, the JAMS Streamlined Arbitration Rules and Procedures in effect at the time the arbitration is commenced will apply (if no such rules are in effect, JAMS default arbitration rules shall apply).

Unless the arbitrator(s) determine that justice or fairness require otherwise: (i) any arbitration will proceed in Atlanta, Georgia (although, for the convenience of the Merchant or guarantor (as applicable), any party or its counsel may participate telephonically); and (ii) the arbitrator(s) will oversee limited discovery, taking into account the amount in controversy and the parties' desire to keep proceedings cost-effective and efficient. Any decision rendered in any arbitration proceeding shall be final and binding on each of the parties to the arbitration and judgment may be entered thereon in any court of competent jurisdiction. The parties will maintain the confidential nature of the arbitration proceeding except as may be necessary to enforce any award or to comply with applicable law.

If the total damage claims in an arbitration are \$10,000 or less, not including the Merchant's attorney fees ("Small Arbitration Claim"), the arbitrator may, if the Merchant, prevails, award the Merchant reasonable attorney fees, expert fees and costs (separate from Arbitration Costs as defined below), but may not grant HPS its attorney fees, expert fees or costs (separate from Arbitration Costs) unless the arbitrator determines that the Merchant's claim was frivolous or brought in bad faith. In a Small Arbitration Claim case, HPS will pay all arbitration filing, administrative and arbitrator costs (together, "Arbitration Costs"). The Merchant must submit any request for payment of Arbitration Costs to JAMS at the same time the Merchant submits its Demand for Arbitration. However, if the Merchant wants HPS to advance the Arbitration Costs for a Small Arbitration Claim before filing, HPS will do so at the Merchant's written request which must be sent to HPS at the address in paragraph 16.1 above.

If the Merchant's total damage claims in an arbitration exceed \$10,000, not including the Merchant's attorney fees ("Large Arbitration Claim"), the arbitrator may award the prevailing party its reasonable attorneys' fees and costs, or it may apportion attorneys' fees and costs between the Merchant and HPS (such fees and costs being separate from Arbitration Costs). In a Large Arbitration Claim case, if the Merchant is able to demonstrate that the Arbitration Costs will be prohibitive as compared to the costs of litigation, HPS will pay as much of the Arbitration Costs as the arbitrator deems necessary to prevent the arbitration from being cost-prohibitive.

Merchant hereby agrees that claims applicable to American Express may be resolved through arbitration as further described in the American Express Merchant Requirements Guide (the "American Express Guide").

17.2 Choice of Forum: A court, not the arbitrator, will decide any questions regarding the validity, scope and/or enforceability of Section 17.1. Any litigated action (as opposed to an arbitration) regarding, relating to or involving the validity, scope and/or enforceability of Section 17.1, or otherwise, shall be brought in either the courts of the State of Georgia sitting in Fulton County or the United States District Court for the Northern District of Georgia, and Merchant and guarantor (if applicable) expressly agree to the exclusive jurisdiction of such courts. Merchant and guarantor (if applicable) hereby agree and consent to the personal jurisdiction and venue of such courts, and expressly waive any objection that Merchant or guarantor might otherwise have to personal jurisdiction or venue in such courts.

17.3 Class Action Waiver: MERCHANT AND GUARANTOR (IF APPLICABLE) ACKNOWLEDGE AND AGREE THAT ALL DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL BE RESOLVED ON AN INDIVIDUAL BASIS WITHOUT RESORT TO ANY FORM OF CLASS ACTION AND SHALL NOT BE CONSOLIDATED WITH THE CLAIMS OF ANY OTHER PARTIES. MERCHANT AND GUARANTOR (IF APPLICABLE) FURTHER AGREE TO WAIVE, AND HEREBY WAIVE, THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR TO LITIGATE OR ARBITRATE ON A CLASS-WIDE BASIS.

18. Additional Terms

18.1 Truth of Statements: Merchant represents to HPS that all information and all statements contained in the Application are true and complete and do not omit any information necessary to make such information and statements not misleading to HPS.

18.2 Personal Guarantees & Guarantor(s): Any individual(s) by execution of the application as guarantor, hereby unconditionally and irrevocably guarantees to HPS the full and faithful performance or payment by Merchant of each and all of its duties and obligations herein set forth, including payment of all sums due and owing and any attorney's fees and cost associated with the enforcement of terms hereof, whether prior or subsequent to termination or expiration of this Agreement. HPS shall not be required to proceed against Merchant or enforce any other remedy before proceeding against the guarantor(s). This is a continuing guaranty and shall not be discharged or affected by the sale or assignment of the merchant's business or death of the guarantor(s) unless such release is in writing signed by an authorized HPS representative. It shall bind the heirs, administrators,

representatives and assigns of the guarantor(s) and may be enforced by or for the benefit of any successor of HPS.

- 18.3** Entire Agreement: This Agreement constitutes the entire understanding of HPS and Merchant and supersedes all prior agreements, understandings, representations, and negotiations, whether oral or written between them.
- 18.4** No Waiver of Rights: Any failure of HPS to enforce any of the terms, conditions or covenants of this Agreement shall not constitute a waiver of any rights under this Agreement.
- 18.5** Section Headings: All section headings contained herein are for descriptive purposes only, and the language of such section shall control.
- 18.6** Assignability: Merchant may not assign this Agreement directly or by operation of law, without the prior written consent of HPS. Any assignment by Merchant without the prior written consent of HPS shall be void. HPS and Sponsor Bank may assign this Agreement without Merchant's consent. This Agreement shall be binding upon the parties hereto, their successors and permitted assigns.
- 18.7** Relationship of the Parties: Nothing contained herein shall be deemed to create a partnership, joint venture or, except as expressly set forth herein, any agency relationship between HPS and Merchant.
- 18.8** Severability: If any term or provision of this Agreement is found to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such terms or provisions shall be deemed modified to the extent necessary to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

No part or portion of 17.1 (Mandatory Arbitration), Section 17.2 (Choice of Forum), or Section 17.3 (Class Action Waiver) shall be deemed so integral to either this Agreement as a whole, or to the remaining parts or portions of Sections 17.1 through 17.3 hereof, that the unenforceability of that part or portion should have any impact on or render the remainder unenforceable.

- 18.9** Choice of Law: HPS, Member Sponsor Bank, Merchant, and guarantor (if applicable) agree that any and all disputes or controversies of any nature whatsoever (whether in contract, tort, or otherwise) arising out of, relating to, or in connection with (a) this Agreement, (b) the relationships which result from this Agreement, or (c) the validity, scope, interpretation, or enforceability of the choice of law and forum provisions of this Agreement, shall be governed by the laws of the State of Georgia, notwithstanding any conflicts of laws rule; provided, however, that the Federal Arbitration Act (9 U.S.C. § 1 et seq.) governs the interpretation and enforcement of Section 17.1 when permitted.
- 18.10** No Third Party Beneficiary: Under no circumstance, shall any third party be considered a third party beneficiary of Merchant's rights or remedies under this Agreement or otherwise be entitled to any rights or remedies of Merchant under this Agreement.
- 18.11** Amendments: HPS may change the terms of or add new terms to this Agreement at any time and any such changes or new terms shall be effective when notice thereof is given by HPS either through written communication or on its Merchant website located at: <https://infocentral.heartlandpaymentsystems.com>. Notwithstanding anything herein to the contrary, all fees, charges and/or discounts charged to Merchant hereunder may be changed immediately and without prior written notice to Merchant, provided that HPS will notify Merchant of any such changes as soon as reasonably practicable.
- 18.12** Public Statements: Merchant shall obtain the prior written consent of HPS prior to making any written or oral public disclosure or announcement, whether in the form of a press release or otherwise, which directly or indirectly refers to HPS.
- 18.13** Financial Accommodation: This Agreement creates a contract for the extension of financial accommodations to Merchant within the meaning of Section 365 of the Bankruptcy Code. In the event Merchant becomes a debtor in bankruptcy, this Agreement cannot be assumed or enforced against HPS and HPS shall be excused from performance hereunder.
- 18.14** Electronic Signatures: Under the Electronic Signatures in Global and National Commerce Act (E-Sign), this Agreement and all electronically executed documents related hereto are legally binding in the same manner as are hard copy documents executed by hand signature when (1) your electronic signature is associated with the Agreement and related documents, (2) you consent and intend to be bound by the Agreement and related

documents, and (3) the Agreement is delivered in an electronic record capable of retention by the recipient at the time of receipt (i.e., print or otherwise store the electronic record). This Agreement and all related electronic documents shall be governed by the provisions of E-Sign. By pressing Submit, you agree (i) that the Agreement and related documents shall be effective by electronic means, (ii) to be bound by the terms and conditions of this Agreement and related documents, (iii) that you have the ability to print or otherwise store the Agreement and related documents, and (iv) to authorize us to conduct an investigation of your credit history with various credit reporting and credit bureau agencies for the sole purpose of determining the approval of the applicant for merchant status or equipment leasing. This information is kept strictly confidential and will not be released.

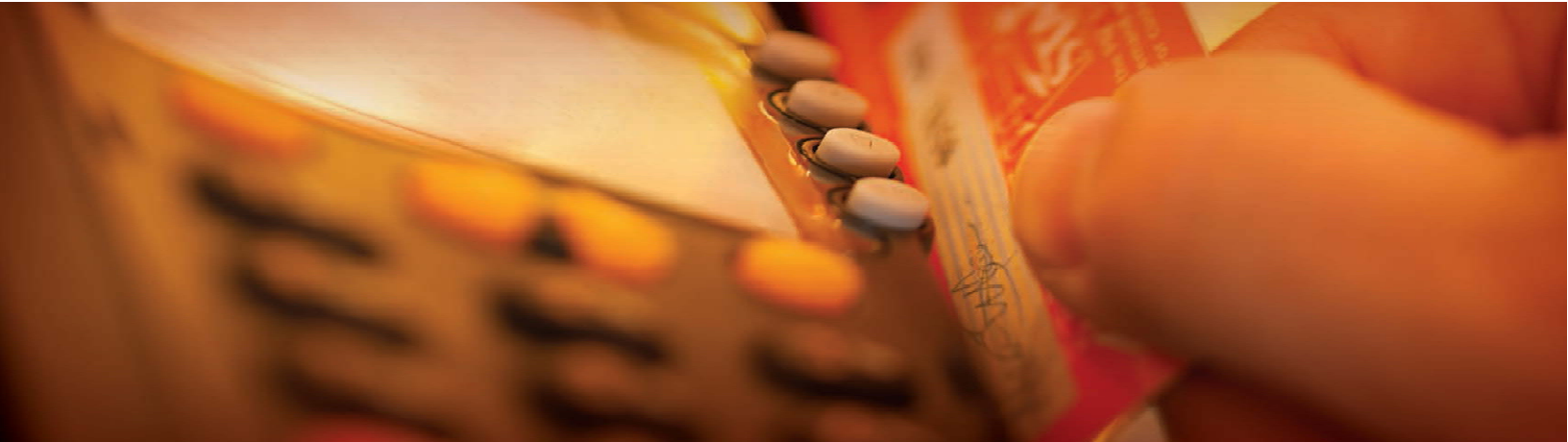
19. Optional Card Brand Fees

CONVENIENCE FEE: A fee charged to the Cardholder by the Merchant for a true convenience for accepting a credit or debit card. Examples of a “true convenience” are payment through the internet, mail order or phone order. All Card Schemes allow Merchants to charge a convenience fee. All Card Schemes must be charged equally. The Merchant is required to disclose the fee to the Cardholder and provide the Cardholder with the opportunity to cancel the Transaction, if the Cardholder does not want to pay the convenience fee. In addition to the foregoing, (i) Visa requires Merchants to have a brick and mortar location in order to be allowed to charge a convenience fee; (ii) MasterCard requires processors to register any Government or Education merchant.

SURCHARGE: A charge in addition to the initial amount of the sale on a credit card to cover the Merchant’s cost of acceptance. All Card Schemes allow surcharging. Visa, MasterCard and Discover require Merchants to register with the Card Schemes. The Merchant is required to disclose the fee at the entry of their establishment and at the point of sale. The cardholder must be given the opportunity to cancel the Transaction if they do not want to pay the surcharge fee. The amount of the charge cannot exceed the amount of the Merchant’s discount fee on Visa, MasterCard and Discover and is capped at 4%. The surcharge must appear on the sales receipt separately from the sales amount. All Card Schemes must be charged equally. Currently there are several states that prohibit surcharging. Merchants should check their state and local laws prior to initiating a surcharge.

SERVICE FEE: Visa allows government and education Merchants to charge a different type of fee called a “service fee”. This fee is assessed for accepting payments for taxes, fees and fines for government MCCs and for tuition, room and board, lunch programs, etc. for education MCC Merchants. The service fee can be charged on credit and debit Transactions, in a face-to-face or card not present environment. The service fee must appear separate from the sales amount on the receipt. Merchants must be registered through Visa. Service fee must be disclosed prior to completion of the transaction, allowing the cardholder to cancel the Transaction if they do not wish to accept the service fee. MasterCard allows government and education merchants to charge “convenience fees” and has no separate “service fee” for these MCCs.

OTHER FEES: Handling fees and payment fees are allowed on all Card Schemes as long as these fees are charged on all payment channels; cash, checks, ACH, etc. These are not governed by the Card Schemes specifically. State and local laws may apply and merchants should ensure the fees are allowed in their area of business.



Equipment Purchase, Rental & Customer Owned Equipment Agreement ("Equipment Agreement")

Revised: 05/24/17

I. **Equipment Options:**

Equipment means the terminals, printers, readers, and accessories or hardware necessary to operate Merchant's chosen Heartland Payment Systems, LLC (Heartland) solution. Merchant may choose to provide its own equipment, to purchase equipment from or through Heartland, to rent equipment, or any combination of these options. This Equipment Agreement provides the terms that apply to and govern each of these options, with the terms of Section II applying to all options. This Equipment Agreement is part of and shall be governed by the terms and conditions of the Merchant Processing Agreement (the "Agreement") between the parties and is incorporated therein by reference.

(a) Providing Your Own Equipment: Merchant may choose to purchase or lease Equipment from parties other than Heartland. In such case, Heartland makes no promise that Equipment acquired through third parties ("Third Party Equipment") will work correctly with and for Heartland's proprietary terminal software application (the "Software"), Services and/or Equipment. Except as specifically stated in this Equipment Agreement, Heartland will not be responsible for any failure, malfunction, speed or adequacy of Third Party Equipment, for performance of Heartland Software or Services on Third Party Equipment or for repair or replacement of any Third Party Equipment except as specifically stated in this Equipment Agreement. Heartland may elect to support certain Third Party Equipment in its sole discretion, and if it so elects Heartland will replace and repair Merchant's Third Party Equipment should the equipment become inoperative, in which event Merchant will receive replacement equipment and the repaired Third Party Equipment will be placed in Heartland inventory. Merchant will be billed for all replacements and repairs of Merchant's Third Party Equipment. Returned Merchant Third Party Equipment that cannot be repaired will be replaced and billed as a new purchase at then current rates. Notwithstanding the foregoing, Heartland does not provide repair or replacement service for third party equipment provided by third party Point of Sale (POS) System providers.

(b) Purchasing Equipment from Heartland: Merchant may choose to buy some or all of the necessary Equipment from or through Heartland. Equipment pricing will be quoted, and must be agreed upon by Merchant (via written order form or phone) before an order will be processed. Equipment fees will be collected via an ACH debit to Merchant's designated DDA account (the "Account"). Unless otherwise specifically stated in the documentation provided with the Equipment, Heartland provides a one year warranty beginning on the date of shipment on all Heartland supplied Equipment (including its internal Software) that such Equipment shall be free from faulty workmanship and defects in materials ("Heartland Hardware Warranty"). Equipment covered by the Heartland Hardware Warranty will be replaced at no cost to the Merchant during the applicable warranty period. However, Equipment sold to Merchant by or through Heartland and sent back to Heartland, but not covered under the Heartland Hardware Warranty (including, but not limited to, Heartland supplied and sold equipment damaged by fire, lightning, water damage) will be replaced and billed to Merchant as a new purchase at then current rates. After the warranty period, Heartland will replace such Equipment and repair damaged Equipment at Merchant's expense. If Equipment is damaged by the negligence or the willful acts or omissions of Merchant, its employees, agents or customers during the applicable warranty period, Merchant will be charged for Equipment repairs or replacements. If Equipment purchased from Heartland is returned within sixty (60) days of purchase in Original Condition, Heartland will refund the difference less a restocking fee of \$30 for new or used repair/replacement equipment. "Original Condition" means Equipment that has not been used to process transactions, other than to test the Equipment prior to deployment for general use. Heartland will not accept returned Equipment after 60 days of purchase or Equipment not in Original Condition.

(c) Renting Equipment from Heartland: Merchant may choose to rent Equipment from Heartland. Merchant is liable for all rental payments due hereunder. Rental privileges shall last as long as Merchant continues to remit timely rental payments and complies with its agreements with Heartland. Rented Equipment is the personal property of Heartland and will not be deemed for any purpose to be fixtures. Heartland shall have the right to affix or attach to all rented Equipment a tag or label indicating its ownership of, or interest in, said Equipment. Merchant will not remove, or permit the removal of, any such tag or label. Merchant will not sell, lease, encumber, or otherwise dispose of any interest in any rented Equipment and will keep it free of all liens, claims or encumbrances whatsoever. Rental Equipment is the sole property of Heartland and will be replaced at no expense to Merchant if the Equipment becomes inoperable through no fault of Merchant, its employees, agents or customers. However, if the repair of rental Equipment is due to damage caused by the negligence or the willful acts or omissions of Merchants, its employees, agents or customers, Merchant will be charged for the repairs. Merchant will not be liable for ordinary wear and tear of Equipment. However, Merchant will be liable for the full cost of the Equipment in the event the Equipment is lost, destroyed or made inoperative. Merchant will indemnify Heartland against any loss or destruction of any Equipment for any cause whatsoever, excepting the negligence of Heartland. The Equipment deposit is refundable subject to the condition of the returned Equipment.

Upon Merchant's written request, Heartland will return the rental deposit upon the return of Equipment with no more than ordinary wear and tear. Heartland shall not be obligated to refund Merchant's rental deposit unless written request for such refund is made by the Merchant within forty-five (45) days following termination of the Equipment Agreement. Merchant shall pay the monthly rental price indicated on the order form. Rental fees will be collected monthly via an automatic ACH debit to Merchant's designated DDA Account and will be billed monthly including the last month in which Merchant processes transactions. All Heartland owned Equipment must be returned to Heartland at the expense of the Merchant and rental billing will continue until Equipment is received by Heartland. Should Merchant discontinue processing bankcard Transactions with Heartland prior to the expiration of the term of the Agreement, it shall pay to Heartland an Equipment Agreement cancellation fee of \$100.00. If rented Equipment malfunctions and Heartland issues a replacement for said Equipment, Merchant shall, within ten (10) days of receipt of the replacement equipment, ship the malfunctioning Equipment to Heartland at Merchant's expense. If Merchant fails to so return the malfunctioning Equipment to Heartland, Merchant shall be liable for the full replacement value of said Equipment and for any legal cost incurred by Heartland in connection with recovery of the malfunctioning Equipment. Merchant's designated DDA Account will be debited for all amounts due Heartland for unreturned Equipment.

II. Universal Terms:

(a) Installation and Training: Heartland will program equipment for Authorization and appropriate draft capture. Heartland will ship the Equipment at Merchant's expense to Merchant's designated business Location ("Location") as set forth in the Merchant Application and Agreement. Heartland will provide Merchant with a reasonable number of Quick Reference Guides and/or User Guides, as applicable, to help Merchant install the Equipment. Heartland may amend the Quick Reference Guides and/or User Guides as applicable to the equipment functionality. Merchant agrees to comply with all applicable instructions as set forth in the Quick Reference Guides and/or User Guides when installing Equipment at the Location. Heartland shall provide additional training as Heartland may deem necessary or appropriate. When additional training is deemed to be necessary by Heartland, Merchant will cooperate with Heartland in scheduling its employees for training at mutually convenient times and in making its employees available at the time scheduled. Promptly after the completion of such training at any Location or immediately upon receipt of the Quick Reference Guides and/or User Guides when training is not deemed necessary by Heartland, Heartland shall commence providing the Services through the Equipment installed and connected at such Location, subject to the further terms and conditions of this Equipment Agreement. The obligations of Heartland under this Section II (a) shall not apply to Third Party Equipment except for Third Party Equipment that Heartland, in its sole discretion, elects to support.

(b) Software: All Heartland Software is licensed (not sold) to Merchant on a limited, non-transferable, non-exclusive basis for use by Merchant on the designated Equipment. This will be for Merchant's internal purposes only in conjunction with Heartland Services. Heartland Software is the sole and exclusive property of Heartland, including all applicable rights to patents, copyrights, trademarks and trade secrets and shall be held in confidence by Merchant. Merchant will not remove any Heartland designation mark from any supplied material.

Merchant agrees not to disassemble, decompile, reverse engineer or otherwise reduce the software to perceptible form. Merchant may not rent, lease, sub-license or transfer the software. Merchant may not use Heartland software for any purpose or in any manner outside this license. Heartland warrants that the software shall perform substantially in the manner set forth in the applicable Quick Reference Guide and/or User Guide ("Heartland Software Warranty"). Third party software is licensed or sub-licensed to Merchant under the terms, including without limitation the warranty terms, of the manufacturer's license and of this Equipment Agreement.

Software licensed on a subscription basis is warranted during the period the subscription is in full force and effect. Software licensed on a standalone basis that is not part of Equipment acquired from Heartland and for which a different warranty period is not expressly provided for in the documentation accompanying such software is warranted for ninety (90) days beginning on the date of shipment or download. Heartland does not offer refunds on Heartland software or software licensed or sublicensed by Heartland on behalf of a third party.

Should Heartland determine during the applicable warranty period that the software does not operate as warranted, Heartland will, at its option, replace or repair the software. In the case of third party software, the determination whether to replace or repair shall be made by the applicable third party software licensor.

Export Regulation. Merchant acknowledges that the Software acquired hereunder may include technical data subject to U.S. export control laws and regulations. Merchant shall not itself, or permit any other person or entity, to export, re-export or release, directly or indirectly, any Software or related documentation provided hereunder to any country, jurisdiction or person to which the export, re-export or release of same is prohibited by applicable law.

U.S. GOVERNMENT RESTRICTED RIGHTS. The software and documentation are provided with RESTRICTED RIGHTS. Use, duplication, or disclosure by the Government is subject to restrictions as set forth in applicable federal law.

- (c) *****Heartland Secure Breach Warranty:** Heartland agrees to provide this limited warranty for the HEARTLAND SECURE devices.

If the warranted HEARTLAND SECURE device fails to encrypt or prevent the unauthorized decryption of cardholder data on that particular device and that failure is proven to be a direct result of a defect or error in Heartland's proprietary software or hardware, Heartland will pay:

- (i) the amount of compliance fines, fees and/or assessments charged by the card brands, issuing bank or acquiring bank, and
- (ii) the amount charged for a directly related forensic audit conducted by a PCI-Certified Qualified Incident Response Assessor (QIRA) of Heartland's choice.

This warranty applies only if the Merchant is:

- (i) using a HEARTLAND SECURE device as identified on the HEARTLAND SECURE website: <http://www.heartlandpaymentsystems.com/secure> and the theft, conversion or unauthorized decryption is proven to be directly caused by the failure of the HEARTLAND SECURE device;
- (ii) a party to Heartland's Agreement;
- (iii) processing transactions through Heartland at the time the failure occurs; and
- (iv) in compliance with the terms of the Agreement. The Merchant must comply with all terms and conditions of any equipment agreement or warranty, and the merchant must implement all required updates and upgrades on the HEARTLAND SECURE device and allow access to the device immediately upon Heartland's request. The Merchant must provide access and information to Heartland and others regarding any claims made by Merchant under the warranty, including but not limited to, financial and/or forensic audits, inspections of facilities, equipment, infrastructure and/or documents. Payment obligations under this warranty will be entirely contingent upon a final finding by the QIRA that the HEARTLAND SECURE device failed to encrypt or prevent the unauthorized decryption of the Merchant's cardholder data on the HEARTLAND SECURE device.

- (d) **Additional Warranties and Limitations:**

EXCEPT AS EXPRESSLY PROVIDED HEREIN HEARTLAND MAKES NO ADDITIONAL REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, BEYOND THOSE EXPRESSLY STATED HEREIN. HEARTLAND SPECIFICALLY DISCLAIMS WARRANTIES AS TO THE MERCHANTABILITY, CONDITION, DESIGN, OR COMPLIANCE WITH SPECIFICATIONS OR STANDARDS, AND EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, OR NONINFRINGEMENT OF THIRD PARTY RIGHTS, WITH RESPECT TO ANY EQUIPMENT, SOFTWARE OR SERVICE. HEARTLAND DOES NOT WARRANT THAT THE EQUIPMENT, SERVICE OR SOFTWARE WILL OPERATE WITHOUT INTERRUPTION OR ON AN ERROR-FREE BASIS, AND EXCEPT AS OTHERWISE PROVIDED IN THE EXPRESS WARRANTIES MADE BY HEARTLAND IN THIS EQUIPMENT AGREEMENT THE EQUIPMENT AND SOFTWARE ARE PROVIDED "AS IS". HEARTLAND SHALL HAVE NO LIABILITY TO MERCHANT FOR INCIDENTAL, SPECIAL, CONSEQUENTIAL, INDIRECT OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, REVENUES AND BUSINESS OPPORTUNITIES, OR DAMAGES FOR INJURY TO PERSON OR PROPERTY, ARISING OUT OF OR IN CONNECTION WITH THE USE BY MERCHANT OF ANY EQUIPMENT OR SERVICE.

For the avoidance of any doubt, any damages under the Secure Warranty Breach shall be subject to the limitation set out immediately above; provided, however, in accordance with the Agreement, there shall be no direct damages limitation on Merchant's recovery in relation to the Secure Warranty Breach as described and subject to the warranty language in II(c) above. Heartland's sole obligation with respect to a warranty claim received by Heartland during the applicable warranty period shall be to replace any malfunctioning equipment or software under warranty, provided however, that Merchant has first utilized Heartland's telephone assistance services and such assistance has not resolved the Equipment or Software problem. Equipment returned to Heartland as a Repair / Replacement must be in repairable order. Product warranties are not available for used PinPads or PinPad swaps. In addition any PinPad swap must be of like equipment. Heartland will provide, or cause to be provided, telephone assistance in response to telephone inquiries, twenty-four (24) hours a day, seven (7) days a week, including holidays. These hours may be changed at any time, at Heartland's sole discretion.

Authorization Services typically will be available through installed or connected equipment continuously twenty-four (24) hours a day, seven (7) days a week, except that Services may be interrupted for usually no more than thirty (30) minutes in the aggregate between the hours of 12 midnight and 8 a.m. (CST) for the purpose of system maintenance. Provision of the Services may also be interrupted for reasons beyond the control of Heartland or any independent contractor utilized by Heartland in providing Services. Any extended warranty programs which may be offered by Heartland with respect to equipment or software, if any, shall be governed by the terms and conditions applicable to such extended warranty programs.

- (e) **Third Party Payment Services:** Use of third party payment services is subject to the terms and conditions imposed by the third party service providers sponsoring or otherwise supporting such services ("Third Party Services Terms and Conditions"). Merchant agrees to comply with all applicable Third Party Services Terms and Conditions and should refer to the website of the applicable service provider and other documents provided by such service provider from time to time for the current terms and conditions. Merchant agrees to indemnify Heartland for any losses or liabilities arising from Merchant's breach of any Third Party Services Terms and Conditions. Also, in Heartland's reasonable discretion, such a breach by Merchant may be deemed by Heartland to be a breach of the Equipment Agreement and the Merchant Processing Agreement.



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 7c

DATE: June 28, 2018

SUBJECT: Special Event Permit-Stanwood Fair Parade

CONTACT PERSON: Corinne Schakel, Permit Specialist

ATTACHMENTS: A – Special Event Permit Application
B -- Map

ISSUE

The Stanwood Rotary has submitted a Special Event Permit application with the \$50 application fee and a request for city contribution to the city for council approval of a Stanwood Fair Parade on August 4, 2018.

DISCUSSION

The Stanwood Fair Parade is a community parade in conjunction with the annual Stanwood Fair. The Stanwood Rotary is asking for city contribution of this annual event which meets the requirements for a large event of more than 1,000 people.

Findings for City Contribution:

1. *The event contributes to the marketing of the city.*

The event will bring families and participants to Stanwood for a parade that is held in conjunction with the Stanwood Fair. Flyers and advertising for the event will include marketing for the city by distributing attractive materials incorporating the city logo.

2. *The event will attract the public into the downtown or uptown commercial areas and will be conducted in a way that creates potential for additional retail or service business transactions that contribute to the city's tax base.*

The parade route starts at the intersection of 271st St. NW & Florence Way in East Stanwood and concludes at the west end of Stanwood, just past the Stanwood Library. The event will attract visitors, participants, and the public to the downtown commercial area before, during and after the activities. No meals or snacks will be offered at the event so spectators and participants can patronize local restaurants and other food establishments for breakfast and/or lunch in the downtown areas.

3. *The event provides recreation benefit to the public.*

- a. The event provides an enjoyable parade for participants & spectators.
- b. The event promotes the public welfare.
- c. This event promotes safe, wholesome family fun in Stanwood while promoting the Stanwood Fair.

The event has been held for many years with no significant issues.

FINANCIAL IMPACT

The \$50.00 permit fee was paid by the applicant. The remaining costs are \$160.00 for vendor's fees, and \$200.00 for Public Works to put out the barricades and road closed signs. The city will contribute up to 75% of the cost, ($\$360 \times 75\% = \270) ($\$360 - \$270 = \$90.00$). The amount of the contribution will be \$270.00, with the applicant paying \$90.00.

CITY COUNCIL OPTIONS

- 1) Approve the Special Event Permit request including city contribution for the Stanwood Fair Parade on August 4, 2018.
- 2) Remove the special event permit from the consent agenda for further discussion and then approve the Special Event Permit and city contribution request for the Stanwood Fair Parade on August 4, 2018.
- 3) Approve the Special Event Permit request but not city contribution for the Stanwood Fair Parade on August 4, 2018.
- 4) Do not approve the Special Event Permit and city contribution request for the Stanwood Fair Parade on August 4, 2018.

RECOMMENDED MOTION

I MOVE TO APPROVE THE SPECIAL EVENT PERMIT INCLUDING CITY CONTRIBUTION FOR THE STANWOOD FAIR PARADE ON AUGUST 4, 2018.

RECEIVED

JUN 01 2018

CITY OF STANWOOD
COMMUNITY DEVELOPMENT

City of Stanwood
10220 270th Street NW
Stanwood, Washington 98292
Phone: (360) 629-2181
Fax: (360) 629-3009

Permit
Number:

2018-0199

SPECIAL EVENT PERMIT APPLICATION

Definition: Special events means any temporary or ongoing activity that occurs on public property that affects the ordinary use of public streets, right-of-way, sidewalks, traffic and other places that reasonably expected to cause or result in more than 75 people gathering in a public place; and/or is reasonably expected to have an uncommon impact on such public place; and/or is reasonably expected to require the provision of public services.

The following items are required for all special event applications:

- ☒ Completed application - submitted 60 days prior to the event for review and processing.
- ☐ Non-Refundable Application Fee: **\$50.00, fee must accompany application.**
- ☐ Certificate of Liability Insurance - *when renewed*
- ☐ Detailed site map showing street closures, traffic control devices, barricades and portable toilets
- ☐ Written permission from property owners if event is held on private property
- ☐ Flyer and/or schedule of event(s)
- ☐ Banner application if applicable, application located on City website or at City Hall.
- ☐ **\$200 Non refundable Fee Park Fee** if applicable due at time of application to reserve date. Fee will be applied to park use, but is non-refundable.

Park Reservations and submittal of fees must be pre-authorized with Lisa Noonchester at (360) 629-9781 ext. 4531 or lisa.noonchester@ci.stanwood.wa.us, prior to submitting the Special Event application.

Any changes to the area where the event is held must be returned to its original condition. Only chalk is allowed on streets, no paint of any kind is allowed.

City Contribution

- For large events 1000 people or more, the City to contribute 75% of the cost of staff labor and equipment costs.
- For small events less than 1000 people, the City to contribute up to a limit of \$325 value of staff time and equipment costs.

See the City Contribution form attached to this document for more information. To request City Sponsorship, the application for City Sponsorship must accompany this application

Applicant Information

Applicant's Name: Steve McCoy / Dan Sailer

Company/Organization: STANWOOD - CAMANO Rotary Parade

Contact Person to be available at event: DAN Sailer

Mailing address: PO Box 2693, Stanwood WA 98292
Phone: 360-629-2545 Cell: 206-780-5786 Email: dkshilore@aol.com

Event Information

Name of Event: Stanwood-Cannano Rotary Parade
Event Date(s): 8/4/2018
Event open time: 8:00 AM Event close time: 1:00 pm
Set up date and time 8/4/2018 8:00 AM
Break down date and time: 1:00 pm 8/4/2018
Event Location (must include address) 271st St N.W. Stanwood WA
Does your event cause any street closures? Yes
Which streets will be closed? 271st St N.W.

Attendance

Estimated Total Attendance: 2500
How many registered Participants? 63 Spectators? 2500 Volunteers? 8 Staff? 0

Event Site Plan

Attach proposed event map and site plan with the following indicated for review, potential amending and approval:

- Detailed event layout/route with directional arrows, street names
- Placement and collection of signage, traffic control devices, barricades, toilets, etc
- Parking Plan
- Tents, Canopies and Awnings
- Stages, booths, trailers, motorhomes

City Services

Will any other City services or supplies be requested? If so, please describe in detail below:

- a. Police: close off 271st St N.W.
b. Fire: _____
c. Public Works: Set up barricades, take down barricade

Plan for police services, security/crowd control, first aid/medical assistance, street closures and traffic route/intersection control: _____

Plan for portable toilets, garbage, sanitation and clean-up (please include delivery and pick up dates):
Applicant must provide for their own portable toilets, but explain plan: will pre drop off

Temporary Signage (describe number and size and diagram location)

Will there be organizations or vendors involved in the event? Yes ☒ No ☐

If yes, How many? Local within Stanwood City Limits: 64

Outside Stanwood City Limits: _____

Applicant must collect and maintain all Vendor Insurance and food handler information.

Will food and/or liquor be distributed/sold at event: Yes ☐ No ☒ (if yes, please explain plan)

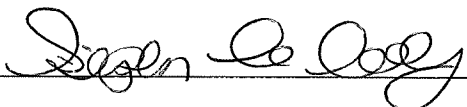
Note: per SMC 9.24.080 "No person shall consume liquor ... in a public place".

Once application is approved, within 72 hours of event, applicant shall notify all parties' impacted (residents, businesses, transit, fire, police, public works).

AGREEMENT

The City of Stanwood does not maintain insurance that will respond to claims against the applicant arising out of the use of facilities by the applicant, its members, or those attending the event. Applicant will provide the City with a Certificate of Liability Insurance naming the City as an additional insured on the policy. Applicant's insurance coverage shall be primary as respects to the City. The policy must include bodily injury and property damage coverage limits of no less than \$1,000,000 for each occurrence and \$2,000,000 general aggregate. Insurance is to be placed with insurers with a current AM Best rating of not less than A: VII who are authorized to do business in the State of Washington. Insurance may be purchased through the City's insurance carrier at an additional cost to meet this requirement.

The applicant shall defend, indemnify and hold harmless the City of Stanwood, its officers, officials, employees and volunteers, while acting within the scope of their duties, from any and all causes of action, demands and claims, including the cost of their defense, arising in favor of the organization, the organization's employees or third parties on account of personal injuries, bodily injuries, death, or damage to property arising out of the acts or omissions of the organization, its employees or representatives, concessionaires of the event or any other person or entity, except only such injury or damage as shall have been occasioned by the sole negligence of the City.

Signature of Applicant: 

Organization/Title Secretary

Date: 6/1/2018



Special Event Contact List

This list is provided for you in case your event will involve other agencies. You will be required to make the appropriate contacts, as your event requires.

Washington State Department of Transportation (WDOT)
Phone: (360) 705-7000

Community Transit
Phone: (800) 562-1375 or (425) 353-RIDE
Website: www.communitytransit.org

Island County Transit
Phone: (360) 387-7433
Website: www.islandtransit.org

Washington State Liquor Control Board
Phone: (360) 664-1600

Snohomish County Health District
Phone: (425) 339-5200
(425) 339-5250 Food Handler Cards

Waste Management Northwest
Phone: (800) 592-9995
Website: www.wmnorthwest.com/stanwood

Snohomish County PUD
Phone: (360) 629-5700
Website: www.snopud.com

Cascade Gas Company
Phone: (888) 522-1130
Web-site: www.cngc.com

Stanwood-Camano School District
Phone: (360) 629-1200
Website: www.stanwood.wednet.edu

Burlington Northern Railroad
Phone: (206) 625-6220
Website: www.bnsf.com

Amtrak
Phone: (800) 872-7245
Web-site: www.amtrak.com

City of Stanwood Contact List

Community Development (processes application)
(360) 629-2181 ext 124
Corinne.schakel@ci.stanwood.wa.us

Fire Department:
(360) 629-2184

Public Works
(360) 629-9781
Lisa.noonchester@ci.stanwood.wa.us

Clerk's Office (completes application & takes to City Council if applicable)
(360) 629-2181 ext 106
patricia@ci.stanwood.wa.us

Police Dept.
(425) 388-5290



Request for City Contribution
(submit with special event application)

Name of Applicant: Steve McCoy / DAN Sailer
Name of organization requesting contribution: STANWOOD-CAMANO Rotary
Name of event: STANWOOD CAMANO PARADE
Event Dates: 8/4/2018

Mailing Address: PO Box 2693
City STANWOOD State WA Zip 98292
Phone: 360-629-2545 Cell: 206-780-5756
Email: dsailer@aol.com

Criteria for approval of city contribution:

As part of the review of a City contribution the following findings shall be made:

- The event contributes to marketing of the City
- The event will attract the general public into the downtown or uptown commercial areas and will be conducted in a way that creates potential for additional retail or service business transactions that will contribute to the City's tax base.
- The event provides recreation benefit to the general public.
- The event promotes the general public welfare.

As part of City contribution, the City of Stanwood logo and/or text indicating the City role may, in sole discretion of the City be included in signage, posters and other advertising materials for the event.

Briefly describe how your event will meet the above listed criteria: Parade promotes civic pride.

Amount requested: \$ _____

City services requested for sponsorship: Public works putting up & taking down barricades, Police to block off 271st ST NW.



City of Stanwood

10220 270th Street NW
Stanwood, Washington 98292
Phone: (360) 629-2181
Fax: (360) 629-3009

Application for Banner Installation

The City of Stanwood allows banners above the roadway in one location at 88th Avenue NW. Coordination of banner placement is managed by the Community Development and the Public Works Departments. Additional information may be obtained by contacting the Permit Specialist.

Banners may be placed only under the following conditions:

1. Applications will be accepted after January 1 for that calendar year.
2. Placement is first-come, first-served with dates reserved through the Community Development Department based upon the date the application, payment and proof of Insurance is received. All items must be submitted prior to placement on calendar.
3. Banners must be at least three feet tall and 20 feet wide and may not exceed 60 square feet in area.
4. Banners must contain grommets for installation.
5. Conceptual drawings of the banner must be submitted for review as part of the approval process. Banners containing any unapproved reference to commercial activity will be immediately removed.
6. Banners must be made of materials capable of withstanding a minimum of One Hundred and Ten (110) miles per hour wind load with a safety factor of 1.3 for wind gusts. Materials shall be resistant to ultraviolet rays, mold and mildew and have sewn loops for strength.
7. Applications must be received a minimum of 2 weeks prior to the requested placement of the banner.
8. Banners may be placed for up to no more than 14 days in advance of the event, and shall be removed within 3 days after the termination of the event. If applicant does not pick up banner within 15 days of being notified, the City of Stanwood shall not be responsible for storage, damage or handling.
9. The Permit Specialist will notify the applicant of approval, denial and/or date change.
10. Failure to obtain a permit or abuse of any conditions under this permit will cause the banner to be removed. History of abuse will be considered for future banner requests.
11. Applicant accepts the responsibility and liability for any banners installed in or over the public right of way. The applicant shall maintain in full force and effect throughout the term the banner is in place over the roadway the following:

One million dollars (\$1,000,000) Commercial General Liability insurance for bodily injury or death to any one person; and

Two million dollars (\$2,000,000) Commercial General Liability insurance for property damage resulting from any one accident; and

The City shall be named as an insured under the Applicant's Commercial General Liability insurance policy using ISO Additional Insured-State or Political Subdivisions-Permits CG 2012 or a substitute endorsement providing equivalent coverage.

Barricades & Signs for Special Events

Name of Event	Contact Name	Contact number	# of barricades	# of signs
				2

Options:

Place Initial next to preferred option. The agreement must be signed prior to Council approval of Contribution.

Applicant must contact staff member for appointment

1. Pick up and check out signs and barricades at Public Works Yard _____
2. Sign an agreement acknowledging that staff will set out barricades & signs out on Friday and pick them up Monday, Applicant is responsible for all equipment. Se
3. The applicant will pay staff minimum 2 hours delivery cost & 2 hours pick up overtime at \$50.00/hour staff will transport to and from the on the day of the event, _____

** The applicant has checked out _____ signs and _____ Barricades. _____

Applicant initials, _____

Staff initials _____

X Applicant signature Ben Leary Date: 6/1/2018

**** City Only ****

of set up and break down hours _____ Cost of labor \$ _____

Staff signature _____ Date: _____

Permit # _____

Application for Banner Installation

Applicant Name: _____

Address: _____

Phone: _____ Email Address: _____

Organization Represented: _____

24-Hour Contact person and phone number: _____

Date of requested placement (see page 1 for placement time limits): From _____ To: _____

Dates of Event: _____

Location of Event: _____

Draw; Attach Photo or Provide Draft of Banner Below:

Applicant and Represented Organization agree to hold harmless the City of Stanwood, its employees, agents, representatives, and volunteers from any liability, damage, or injuries to the applicant's facilities, the applicant, their guests, employees, or any other person or property resulting from or arising in connection with the use of the right of way by the applicant.

Applicant Signature: _____ Date: _____

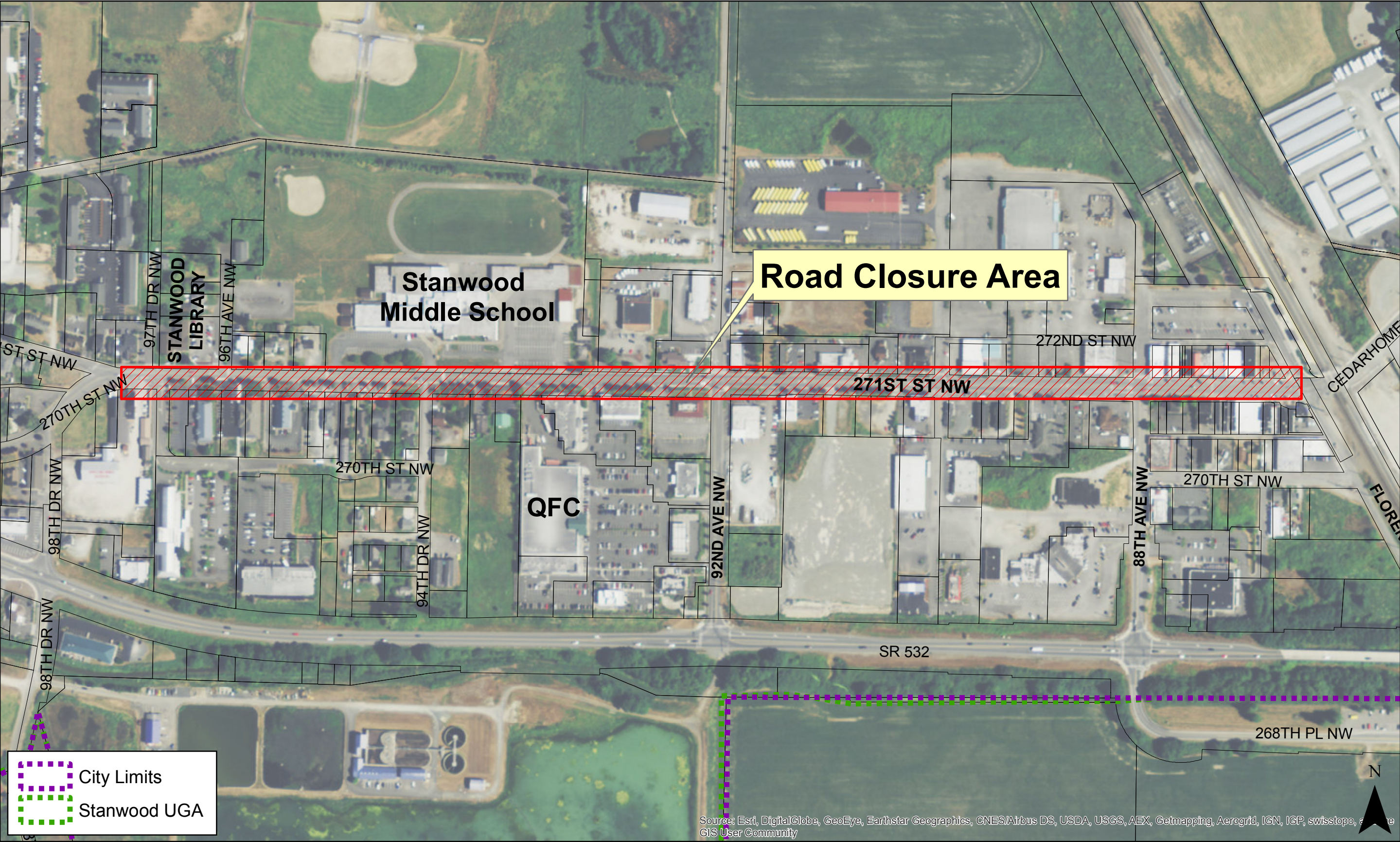
Print Name: _____

****FOR OFFICE USE ONLY****

- ☐ Proof of Insurance
- ☐ Application Complete
- ☐ Payment received

Permit Specialist Authorization

Date





CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 7f

DATE: June 28, 2018

SUBJECT: Resolution 2018-17 Authorizing Investment of City of Stanwood Monies in the Local Government Investment Pool

CONTACT PERSON: David A. Hammond, Finance Director

ATTACHMENTS: A – Resolution 2018-17 Authorizing Investment of City of Stanwood Monies in the Local Government Investment Pool
B – Prospectus

ISSUE

Should the council re-authorize investment of city monies in the Local Government Investment Pool (LGIP) as required by the State Treasurer?

RECOMMENDATION

The council should adopt Resolution 2018-17 authorizing the investment of city monies in the Local Government Investment Pool.

SUMMARY STATEMENT

In order to continue to participate in the LGIP, the State Treasurer requires participants to pass a resolution that acknowledges that the governmental body has read and understands the prospectus. If the city does not provide the State Treasurer with an approved resolution, it reserves the right to suspend the city's participation in the state investment pool. The city's current authorization names a former Finance Director by name, thus requiring this re-authorization.

FINANCIAL IMPACT

The LGIP meets the safety and liquidity needs of the city in accordance with its investment policy and should be maintained as an investment option.

According to Section 4.0 Objectives of the City of Stanwood Investment Policy, the primary objectives, in priority order, of the city's investment activities shall be:

4.1 Safety: Safety of principal is the foremost objective of the City of Stanwood. Investments of the city shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

4.2 Liquidity: The city's investment portfolio will remain sufficiently liquid to enable the city to meet all operating requirements which might reasonably be anticipated.

4.3 Return on investment: The city's investment portfolio shall be designed with the objective of attaining a market rate of return given the city's risk constraints and cash flow requirements.

The LGIP's investment objectives are, in priority order: 1) safety of principal, 2) maintaining adequate liquidity to meet cash flows, and 3) providing a competitive interest rate relative to other comparative investment alternatives. LGIP offers 100% liquidity to its participants.

The investment objectives of the LGIP align exactly with the investment objectives of the city's investment policy, with safety of principal being the top priority, followed by liquidity and yield. Because of its size, LGIP offers a diversity of investments that the city could not achieve purchasing financial instruments on its own. Liquidity is important to the city, and funds can be wired same day from the state investment pool to the city's bank account for immediate use.

Staff recommends keeping its relationship with LGIP, and continuing to monitor investment yields to ensure that the city keeps the appropriate mix of investments in accordance with its investment policy.

CITY COUNCIL OPTIONS

1. Adopt Resolution 2018-17 authorizing investment of City of Stanwood Monies in the Local Government Investment Pool.
2. Do not adopt Resolution 2018-17 authorizing investment of City of Stanwood Monies in the Local Government Investment Pool.
3. Do not adopt Resolution 2018-17 authorizing investment of City of Stanwood Monies in the Local Government Investment Pool and direct staff to address specific council questions or concerns.

RECOMMENDED MOTION

I MOVE TO ADOPT RESOLUTION 2018-17 AUTHORIZING INVESTMENT OF CITY OF STANWOOD MONIES IN THE LOCAL GOVERNMENT INVESTMENT POOL.

CITY OF STANWOOD, WASHINGTON

RESOLUTION 2018-17

**A RESOLUTION OF THE CITY OF STANWOOD,
WASHINGTON AUTHORIZING INVESTMENT OF CITY OF
STANWOOD MONIES IN THE LOCAL GOVERNMENT
INVESTMENT POOL**

WHEREAS, pursuant to Chapter 294, Laws of 1986, the Legislature created a trust fund to be known as the public funds investment account (commonly referred to as the Local Government Investment Pool (LGIP) for the contribution and withdrawal of money by an authorized governmental entity for purposes of investment by the Office of the State Treasurer; and

WHEREAS, from time to time it may be advantageous to the authorized governmental entity, City of Stanwood, the “governmental entity”, to contribute funds available for investment in the LGIP; and

WHEREAS, the investment strategy for the LGIP is set forth in its policies and procedures; and

WHEREAS, any contributions or withdrawals to or from the LGIP made on behalf of the governmental entity shall be first duly authorized by the Finance Director, the “governing body” or any designee of the governing body pursuant to this resolution, or a subsequent resolution; and

WHEREAS, the governmental entity will cause to be filed a certified copy of said resolution with the Office of the State Treasurer; and

WHEREAS, the governing body and any designee appointed by the governing body with authority to contribute or withdraw funds of the governmental entity has received and read a copy of the prospectus and understands the risks and limitations of investing in the LGIP; and

WHEREAS, the governing body attests by the signature of its members that it is duly authorized and empowered to enter into this agreement, to direct the contribution or withdrawal of governmental entity monies, and to delegate certain authority to make adjustments to the incorporated transactional forms, to the individuals designated herein.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, AS FOLLOWS:

That the governing body does hereby authorize the contribution and withdrawal of governmental entity monies in the LGIP in the manner prescribed by law, rule, and prospectus.

BE IT FURTHER RESOLVED that the governing body has approved the Local Government Investment Pool Transaction Authorization Form (Form) as completed by David A. Hammond and incorporates said form into this resolution by reference and does hereby attest to its accuracy.

BE IT FURTHER RESOLVED that the governmental entity designates the Finance Director, the “authorized individual” to authorize all amendments, changes, or alterations to the Form or any other documentation including the designation of other individuals to make contributions and withdrawals on behalf of the governmental entity.

BE IT FURTHER RESOLVED that this delegation ends upon the written notice, by any method set forth in the prospectus, of the governing body that the authorized individual has been terminated or that his or her delegation has been revoked. The Office of the State Treasurer will rely solely on the governing body to provide notice of such revocation and is entitled to rely on the authorized individual’s instructions until such time as said notice has been provided.

BE IT FURTHER RESOLVED that the Form as incorporated into this resolution or hereafter amended by delegated authority, or any other documentation signed or otherwise approved by the authorized individual shall remain in effect after revocation of the authorized individual’s delegated authority, except to the extent that the authorized individual whose delegation has been terminated shall not be permitted to make further withdrawals or contributions to the LGIP on behalf of the governmental entity. No amendments, changes, or alterations shall be made to the Form or any other documentation until the entity passes a new resolution naming a new authorized individual; and

BE IT FURTHER RESOLVED that the governing body acknowledges that it has received, read, and understood the prospectus as provided by the Office of the State Treasurer. In addition, the governing body agrees that a copy of the prospectus will be provided to any person delegated or otherwise authorized to make contributions or withdrawals into or out of the LGIP and that said individuals will be required to read the prospectus prior to making any withdrawals or contributions if authorizations are already in place.

ADOPTED by the city council and **APPROVED** by the mayor this 28th day of June, 2018.

CITY OF STANWOOD

By _____
Leonard Kelley, Mayor

ATTEST:

By _____
David A. Hammond, City Clerk

LOCAL GOVERNMENT
INVESTMENT POOL

Prospectus

August 2016



James L. McIntire

Washington State Treasurer

Contents

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IV.	Miscellaneous	10

I. The LGIP

The Local Government Investment Pool (the “LGIP”) is an investment pool of public funds placed in the custody of the Office of the Washington State Treasurer (the “State Treasurer”) for investment and reinvestment as defined by RCW 43.250.020. The purpose of the LGIP is to allow eligible governmental entities to participate with the state in the investment of surplus public funds, in a manner that optimizes liquidity and return on such funds. In establishing the LGIP, the legislature recognized that not all eligible governmental entities are able to maximize the return on their temporary surplus funds, and therefore it provided a mechanism whereby they may, at their option, utilize the resources of the State Treasurer to maximize the potential of their surplus funds while ensuring the liquidity of those funds.

The State Treasurer has established a sub-pool within the LGIP whose shares are offered by means of this Prospectus: The LGIP-Money Market Fund (the “LGIP-MMF” or the “Fund”). The State Treasurer has the authority to establish additional sub-pools in the future.

The Fund offered in this Prospectus seeks to provide current income by investing in high-quality, short term money market instruments. These standards are specific to the Fund, as illustrated in the following table. The LGIP-MMF offers daily contributions and withdrawals.

FUND SNAPSHOT

The table below provides a summary comparison of the Fund’s investment types and sensitivity to interest rate risk. This current snapshot can be expected to vary over time.

Fund	Investment Types	Maximum Dollar-Weighted Average Maturity for LGIP-MMF
LGIP-Money Market Fund	Cash	60 days
Current Investments (as of July 1, 2016)	Bank Deposits US Treasury bills Repurchase agreements US Government agency obligations	

Fees and Expenses

Administrative Fee. The State Treasurer charges pool participants a fee representing administration and recovery costs associated with the operation of the Fund. The administrative fee accrues daily from pool participants’ earnings prior to the earnings being posted to their account. The administrative fee will be paid monthly. In the event that there are no earnings, the administrative fee will be deducted from principal.

The chart below illustrates the operating expenses of the LGIP-MMF for past years, expressed in basis points as a percentage of fund assets.

Local Government Investment Pool-MMF
Operating Expenses by Fiscal Year (in Basis Points)

			2009	2010	2011	2012	2013	2014	2015	2016
<i>Total Operating Expenses</i>			<i>0.88</i>	<i>0.64</i>	<i>0.81</i>	<i>0.68</i>	<i>0.87</i>	<i>0.88</i>	<i>0.95</i>	<i>0.88</i>

(1 basis point = 0.01%)

Because most of the expenses of the LGIP-MMF are fixed costs, the fee (expressed as a percentage of fund assets) will be affected by: (i) the amount of operating expenses; and (ii) the assets of the LGIP-MMF. The table below shows how the fee (expressed as a percentage of fund assets) would change as the fund assets change, assuming an annual fund operating expenses amount of \$950,000.

Fund Assets	\$8.0 bn	\$10.0 bn	\$12.0 bn
Total Operating Expenses (in Basis Points)	1.19	0.95	0.79

Portfolio Turnover: The Fund does not pay a commission or fee when it buys or sells securities (or “turns over” its portfolio). However, debt securities often trade with a bid/ask spread. Consequently, a higher portfolio turnover rate may generate higher transaction costs that could affect the Fund’s performance.

II. Local Government Investment Pool – Money Market Fund

Investment Objective

The LGIP-MMF will seek to effectively maximize yield while maintaining liquidity and a stable net asset value per share, e.g., all contributions will be transacted at \$1.00 net asset value per share.

Principal Investment Strategies

The LGIP-MMF will seek to invest primarily in high-quality, short term money market instruments. Typically, at least 55% of the Fund’s assets will be invested in US government securities and repurchase agreements collateralized by those securities. The LGIP-MMF means a sub-pool of the LGIP whose investments will primarily be money market instruments. The LGIP-MMF will only invest in eligible investments permitted by state law. The LGIP portfolio will be managed to meet the portfolio maturity, quality, diversification and liquidity requirements set forth in GASB 79 for external investment pools who wish to measure, for financial reporting purposes, all of their investments at amortized cost. Investments of the LGIP-MMF will conform to the LGIP Investment Policy, the most recent version of which will be posted on the LGIP website and will be available upon request.

Principal Risks of Investing in the LGIP-Money Market Fund

Counterparty Credit Risk. A party to a transaction involving the Fund may fail to meet its obligations. This could cause the Fund to lose the benefit of the transaction or prevent the Fund from selling or buying other securities to implement its investment strategies.

Interest Rate Risk. The LGIP-MMF’s income may decline when interest rates fall. Because the Fund’s income is based on short-term interest rates, which can fluctuate significantly over short periods, income risk is expected to

be high. In addition, interest rate increases can cause the price of a debt security to decrease and even lead to a loss of principal.

Liquidity Risk. Liquidity risk is the risk that the Fund will experience significant net withdrawals of Fund shares at a time when it cannot find willing buyers for its portfolio securities or can only sell its portfolio securities at a material loss.

Management Risk. Poor security selection or an ineffective investment strategy could cause the LGIP-MMF to underperform relevant benchmarks or other funds with a similar investment objective.

Issuer Risk. The LGIP-MMF is subject to the risk that debt issuers and other counterparties may not honor their obligations. Changes in an issuer's credit rating (e.g., a rating downgrade) or the market's perception of an issuer's creditworthiness could also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation. Also, a decline in the credit quality of an issuer can cause the price of a money market security to decrease.

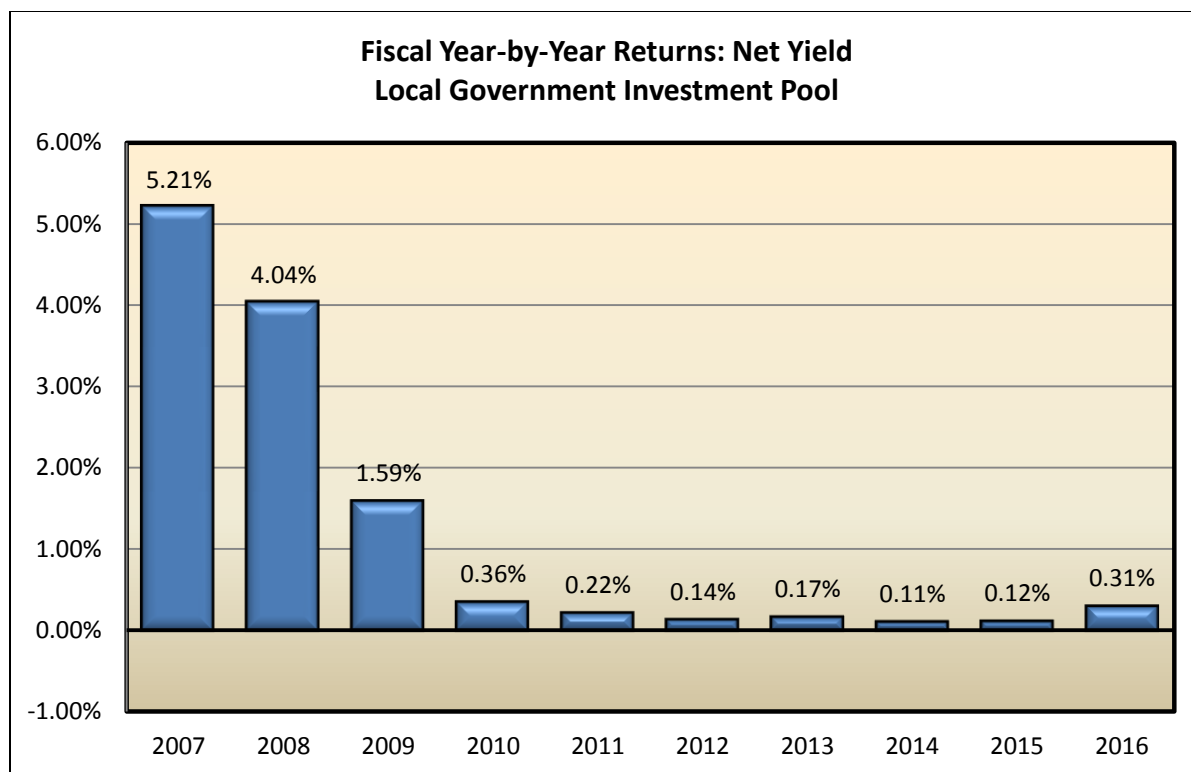
Securities Lending Risk and Reverse Repurchase Agreement Risk. The LGIP-MMF may engage in securities lending or in reverse repurchase agreements. Securities lending and reverse repurchase agreements involve the risk that the Fund may lose money because the borrower of the Fund's securities fails to return the securities in a timely manner or at all or the Fund's lending agent defaults on its obligations to indemnify the Fund, or such obligations prove unenforceable. The Fund could also lose money in the event of a decline in the value of the collateral provided for loaned securities or a decline in the value of any investments made with cash collateral.

Risks Associated with use of Amortized Cost. The use of amortized cost valuation means that the LGIP-MMF's share price may vary from its market value NAV per share. In the unlikely event that the State Treasurer were to determine that the extent of the deviation between the Fund's amortized cost per share and its market-based NAV per share may result in material dilution or other unfair results to shareholders, the State Treasurer may cause the Fund to take such action as it deems appropriate to eliminate or reduce to the extent practicable such dilution or unfair results.

An investment in the LGIP-MMF is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of investments at \$1 per share, pool participants could lose money by investing in the LGIP-MMF. There is no assurance that the LGIP-MMF will achieve its investment objective.

Performance

The following information is intended to address the risks of investing in the LGIP-MMF. The information illustrates changes in the performance of the LGIP-MMF's shares from year to year. Returns are based on past results and are not an indication of future performance. Updated performance information may be obtained on our website at www.tre.wa.gov or by calling the LGIP toll-free at 800-331-3284.



<u>Local Government Investment Pool-Money Market Fund</u>			
<u>Average Accrued Net Yield</u>			
<u>1 Year</u>	<u>3 years</u>	<u>5 years</u>	<u>10 years</u>
0.31%	0.18%	0.17%	1.28%

Transactions: LGIP-MMF

General Information

The minimum transaction size (contributions or withdrawals) for the LGIP-MMF will be five thousand dollars. The State Treasurer may, in its sole discretion, allow for transactions of less than five thousand dollars.

Valuing Shares

The LGIP-MMF will be operated using a net asset value (NAV) calculation based on the amortized cost of all securities held such that the securities will be valued at their acquisition cost, plus accrued income, amortized daily.

The Fund's NAV will be the value of a single share. NAV will normally be calculated as of the close of business of the NYSE, usually 4:00 p.m. Eastern time. If the NYSE is closed on a particular day, the Fund will be priced on the next day the NYSE is open.

NAV will not be calculated and the Fund will not process contributions and withdrawals submitted on days when the Fund is not open for business. The time at which shares are priced and until which contributions and withdrawals are accepted is specified below and may be changed as permitted by the State Treasurer.

To the extent that the LGIP-MMF's assets are traded in other markets on days when the Fund is not open for business, the value of the Fund's assets may be affected on those days. In addition, trading in some of the Fund's assets may not occur on days when the Fund is open for business.

Transaction Limitations

The State Treasurer reserves the right at its sole discretion to set a minimum and/or maximum transaction amount from the LGIP-MMF and to limit the number of transactions, whether contribution, withdrawal, or transfer permitted in a day or any other given period of time.

The State Treasurer also reserves the right at its sole discretion to reject any proposed contribution, and in particular to reject any proposed contribution made by a pool participant engaged in behavior deemed by the State Treasurer to be abusive of the LGIP-MMF.

A pool participant may transfer funds from one LGIP-MMF account to another subject to the same time and contribution limits as set forth in WAC 210.10.060.

Contributions deposited by ACH will be unavailable for withdrawal for a period of five business days following receipt of funds

Contributions

Pool participants may make contributions to the LGIP-MMF on any business day. All contributions will be effected by electronic funds to the account of the LGIP-MMF designated by the State Treasurer. It is the responsibility of each pool participant to pay any bank charges associated with such electronic transfers. Failure to submit funds by a pool participant after notification to the State Treasurer of an intended transfer will result in penalties. Penalties for failure to timely submit will be assessed to the account of the pool participant responsible.

Notice of Wire contribution. To ensure same day credit, a pool participant must inform the State Treasurer of any contribution over one million dollars no later than 9 a.m. on the same day the contribution is made. Contributions for one million dollars or less can be requested at any time prior to 10 a.m. on the day of contribution. For all other contributions over one million dollars that are requested prior to 10 a.m., a pool participant may receive same day credit at the sole discretion of the State Treasurer. Contributions that receive same day credit will count, for earnings rate purposes, as of the day in which the contribution was made. Contributions for which no notice is received prior to 10:00 a.m. will be credited as of the following business day.

Notice of ACH contribution. A pool participant must inform the State Treasurer of any contribution submitted through ACH no later than 2:00 p.m. on the business day before the contribution is made. Contributions that receive same day credit will count, for earnings rate purposes, as of the day in which the contribution was made. Contributions for which proper notice is not received as described above will not receive same day credit, but will be credited as of the next business day from when the contribution is made. Contributions deposited by ACH will be unavailable for withdrawal for a period of five business days following receipt of funds.

Notice of contributions may be given by calling the Local Government Investment Pool (800-331-3284) OR by logging on to State Treasurer's Treasury Management System ("TMS"). Please refer to the [LGIP-MMF Operations Manual](#) for specific instructions regarding contributions to the LGIP-MMF.

Direct deposits from the State of Washington will be credited on the same business day.

Pricing. Contribution requests received in good order will receive the NAV per unit of the LGIP-MMF next determined after the order is accepted by the State Treasurer on that contribution date.

Withdrawals

Pool participants may withdraw funds from the LGIP-MMF on any business day. Each pool participant shall file with the State Treasurer a letter designating the financial institution at which funds withdrawn from the LGIP-MMF shall be deposited (the "Letter"). This Letter shall contain the name of the financial institution, the location of the financial institution, the account name, and the account number to which funds will be deposited. This Letter shall be signed by local officials authorized to receive and disburse funds, as described in WAC 210-10-020.

Disbursements from the LGIP-MMF will be effected by electronic funds transfer. Failure by the State Treasurer to transmit funds to a pool participant after proper notification to the State Treasurer to disburse funds to a pool participant may result in a bank overdraft in the pool participant's bank account. The State Treasurer will reimburse a pool participant for such bank overdraft penalties charged to the pool participant's bank account.

Notice of Wire withdrawal. In order to withdraw funds from the LGIP-MMF, a pool participant must notify the State Treasurer of any withdrawal over one million dollars no later than 9 a.m. on the same day the withdrawal is made. Withdrawals for one million dollars or less can be requested at any time prior to 10 a.m. on the day of withdrawal. For all other withdrawals from the LGIP-MMF over one million dollars that are requested prior to 10 a.m., a pool participant may receive such withdrawal on the same day it is requested at the sole discretion of the State Treasurer. No earnings will be credited on the date of withdrawal for the amounts withdrawn. Notice of withdrawals may be given by calling the Local Government Investment Pool (800-331-3284) OR by logging on to TMS. Please refer to the LGIP-MMF Operations Manual for specific instructions regarding withdrawals from the Fund.

Notice of ACH withdrawal. In order to withdraw funds from the LGIP-MMF, a pool participant must notify the State Treasurer of any withdrawal by ACH no later than 2 p.m. on the prior business day the withdrawal is requested. No earnings will be credited on the date of withdrawal for the amounts withdrawn.

Notice of withdrawals may be given by calling the Local Government Investment Pool (800-331-3284) OR by logging on to TMS. Please refer to the LGIP-MMF Operations Manual for specific instructions regarding withdrawals from the Fund.

Pricing. Withdrawal requests with respect to the LGIP-MMF received in good order will receive the NAV per unit of the LGIP-MMF next determined after the order is accepted by the State Treasurer on that withdrawal date.

Suspension of Withdrawals. If the State Treasurer has determined that the deviation between the Fund's amortized cost price per share and the current net asset value per share calculated using available market quotations (or an appropriate substitute that reflects current market conditions) may result in material dilution or other unfair results, the State Treasurer may, if it has determined irrevocably to liquidate the Fund, suspend withdrawals and payments of withdrawal proceeds in order to facilitate the permanent termination of the Fund in an orderly manner. The State Treasurer will distribute proceeds in liquidation as soon as practicable, subject to the possibility that certain assets may be illiquid, and subject to subsequent distribution, and the possibility that the State Treasurer may need to hold back a reserve to pay expenses.

The State Treasurer also may suspend redemptions if the New York Stock Exchange suspends trading or closes, if US bond markets are closed, or if the Securities and Exchange Commission declares an emergency. If any of these events were to occur, it would likely result in a delay in the pool participants' redemption proceeds.

The State Treasurer will notify pool participants within five business days of making a determination to suspend withdrawals and/or irrevocably liquidate the fund and the reason for such action.

Earnings and Distribution

LGIP-MMF Daily Factor

The LGIP-MMF daily factor is a net earnings figure that is calculated daily using the investment income earned (excluding realized gains or losses) each day, assuming daily amortization and/or accretion of income of all fixed income securities held by the Fund, less the administrative fee. The daily factor is reported on an annualized 7-day basis, using the daily factors from the previous 7 calendar days. The reporting of a 7-day annualized yield based solely on investment income which excludes realized gains or losses is an industry standard practice that allows for the fair comparison of funds that seek to maintain a constant NAV of \$1.00.

LGIP-MMF Actual Yield Factor

The LGIP-MMF actual yield factor is a net daily earnings figure that is calculated using the total net earnings including realized gains and losses occurring each day, less the administrative fee.

Dividends

The LGIP-MMF's dividends include any net realized capital gains or losses, as well as any other capital changes other than investment income, and are declared daily and distributed monthly.

Distribution

The total net earnings of the LGIP-MMF will be declared daily and paid monthly to each pool participant's account in which the income was earned on a per-share basis. These funds will remain in the pool and earn additional interest unless withdrawn and sent to the pool participant's designated bank account as specified on the Authorization Form. Interest earned will be distributed monthly on the first business day of the following month.

Monthly Statements and Reporting

On the first business day of every calendar month, each pool participant will be sent a monthly statement which includes the pool participant's beginning balance, contributions, withdrawals, transfers, administrative charges, earnings rate, earnings, and ending balance for the preceding calendar month. Also included with the statement will be the monthly enclosure. This report will contain information regarding the maturity structure of the portfolio and balances broken down by security type.

III. Management

The State Treasurer is the manager of the LGIP-MMF and has overall responsibility for the general management and administration of the Fund. The State Treasurer has the authority to offer additional sub-pools within the LGIP at such times as the State Treasurer deems appropriate in its sole discretion.

Administrator and Transfer Agent. The State Treasurer will serve as the administrator and transfer agent for the Fund.

Custodian. A custodian for the Fund will be appointed in accordance with the terms of the LGIP Investment Policy.

IV. Miscellaneous

Limitation of Liability

All persons extending credit to, contracting with or having any claim against the Fund offered in this Prospectus shall look only to the assets of the Fund that such person extended credit to, contracted with or has a claim against, and none of (i) the State Treasurer, (ii) any subsequent sub-pool, (iii) any pool participant, (iv) the LGIP, or (v) the State Treasurer's officers, employees or agents (whether past, present or future), shall be liable therefor. The determination of the State Treasurer that assets, debts, liabilities, obligations, or expenses are allocable to the Fund shall be binding on all pool participants and on any person extending credit to or contracting with or having any claim against the LGIP or the Fund offered in this Prospectus. There is a remote risk that a court may not enforce these limitation of liability provisions.

Amendments

This Prospectus and the attached Investment Policy may be amended from time to time. Pool participants shall receive notice of changes to the Prospectus and the Investment Policy. The amended and restated documents will be posted on the State Treasurer website: www.tre.wa.gov.

Should the State Treasurer deem appropriate to offer additional sub-pools within the LGIP, said sub-pools will be offered by means of an amendment to this prospectus.

LGIP-MMF Contact Information

Internet: www.tre.wa.gov Treasury Management System/TMS

Phone: 1-800-331-3284 (within Washington State)

Mail: Office of the State Treasurer
Local Government Investment Pool
PO Box 40200
Olympia, Washington 98504
FAX: 360-902-9044



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 8a

DATE: June 28, 2018

SUBJECT: Resolution 2018-15– Update Consolidated Schedule of Fees and Charges and Ordinance 1458 – Amending Various Chapters of SMC Relating to Fees

CONTACT PERSON: David A. Hammond, Finance Director

ATTACHMENTS: A – Resolution 2018-15 Revised Consolidated Schedule of Fees and Charges
B – Ordinance 1458 – Amending Various Chapters of SMC Relating to Fees
C – Draft Consolidated Schedule of Fees and Charges with all Changes Incorporated

ISSUE

First reading of Ordinance 1458 Amending Various Chapters of the Stanwood Municipal Code (SMC) Relating to Fees and review of Resolution 2018-15 updating the city's Consolidated Schedule of Fees and Charges.

RECOMMENDATION

Conduct first reading of Ordinance 1458 Amending Various Chapters of the SMC Relating to Fees and review Resolution 2018-15 updating the city's Consolidated Schedule of Fees and Charges. The resolution will be brought back to council on July 12, 2018 for adoption to coincide with the second reading and final adoption of Ordinance 1458.

DISCUSSION

City staff continue to amend the Stanwood Municipal Code by moving fees and charges to a single consolidated schedule of fees. This format is easier for the public to access and is more efficient to maintain. Further, staff recommends annual review and update to the consolidated schedule of fees and charges. This current effort includes amendment of fees related to public records requests, building permits and land use, special events, taxicab licensing, firework sales, business licensing and signage. The resolution will update the fee schedule, and the ordinance will remove specific fees and charges currently in various code sections so that they may be consolidated into the fee schedule.

The planned timing of this update is to present Resolution 2018-15 at the June 28th meeting, concurrently with first reading of Ordinance 1458, consolidating the fee schedule and at the same time related fees are removed from SMC. If council approves first reading of the ordinance, staff will bring both the resolution and ordinance back for second reading at the July 12, 2018 meeting for final adoption. Staff recommends deferring adoption of the resolution until the July 12th meeting so that changes to SMC and the fee schedule can be made concurrently.

The city adopted a public records act policy on September 28, 2018. Resolution 2018-15 implements the fee structure outlined in that policy, which is modeled after 2017 statute changes.

This update to the fee schedule includes an increase of the fireworks license fee from \$25.00 to \$100.00, which is commensurate with neighboring jurisdictions. This update does not increase business license fees, signage fees, or temporary merchant fees, but simply moves them from ordinance to the consolidated fee resolution.

Grading fees are simplified, building permit fees have been removed from ordinance to the fee resolution and where possible refer to externally published sources rather than for amounts, such as the International Building Code and the Building Safety Journal.

This update also clarifies fees related to special events, including the amount and conditions under which the city may contribute toward costs.

Mechanical and plumbing permit fees were increased nominally, in order to reflect staff cost increases. These fees have remained unchanged since 1997.

FINANCIAL IMPACT

The financial impacts of these fee changes are outlined within this staff report.

COMMITTEE RECOMMENDATION

Council reviewed this item at the June 21, 2018 Special Council Meeting and advised staff to present the item to the regular city council meeting on June 28, 2018.

STAFF RECOMMENDATION

Staff recommends approval of proposed changes to the fee schedule and the SMC.

CITY COUNCIL OPTIONS

1. Approve first reading of Ordinance 1458 and bring Resolution 2018-15 and Ordinance 1458 back to council on July 12, 2018 for second reading and final adoption.

2. Direct staff to include proposed changes to Resolution 2018-15 and to Ordinance 1458 prior to bringing to council on July 12, 2018 for adoption.
3. Remand Resolution 2018-15 and Ordinance 1458 and direct staff to address specific council concerns or provide additional information.

RECOMMENDED MOTION

I MOVE TO APPROVE FIRST READING OF ORDINANCE 1458 AND ADVISE STAFF TO PRESENT RESOLUTION 2018-15 AND ORDINANCE 1458 TO COUNCIL ON JULY 12, 2018 FOR SECOND READING AND FINAL ADOPTION.

**CITY OF STANWOOD
Stanwood, Washington**

RESOLUTION 2018-15

**A RESOLUTION OF THE CITY OF STANWOOD,
WASHINGTON, ADOPTING A REVISED CONSOLIDATED
FEE AND CHARGE SCHEDULE AND TO REPEAL AND
REPLACE RESOLUTION NO. 2018-04**

WHEREAS, on November 23, 2015 the City Council adopted Resolution 2015-23 updating the City's consolidated fee schedule; and

WHEREAS, on March 22, 2018 the City Council adopted Resolution 2018-04 further updating the City's consolidated fee schedule; and

WHEREAS, the City recognizes the need to recover the ongoing cost of providing services; and

WHEREAS, the City Council has determined that the existing fee schedule requires amendments to recover the reasonable cost of providing a wide array of local governmental services as well as to provide responsible cost recovery for staff and consultant time required to provide certain functions; and

WHEREAS, regarding fees for public records requests, the City has deemed it unduly burdensome to calculate the actual costs of charges for providing public records and lacks the necessary funds and staff resources to conduct a comprehensive study to determine its actual copying costs. The City therefore adopts charges for these services based on the statutory default copy fee schedule set forth in RCW 42.56.120(2)(b)(i)-(v); and

WHEREAS, the City Council wishes to make these adjustments to fees to more closely reflect actual cost of services effective July 23, 2018;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON AS FOLLOWS:

Section 1. The schedule of fees and charges attached hereto and incorporated by this reference as Exhibit 1 is hereby adopted effective July 23, 2018.

Section 2. The Stanwood City Council hereby finds that the fees and charges set forth in Exhibit 1 reflect the reasonable costs of providing the services set forth therein.

Section 3. Repealer. Resolution No. 2018-04 adopted on March 22, 2018 is hereby repealed.

PASSED by the City Council and Approved by the Mayor this July 12, 2018.

CITY OF STANWOOD

By _____
Leonard Kelley, Mayor

ATTEST:

By _____
David A. Hammond, City Clerk

APPROVED AS TO FORM:

By _____
Grant Weed, City Attorney

EXHIBIT 1**Revised Consolidated Fee Schedule – effective July 23, 2018****Table of Contents**

Type of Fee or Charge	Page
Land Use	2
Right of Way	6
Building Permits	7
Animals	8
Code Violations – Penalties	9
Utilities	10
Special Events and Banner Hanging	11
Signage	11
Fireworks	12
Business Licenses	12
Temporary Merchants	12
Public Records	12

LAND USE FEES AND CHARGES	
Activity	Fee
Public Notice	\$60 per required publication Plus actual cost if greater
Floodplain Certificate <u>Development Permit</u>	\$175 Free
SEPA	\$275 non-project \$450 other
SEPA Addendum	\$72/hour
EIS	Direct <u>100% of</u> consultant cost plus staff hourly rate
FPA Waiver	\$800 Plus \$100/acre over 5 Plus cost of hearing
Grading	\$250 -- 50 to 499 Cubic Yards \$500 -- 500 to 1000 Cubic Yards \$750 -- Over 1,000 Cubic Yards
Right-of-way	\$100 minor work \$500 major work <u>See New Section Below</u>
Preliminary Short Plat ¹	\$3,600
Preliminary Long Plat ¹	7,000 Plus \$250/lot Plus cost of hearing
Plat Amendment	\$72/hour Plus cost of hearing
Site Development ¹ (Government Facilities Exempt ²)	\$125 > \$5k \$250 \$5k – \$15k \$500 + 5% city engineer's estimate (includes labor, equipment, materials, overhead and profit) – \$15k + \$25/lot for plats w/prior SD <u>See New Section Below</u>
Final Plat/PRD	\$700 + \$125 per lot
Binding Site Plan ¹	\$3,000 Plus \$300/lot
Preliminary PRD/PUD ¹	\$5,550 Plus \$250/lot Plus cost of hearing

¹ Includes first engineering review, additional reviews charged at cost

² “Governmental Facility” means a facility wholly or partially funded by tax dollars including government of the United States, the governments of the state of Washington, Snohomish County, the City of Stanwood, Regional Fire Authorities, Public Schools, Colleges, and Universities.

LAND USE FEES AND CHARGES	
Activity	Fee
Development Agreement ¹	\$2,000, Plus cost of hearing
Administrative Variance	\$600
Hearing Examiner Variance	\$1,200, Plus cost of hearing
Comprehensive Plan Amendment	\$1,500
Administrative Interpretation	\$100
Administrative Decision, Modification, Adjustment	\$100 first application \$125 each additional application
Annexation	\$1,000
Boundary Line Adjustment	\$950
Administrative Conditional Use	\$100
Conditional Use	\$1,000, Plus cost of hearing
Unclassified Use Determination	\$100
Wireless Communication Facility	\$2,000
Rezone	\$1,000
Zoning Text Amendment	\$800
Shoreline Conditional Use	\$950, Plus cost of hearing
Shoreline Substantial Development	\$500 < \$100k \$1,000 > \$100k<250K \$2,000 > 250k
Driveway Permit	\$80
Demolition	\$50 Shed \$100 Residential <u>\$150 Single Family Residence</u> \$200 <u>\$250 Commercial</u>
Critical Areas	\$25 Exemption (non-Flood) \$75 <u>\$50</u> Exemption (Flood/non-Flood) \$250 Checklist SFR/Duplex \$350 Checklist Other \$350 <u>Critical Areas</u> Report/Checklist Peer review at cost <u>Plus 100% consultant cost</u>
Technology Fee (applied to all permit transactions)	3%, Except 5% site development fee, <u>Construction Plan Fee</u> , impact fees, and mitigation fees
Landscape Plan	\$400, Plus 100% consultant cost
Landscape Plan Modification	\$200, Plus 100% consultant cost
Landscape Inspections	\$150 \$50 re-inspections Plus 100% Consultant cost
Adult Family Home Application	\$75, per application

LAND USE FEES AND CHARGES	
Activity	Fee
Pre-Application	\$300, plus 100% Consultant cost, if applicable Plus 2 hour engineering deposit for file review and 2 hour deposit for meeting attendance costs (file review and meeting attendance required at City discretion) (\$150 to be credited if LU app. is filed w/in 90 days)
Temporary Use	\$25
Permit Extensions	\$100
<u>Appeal</u>	<u>\$500 Plus cost of hearing</u>
Reconsideration	\$200 Plus cost of hearing
Certificate <u>and temporary</u> <u>certificate</u> of/change of occupancy	\$25 (fee may be applied to building permits if required for certificate)
Concurrency ³ evaluation	\$400 plus consulting fees for engineering review <u>plus 100% Consultant cost, if</u> <u>applicable</u>
Concurrency reconsideration	\$200 plus consulting fees for engineering review <u>plus 100% Consultant cost, if</u> <u>applicable</u>
Encroachment Permit	New structures, \$50 No Fee for existing structures permitted by 2016
Right-of-way Vacation	\$350
Right-to-Farm (under 10 acres)	\$50
Right-to-Farm (10 acres or greater)	\$100
Water/Sewer Certificate of Availability	\$500 <u>per certificate</u>
Fire Plan Check	<u>\$100</u> 1 hour deposit, Plus actual cost if greater
Re-Inspection Fee	\$75
Postage	At cost
Copies	\$.15/page side @ 8 1/2"x11"
Publications	Actual cost

³ Includes first engineering review, additional reviews charged at cost

<u>Site Development Fee</u>	
<u>Activity</u>	<u>Fee</u>
<u>Minor</u>	<u>\$125 + Actual Cost of Consultant time if applicable (see Consultant Fee) for projects between \$0 and \$5,000 valuation</u>
-	<u>\$250+ Actual Cost of Consultant time if applicable (see Consultant Fee) for projects between \$5,001 and \$15,000 valuation</u>
-	<u>\$500 + Actual Cost of Consultant time if applicable (see Consultant Fee) for projects between \$15,001 and \$30,000 valuation</u>
-	<u>\$1,000 + Actual Cost of Consultant time if applicable (see Consultant Fee) for projects over \$30,000 valuation</u>
<u>Major</u>	<u>\$2,000 for first two reviews + each additional review will be charged: a) \$75 per hour staff time and/or b) Actual Cost of Consultant time if applicable (see Consultant Fee)</u>
<u>Construction Plan</u>	
<u>Activity</u>	<u>Fee</u>
<u>Residential developments 1- 9 units</u>	<u>\$1,500 + \$100 per lot for first two reviews + each additional review will be charged either charge: a) \$75 per hour staff time and/or b) Actual Cost of Consultant time (see Consultant Fee)</u>
<u>Residential developments 10 or more units</u>	<u>\$1,500 + \$150 per lot for first two reviews + each additional review will be charged: a) \$75 per hour staff time and/or b) Actual Cost of Consultant time if applicable (see Consultant Fee)</u>
<u>Commercial and/or non-residential developments</u>	<u>\$5,000 for first two reviews + each additional review will be charged: a) \$75 per hour staff time and/or b) Actual Cost of Consultant time if applicable (see Consultant Fee)</u>
<u>Consultant Fees (when applicable)</u>	<u>Applicant pays actual cost charged plus 5% administrative fee</u>

<u>Inspection Fee¹ (Government Facilities Exempted³)</u>	
<u>Activity</u>	<u>Fee</u>
<u>\$0 - \$500,000 value</u>	<u>3.50% of Estimated Engineers Construction Cost²</u>
<u>> \$500,000 value¹</u>	<u>2.00% of Estimated Engineers Construction Cost²</u>

Notes:

1. Minimum Inspection Fee \$19,500 and Maximum Inspection Fee \$60,000

2. Includes labor, equipment, materials, overhead, and profit

3. "Governmental Facility" means a facility wholly or partially funded by tax dollars including government of the United States, the governments of the state of Washington, Snohomish County, the City of Stanwood, Regional Fire Authorities, Public Schools, Colleges, and Universities.

<u>Right of Way Permit</u>	
<u>Activity</u>	<u>Fee</u>
<u>Underground Utilities Boring - First 100 LF, plus</u>	<u>\$150</u>
<u>per additional 1,000 LF</u>	<u>\$150</u>
<u>Street Cuts over 50 LF of Trenching - First 100 LF, plus</u>	<u>\$150</u>
<u>Per additional 100 LF, up to 1,000 LF</u>	<u>\$40</u>
<u>Per 100 LF or portion thereafter</u>	<u>\$18</u>
<u>Utility Poles - First 6 poles, plus</u>	<u>\$75</u>
<u>Per each additional pole</u>	<u>\$10</u>
<u>Residential Driveway</u>	<u>\$100</u>
<u>Commercial Driveway</u>	<u>\$150</u>

<u>BUILDING PERMITS</u>			
<u>Activity</u>		<u>Fee</u>	
<u>Commercial</u>		<u>As provided in the latest International Building Code with valuations provided in the latest edition of the Building Safety Journal</u>	
<u>Commercial Mechanical & Plumbing Fees</u>		<u>Fee based on the latest edition of the Building Safety Journal</u>	
<u>Residential Mechanical & Plumbing Fees</u>		<u>Base fee of \$25, plus charges identified in the following table:</u>	
<u>Type of Fixture</u>		<u>Type of Equipment</u>	
<u>Water closet (toilet)</u>	<u>\$15.00</u>	<u>Air conditioner unit</u>	<u>\$25.00</u>
<u>Bathtub</u>	<u>\$15.00</u>	<u>Boilers</u>	<u>\$20.00/\$30.00/\$40.00</u>
<u>Lavatory (wash basin)/sink</u>	<u>\$15.00</u>	<u>Forced air system</u>	<u>\$25.00</u>
<u>Shower</u>	<u>\$15.00</u>	<u>Wall heaters</u>	<u>\$16.00</u>
<u>Kitchen sink and disposal</u>	<u>\$15.00</u>	<u>Unit heaters</u>	<u>\$16.00</u>
<u>Dishwasher</u>	<u>\$15.00</u>	<u>Evaporative coolers</u>	<u>\$15.00</u>
<u>Laundry tray</u>	<u>\$15.00</u>	<u>Ventilation fans</u>	<u>\$15.00</u>
<u>Clothes washer</u>	<u>\$15.00</u>	<u>Refrigeration unit</u>	<u>\$25.00</u>
<u>Water heater</u>	<u>\$15.00</u>	<u>Range hood</u>	<u>\$20.00</u>
<u>Urinal</u>	<u>\$15.00</u>	<u>Air handling unit</u>	<u>\$25.00</u>
<u>Drinking fountain</u>	<u>\$15.00</u>	<u>Stove</u>	<u>\$40.00</u>
<u>Floor drain</u>	<u>\$15.00</u>	<u>Fireplace and chimney</u>	<u>\$25.00</u>
<u>Backflow prevention</u>	<u>\$20.00</u>	<u>Gas piping</u>	<u>\$15.00</u>
<u>Roof drains (rain leaders)</u>	<u>\$15.00</u>	<u>Above ground tank</u>	<u>\$100.00</u>
<u>Vacuum breaker</u>	<u>\$15.00</u>	<u>Underground tank</u>	<u>\$75.00</u>
<u>Water service line</u>	<u>\$15.00</u>		

ANIMAL FEES & CHARGES	
Activity	Fee
Dog License – Unaltered Annual Fee	\$50
Dog License – Altered Annual Fee	\$10
Replacement Tag/License	\$10
Potentially Dangerous Dog License – Annual Fee	\$100
Dangerous Dog License – Annual Fee	\$200
Commercial Kennel License	\$175
Animal Shelters, Kennels, Pet Shops, Grooming Service License	\$175
Impoundment – Small Animals (dogs and cats) (SMC 8.02.170)	\$160 Monday through Friday during regular business hours and \$412 for after-hours (plus license fee, to include all city costs per animal) and double for each impoundment of the same animal during any one-year period
Impoundment – Livestock (SMC 8.02.080)	\$500 (to include all city costs per animal – including room and board) and double for each impoundment of the same animal during any one-year period
Animal Control Civil Infraction Fine (SMC 8.02.490 (2))	First violation in 365 day period \$100 Second violation in 365 day period \$200
Animal Control– 3 or more violations in a 365 day period (SMC 8.02.490 (2))	Third or subsequent offenses of this chap 8.02 within a 365-day period shall be: A misdemeanor subject to a jail term of not more than 90 days, a fine of not more than \$1,000, or both such fine and imprisonment.

CODE VIOLATION - PENALTIES	
Activity	Fee
Class A Code Violation – First Offense (SMC 13.01.045 and SMC 8.02.490 (1) re: 8.02.440 – .480)	\$250
Class A Code Violation – Second Offense (SMC 13.01.045 and SMC 8.02.490 (1) re: 8.02.440 – .480)	\$500, within first year of violation
Class A Code Violation – Third Offense (SMC 13.01.045 and SMC 8.02.490 (1) re: 8.02.440 – .480)	\$1,000, within first year of violation
Class B Code Violation – First Offense (SMC 13.01.045 and SMC 8.02.490 (1))	\$50
Class B Code Violation – Second Offense (SMC 13.01.045)	\$250, within first year of first violation
Class B Code Violation – Third Offense (SMC 13.01.045 and SMC 8.02.490 (1))	\$500, within first year of first violation
Violation Misdemeanor	A jail term of not more than 90 days, a fine of not more than \$1,000, or both such fine and imprisonment + costs
Gross Misdemeanor	A jail term of not more than 364 days, a fine of not more than \$5,000, or both such fine and imprisonment + costs
<u>PARKING</u>	
<u>Civil Infraction Fine (SMC 10.46.135)</u>	<u>\$35.00</u>
<u> If paid within 10 days*</u>	<u> \$10.00*</u>
<u>Handicapped Violation (SMC 10.46.115)</u>	<u>\$350.00</u>
<u> If paid within 10 days*</u>	<u> \$175.00*</u>

UTILITY BILLING FEES & CHARGES	
Activity	Fee
Water Disconnection Fee - Regular	\$27.50
Water Disconnection Fee - Frequent	Shut off more than once in a 12-month period \$40.00
Water Disconnection Fee – After Hours	Shut off after 4:00 pm on weekdays, weekends and holidays \$150.00
Meter Removal	\$150.00
Water Connection Fee - Regular	\$27.50
Water Connection Fee - Frequent	Turn on more than once in a 12-month period \$40.00
Water Connection Fee – After Hours	Turn on after 4:00 pm on weekdays, weekends and holidays \$150.00
Meter Reinstall	\$150.00
Meter Read Outside Normal Cycle Requested by Customer	\$15.00
Water Meter – Acts of Vandalism	Reimburse City for actual costs of repairs
NSF Check Fee	\$40.00
Irregular Check Fee	Post-dated, unsigned, or otherwise not acceptable for bank deposit \$25.00
Lien Recording or Release	Actual cost of Recording

<u>Special Events and Banner Hanging Fee other Events</u>	
<u>Activity</u>	<u>Fee</u>
<u>Application Fee</u>	<u>\$50.00</u>
<u>Banner Hanging Fee (see policy item 3 below)</u>	<u>\$180.00</u>
<u>Off Duty Police when needed is determined by Police Chief (see policy item 1 below)</u>	<u>\$50.00 per hour per officer</u> <u>\$60.00 per-hour for traffic Control</u>
<u>Overtime for Police when needed is determined by Police Chief (see policy item 1 below)</u>	<u>\$56.00 per hour for on-duty officer</u>

City Contribution Policy

1. The event sponsor is to pay the cost of off duty police and overtime for police as determined by the Stanwood Police Chief.
2. The City is to cover the cost of Public Works and Community Development employee work created by the special event if during normal work schedule, overtime will be billed to applicant.
3. For special events which request City contribution, the City will sponsor 75% of the cost of the Banner Hanging Fee when the event 1) is held in the City and 2) attracts the general public to the commercial areas.

<u>Signage</u>		
<u>Type of Sign</u>	<u>Building Permit Fee (per sign)</u>	<u>Fee</u>
<u>Monument</u>	<u>Based on Valuation</u>	<u>\$100.00</u>
<u>Freestanding</u>	<u>Based on Valuation</u>	<u>\$100.00</u>
<u>Gable</u>	<u>Based on Valuation</u>	<u>\$100.00</u>
<u>Wall and Projecting</u>	<u>Based on Valuation</u>	<u>\$100.00</u>
<u>Marquee, awnings and canopies</u>	<u>Based on Valuation</u>	<u>\$100.00</u>
<u>Variance process for any signage</u>	<u>No Fee</u>	<u>\$65.00</u>
<u>"A" Board and other portable signs</u>	<u>No Fee</u>	<u>\$10.00</u>
<u>Sign modification</u>	<u>No Fee</u>	<u>\$10.00</u>
<u>Temporary promotional display</u>	<u>No Fee</u>	<u>\$25.00</u>

Business Licenses, Temporary Merchants and Fireworks

<u>Activity</u>	<u>Fee</u>
<u>Business Licenses</u>	<u>\$50.00 Note: City of Stanwood Business Licenses are administered by the Washington State Department of Revenue's (DOR) Business Licensing Service, see: http://bls.dor.wa.gov/ to obtain a license.</u> <u>DOR information line: 1(800) 451-7985</u>
<u>Temporary Merchants Licenses</u>	
<u>Temporary Merchant</u>	<u>\$35.00</u>
<u>Peddlers & solicitors (per person)</u>	<u>\$20.00</u>
<u>Mobile unit vending</u>	<u>\$45.00</u>
<u>Charitable solicitations</u>	<u>\$45.00</u>
<u>Fireworks</u>	
<u>Fireworks</u>	<u>\$100.00</u>
<u>Taxicabs</u>	
<u>Taxicab Operator License</u>	<u>\$50.00 plus cost of background check</u>
<u>Per Vehicle Fee</u>	<u>\$25.00</u>
<u>Per Driver Fee</u>	<u>\$25.00</u>

Public Records Act –Related fees (Copying, Faxing and Transmission)

<u>Activity or item</u>	<u>Fee</u>
<u>Photocopies or printed copies</u>	<i>Fifteen cents per page for photocopies of public records, printed copies of electronic public records when requested by the person requesting records, or for the use of agency equipment to photocopy public records;</i>
<u>Scanning</u>	<i>Ten cents per page for public records scanned into an electronic format or for the use of agency equipment to scan the records.</i>
<u>Electronic files</u>	<i>Five cents per each four electronic files or attachment uploaded to email, cloud-based data storage service, or other means of electronic delivery.</i>
<u>Transmission of electronic files</u>	<i>Ten cents per gigabyte for the transmission of public records in an electronic format or for the use of agency equipment to send the records electronically. The agency shall take reasonable steps to provide the records in the most efficient manner available to the agency in its normal operations.</i>
<u>Storage Devices</u>	<i>The actual cost of any digital storage media or device provided by the agency, the actual cost of any container or envelope used to mail the copies to the requestor, and the actual postage or delivery charge.</i>

CITY OF STANWOOD
Stanwood, Washington

ORDINANCE 1458

AN ORDINANCE OF THE CITY OF STANWOOD, WASHINGTON, AMENDING VARIOUS CHAPTERS OF THE STANWOOD MUNICIPAL CODE RELATING TO MUNICIPAL FEES, AMENDING SMC SECTIONS: 2.48.020, 3.30.070, 3.30.075, 3.30.080, 3.30.090, 3.30.120, 5.04.050, 5.04.080, 5.06.050, 5.12.050, 5.12.110, 14.04.030 ESTABLISHING SEVERABILITY AND AN EFFECTIVE DATE

WHEREAS, the City charges various fees and charges that were established in different sections of the Stanwood Municipal Code, which makes it difficult for citizens to locate them, and also makes administration inefficient,

WHEREAS, the City maintains a consolidated fee resolution that is more accessible; this ordinance relocates various fees from Stanwood Municipal Code to the consolidated fee resolution.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1.A. SMC Section 2.48.020 entitled "Designated" is hereby amended to read as follows:

2.48.020 Designated.

The designated fees previously established in SMC 2.48.020 and any other fees shall hereafter be established by resolution of the City Council.

~~By reason thereof, the city clerk is authorized and directed to fix charges for such services as follows:~~

~~(1) Releasing sewer service lien: actual cost of recording;~~

~~(2) Certificate as to LID charges: \$1.00;~~

~~(3) Photocopies, no certification, per page: \$0.15;~~

~~(4) Publication charges: actual cost of publication;~~

~~(5) Sending or receiving facsimile transmittals: \$0.50 per page.~~

Section 1.B. SMC Section 3.30.070 entitled "Sign Fees" is hereby amended to read as follows:

3.30.070 Sign fees.

The sign fees previously established in SMC 3.30.070 and any other fees shall hereafter be established by resolution of the City Council.

Type of Sign	Building Permit Fee Per Application	Sign Permit Fee Per Sign
Monument	valuation	\$100.00
Freestanding	valuation	\$100.00
Gable	valuation	\$100.00
Wall and projecting	valuation	\$100.00
Marquee, awnings and canopies	valuation	\$100.00
Variance process for any signage	-	\$65.00
"A" board and other portable signs	-	\$10.00
Sign modification	-	\$10.00
Temporary promotional display	No Fee	-
Banner/encroachment over city right-of-way	-	-
(1) Banners processed with a special event permit or city sponsored	-	Established by resolution
(2) Banners for events not requiring a special event permit/not city sponsored	-	Established by resolution

(Ord. 1357 § 1, 2013; Ord. 1343 § 2, 2013; Ord. 1323 § 4, 2012; Ord. 1311 § 2, 2012; Ord. 1262 § 6, 2010; Ord. 1047A, 1999; Ord. 1047, 1998; Ord. 966, 1996; Ord. 935, 1995; Ord. 918, 1995).

Section 1.C. SMC Section 3.30.075 entitled “Building and Construction Fees” is hereby amended to read as follows:

3.30.075 Building and construction fees.

The building and construction fees previously established in SMC 3.30.075 and any other fees shall hereafter be established by resolution of the City Council.

Building permit fees	As provided in the 2015 International Building Code with valuations provided in the latest edition of the Building Safety Journal
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~~Mechanical and plumbing fees~~

Commercial Fee based on valuations provided in the latest edition of the Building Safety Journal

~~Residential Base fee of \$25.00 plus charges identified on the following table~~

Type of Fixture		Type of Equipment	
Water closet (toilet)	\$10.00	Air conditioner unit	\$20.00
Bathtub	\$10.00	Boilers	\$20.00/\$30.00/\$40.00
Lavatory (wash basin)/sink	\$10.00	Forced air system	\$20.00
Shower	\$10.00	Wall heaters	\$16.00
Kitchen sink and disposal	\$10.00	Unit heaters	\$16.00
Dishwasher	\$10.00	Evaporative coolers	\$15.00
Laundry tray	\$10.00	Ventilation fans	\$10.00
Clothes washer	\$10.00	Refrigeration unit	\$15.00
Water heater	\$10.00	Range hood	\$15.00
Urinal	\$10.00	Air handling unit	\$20.00
Drinking fountain	\$10.00	Stove	\$35.00
Floor drain	\$10.00	Fireplace and chimney	\$20.00
Backflow prevention	\$10.00	Gas piping	\$10.00
Roof drains (rain leaders)	\$10.00	Above ground tank	\$90.00
Vacuum breaker	\$10.00	Underground tank	\$60.00

Type of Fixture	Type of Equipment
Water service line \$10.00	

~~Satellite receiving permit (units three feet or more)~~ ~~\$25.00~~

~~Right of way use permit~~ ~~Established by resolution~~

~~Wireless facility lease~~ ~~\$1,000~~

(Ord. 1434 § 1, 2016; Ord. 1360 § 2, 2013; Ord. 1357 § 1, 2013; Ord. 1293 § 2, 2011; Ord. 1171 § 5, 2005; Ord. 1073 § 1, 1999; Ord. 1047A, 1999; Ord. 1047, 1998; Ord. 1008, 1998; Ord. 1002, 1997; Ord. 973, 1996).

Section 1.D. SMC Section 3.30.080 entitled “Business License Annual Fees” is hereby amended to read as follows:

3.30.080 Business license annual fees.

The business license annual fees previously established in SMC 3.30.080 and any other fees shall hereafter be established by resolution of the City Council.

~~General business~~ ~~\$50.00~~

~~Animal shelters, kennels, pet shops, grooming services, see SMC [3.30.100](#), Dog license and animal control fees.~~

(Ord. 1352 § 1, 2013; Ord. 1309 § 2, 2012; Ord. 1217 § 2, 2007; Ord. 1047A, 1999; Ord. 1047, 1998; Ord. 949, 1996).

Section 1.E. SMC Section 3.30.090 entitled “Temporary Merchants License Fees” is hereby amended to read as follows:

3.30.090 Temporary merchants license fees.

The temporary merchants license fees previously established in SMC 3.30.090 and any other fees shall hereafter be established by resolution of the City Council.

~~Temporary merchants~~ ~~\$35.00~~

Peddlers and solicitors (per person)	\$20.00
Mobile unit vending	\$45.00
Charitable solicitations	\$45.00
Special event	Established by resolution

(Ord. 1343 § 3, 2013; Ord. 1309 § 3, 2012; Ord. 1047A, 1999; Ord. 1047, 1998; Ord. 949, 1996).

Section 1.F. SMC Section 3.30.120 entitled “Stopping standing and parking” is hereby amended to read as follows:

3.30.120 Stopping, standing and parking.

The stopping, standing and parking fees previously established in SMC 3.30.120 and any other fees shall hereafter be established by resolution of the City Council.

Civil infraction fine (SMC 10.46.135)	\$35.00*
*if paid within 10 days	\$10.00
Handicapped violation (SMC 10.46.115)	\$350.00**
**if paid within 10 days	\$175.00

(Ord. 1047A, 1999; Ord. 1047, 1998).

Section 1.G. SMC Section 5.04.050 entitled “ “License – Required” ” is hereby amended to read as follows:

5.04.050 License – Required.

It is unlawful for any person, firm, copartnership or corporation to engage in the retail sale of fireworks within the city without first having obtained a license from the clerk-treasurer. ~~The annual fee to be charged for the issuance of any such retail license shall be \$10.00, which fee shall cover but one retail sales outlet.~~ (Ord. 243 § 5, 1963).

Section 1.H. SMC Section 5.04.080 entitled “License – Application – Insurance required” is hereby amended to read as follows:

5.04.080 License – Application – Insurance required.

Application for a license:

(1) Shall be made in writing accompanied by a license fee, which will be established by resolution. ~~of \$25.00;~~

(2) Shall be made on or prior to June 1st of each year. Applicants for any such license shall be notified by the clerk-treasurer of the granting or rejection of their application for license on or before June 15th of each calendar year; and, if any applicants are not granted a license, the fee shall be refunded;

(3) Shall set forth the proposed location of the fireworks stand applied for; and

(4) No retail fireworks permit may be issued to any applicant unless the retail fireworks stand is covered by a liability insurance policy with coverage of not less than \$50,000 and \$500,000 for bodily injury liability for each person and occurrence, respectively, and not less than \$50,000 for property damage liability for each occurrence, unless such insurance is not readily available from at least three approved insurance companies. If insurance in this amount is not offered, each fireworks permit shall be covered by a liability insurance policy in the maximum amount offered by at least three different approved insurance companies. (Ord. 1379 § 3, 2014; Ord. 1346, 2013; Ord. 554 § 3(d), 1980; Ord. 243 § 8, 1963).

Section 1.I. SMC Section 5.06.050, entitled “Fees” is hereby amended to read as follows:

5.06.050 Fees.

The special event permit fees previously established in SMC 3.30 shall be established by resolution. ~~Except as otherwise provided herein, fees for special event permits shall be in accordance with the fee schedule for special events provided in Chapter 3.30 SMC, Fee Schedule. (Ord. 1309 § 5, 2012).~~

Section 1.J. SMC Section 5.12.050, entitled “License – Fee” is hereby amended to read as follows:

5.12.050 License – Fee.

~~Taxi license fees shall hereafter be established by resolution of the City Council.~~
~~The occupational license fee shall be \$25.00 per year plus \$10.00 per year for each taxicab~~
~~and for hire car licensed. All such licenses shall expire on December 31st of each year and~~
~~shall not be transferable from owner to owner or from car to car.~~ (Ord. 554 § 3(f)(1), 1981;
Ord. 174 § 1, 1952; Ord. 164 § 5, 1946).

Section 1.K. SMC Section 5.12.110, entitled “Operator license – Fee required” is hereby amended to read as follows

5.12.110 Operator license – Fee required.

Each applicant shall also accompany his application with a certified check or cashier's check made payable to the clerk-treasurer, or cash in ~~the sum of \$10.00~~ an amount established by resolution, which check or cash shall be returned to the applicant if no license shall be issued hereunder, otherwise retained by the clerk-treasurer as an annual license fee. All licenses issued to drivers hereunder shall expire on December 31st of each year, unless previously revoked. The power of revocation with or without cause being expressly reserved to the council as provided in SMC 5.12.120. (Ord. 554 § 3(f)(2), 1981; Ord. 174 § 2, 1952; Ord. 164 § 11, 1946).

Section 1.L. SMC Section 14.04.030, entitled “Fees and building valuation costs” is hereby amended to read as follows:

14.04.030 Fees and building valuation costs.

The fees previously established in SMC 3.30 and any other fees shall hereafter be established by resolution of the City Council.

~~Fees shall be as provided in Chapter 3.30 SMC, Fee Schedule.~~

~~Building fees shall be based on building valuation costs from the most current issue of Building Safety Journal as published by the International Code Council.~~ (Ord. 1272 § 1, 2010).

Section 2. Severability. The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, or section of clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

Section 3. Effective Date. This Ordinance shall take effect five (5) days after its passage and publication as required by law.

PASSED AND APPROVED by the City Council of the City of Stanwood this day of ____ day of _____ 2018.

CITY OF STANWOOD

By: _____
Leonard Kelley, Mayor

ATTEST:

By: _____
David A. Hammond, City Clerk

APPROVED AS TO FORM:

By: _____
Grant Weed, City Attorney

Date of Publication: _____
Effective Date: _____

EXHIBIT 1

Revised Consolidated Fee Schedule – effective July 23, 2018

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LAND USE FEES AND CHARGES	
Activity	Fee
Public Notice	\$60 per required publication Plus actual cost if greater
Floodplain Certificate Development Permit	Free
SEPA	\$275 non-project \$450 other
SEPA Addendum	\$72/hour
EIS	Direct 100% of consultant cost plus staff hourly rate
FPA Waiver	\$800 Plus \$100/acre over 5 Plus cost of hearing
Grading	\$250 -- 50 to 499 Cubic Yards \$500 -- 500 to 1000 Cubic Yards \$750 -- Over 1,000 Cubic Yards
Preliminary Short Plat ¹	\$3,600
Preliminary Long Plat ¹	\$7,000 Plus \$250/lot Plus cost of hearing
Plat Amendment	\$72/hour, Plus cost of hearing
Final Plat/PRD	\$700 + \$125 per lot
Binding Site Plan ¹	\$3,000, Plus \$300/lot
Preliminary PRD/PUD ¹	\$5,550 Plus \$250/lot Plus cost of hearing
Development Agreement ¹	\$2,000, Plus cost of hearing
Administrative Variance	\$600
Hearing Examiner Variance	\$1,200, Plus cost of hearing
Comprehensive Plan Amendment	\$1,500
Administrative Interpretation	\$100
Administrative Decision, Modification, Adjustment	\$100 first application \$125 each additional application
Annexation	\$1,000

¹Includes first engineering review, additional reviews charged at cost

LAND USE FEES AND CHARGES	
Activity	Fee
Boundary Line Adjustment	\$950
Administrative Conditional Use	\$100
Conditional Use	\$1,000, Plus cost of hearing
Unclassified Use Determination	\$100
Wireless Communication Facility	\$2,000
Rezone	\$1,000
Zoning Text Amendment	\$800
Shoreline Conditional Use	\$950, Plus cost of hearing
Shoreline Substantial Development	\$500 < \$100k \$1,000 > \$100k<250K \$2,000 > 250k
Driveway Permit	\$80
Demolition	\$50 Shed \$150 Single Family Residence \$250 Commercial
Critical Areas	\$25 Exemption (non-Flood) \$50 Exemption (Flood/non-Flood) \$250 Checklist SFR/Duplex \$350 Checklist Other \$350 Critical Areas Report/Checklist Peer review at cost Plus 100% consultant cost
Technology Fee (applied to all permit transactions)	3%, Except 5% site development fee, Construction Plan Fee, impact fees, and mitigation fees
Landscape Plan	\$400, Plus 100% consultant cost
Landscape Plan Modification	\$200, Plus 100% consultant cost
Landscape Inspections	\$150 \$50 re-inspections Plus 100% Consultant cost
Adult Family Home Application	\$75, per application
Pre-Application	\$300, plus 100% Consultant cost, if applicable
Temporary Use	\$25
Permit Extensions	\$100
Appeal	\$500, Plus cost of hearing

LAND USE FEES AND CHARGES	
Activity	Fee
Reconsideration	\$200, Plus cost of hearing
Certificate and temporary certificate of/change of occupancy	\$25 (fee may be applied to building permits if required for certificate)
Concurrency evaluation ¹	\$400 plus consulting fees for engineering review plus 100% Consultant cost, if applicable
Concurrency reconsideration	\$200 plus consulting fees for engineering review plus 100% Consultant cost, if applicable
Encroachment Permit	New structures, \$50 No Fee for existing structures permitted by 2016
Right-of-way Vacation	\$350
Right-to-Farm (under 10 acres)	\$50
Right-to-Farm (10 acres or greater)	\$100
Water/Sewer Certificate of Availability	\$500 per certificate
Fire Plan Check	\$100
Re-Inspection Fee	\$75
Postage	At cost
Copies	\$.15/page side @ 8 1/2"x11"
Publications	Actual cost

¹ Includes first engineering review, additional reviews charged at cost

Site Development Fee	
Activity	Fee
Minor	\$125 + Actual Cost of Consultant time if applicable (see Consultant Fee) for projects between \$0 and \$5,000 valuation
	\$250+ Actual Cost of Consultant time if applicable (see Consultant Fee) for projects between \$5,001 and \$15,000 valuation
	\$500 + Actual Cost of Consultant time if applicable (see Consultant Fee) for projects between \$15,001 and \$30,000 valuation
	\$1,000 + Actual Cost of Consultant time if applicable (see Consultant Fee) for projects over \$30,000 valuation
Major	\$2,000 for first two reviews + each additional review will be charged: a) \$75 per hour staff time and/or b) Actual Cost of Consultant time if applicable (see Consultant Fee)
Construction Plan	
Activity	Fee
Residential developments 1- 9 units	\$1,500 + \$100 per lot for first two reviews + each additional review will be charged either charge: a) \$75 per hour staff time and/or b) Actual Cost of Consultant time (see Consultant Fee)
Residential developments 10 or more units	\$1,500 + \$150 per lot for first two reviews + each additional review will be charged: a) \$75 per hour staff time and/or b) Actual Cost of Consultant time if applicable (see Consultant Fee)
Commercial and/or non-residential developments	\$5,000 for first two reviews + each additional review will be charged: a) \$75 per hour staff time and/or b) Actual Cost of Consultant time if applicable (see Consultant Fee)
Consultant Fees (when applicable)	Applicant pays actual cost charged plus 5% administrative fee

Inspection Fee¹ (Government Facilities Exempted³)	
Activity	Fee
\$0 - \$500,000 value	3.50% of Estimated Engineers Construction Cost²
> \$500,000 value (See Note 1, below)	2.00% of Estimated Engineers Construction Cost²

Notes:

- 1. Minimum Inspection Fee \$19,500 and Maximum Inspection Fee \$60,000**
- 2. Includes labor, equipment, materials, overhead, and profit**
- 3. “Governmental Facility” means a facility wholly or partially funded by tax dollars including government of the United States, the governments of the state of Washington, Snohomish County, the City of Stanwood, Regional Fire Authorities, Public Schools, Colleges, and Universities.**

Right of Way Permit	
Activity	Fee
Underground Utilities Boring - First 100 LF, plus	\$150
per additional 1,000 LF	\$150
Street Cuts over 50 LF of Trenching - First 100 LF, plus	\$150
Per additional 100 LF, up to 1,000 LF	\$40
Per 100 LF or portion thereafter	\$18
Utility Poles - First 6 poles, plus	\$75
Per each additional pole	\$10
Residential Driveway	\$100
Commercial Driveway	\$150

BUILDING PERMITS			
Activity		Fee	
Commercial		As provided in the latest International Building Code with valuations provided in the latest edition of the Building Safety Journal	
Commercial Mechanical & Plumbing Fees		Fee based on the latest edition of the Building Safety Journal	
Residential Mechanical & Plumbing Fees		Base fee of \$25, plus charges identified in the following table:	
Type of Fixture		Type of Equipment	
Water closet (toilet)	\$15.00	Air conditioner unit	\$25.00
Bathtub	\$15.00	Boilers	\$20.00/\$30.00/\$40.00
Lavatory (wash basin)/sink	\$15.00	Forced air system	\$25.00
Shower	\$15.00	Wall heaters	\$16.00
Kitchen sink and disposal	\$15.00	Unit heaters	\$16.00
Dishwasher	\$15.00	Evaporative coolers	\$15.00
Laundry tray	\$15.00	Ventilation fans	\$15.00
Clothes washer	\$15.00	Refrigeration unit	\$25.00
Water heater	\$15.00	Range hood	\$20.00
Urinal	\$15.00	Air handling unit	\$25.00
Drinking fountain	\$15.00	Stove	\$40.00
Floor drain	\$15.00	Fireplace and chimney	\$25.00
Backflow prevention	\$20.00	Gas piping	\$15.00
Roof drains (rain leaders)	\$15.00	Above ground tank	\$100.00
Vacuum breaker	\$15.00	Underground tank	\$75.00
Water service line	\$15.00		

ANIMAL FEES & CHARGES	
Activity	Fee
Dog License – Unaltered Annual Fee	\$50
Dog License – Altered Annual Fee	\$10
Replacement Tag/License	\$10
Potentially Dangerous Dog License – Annual Fee	\$100
Dangerous Dog License – Annual Fee	\$200
Commercial Kennel License	\$175
Animal Shelters, Kennels, Pet Shops, Grooming Service License	\$175
Impoundment – Small Animals (dogs and cats) (SMC 8.02.170)	\$160 Monday through Friday during regular business hours and \$412 for after-hours (plus license fee, to include all city costs per animal) and double for each impoundment of the same animal during any one-year period
Impoundment – Livestock (SMC 8.02.080)	\$500 (to include all city costs per animal – including room and board) and double for each impoundment of the same animal during any one-year period
Animal Control Civil Infraction Fine (SMC 8.02.490 (2))	First violation in 365 day period \$100 Second violation in 365 day period \$200
Animal Control– 3 or more violations in a 365 day period (SMC 8.02.490 (2))	Third or subsequent offenses of this chap 8.02 within a 365-day period shall be: A misdemeanor subject to a jail term of not more than 90 days, a fine of not more than \$1,000, or both such fine and imprisonment.

CODE VIOLATION - PENALTIES		
Activity	Fee	
Class A Code Violation – First Offense (SMC 13.01.045 and SMC 8.02.490 (1) re: 8.02.440 – .480)	\$250	
Class A Code Violation – Second Offense (SMC 13.01.045 and SMC 8.02.490 (1) re: 8.02.440 – .480)	\$500, within first year of violation	
Class A Code Violation – Third Offense (SMC 13.01.045 and SMC 8.02.490 (1) re: 8.02.440 – .480)	\$1,000, within first year of violation	
Class B Code Violation – First Offense (SMC 13.01.045 and SMC 8.02.490 (1))	\$50	
Class B Code Violation – Second Offense (SMC 13.01.045)	\$250, within first year of first violation	
Class B Code Violation – Third Offense (SMC 13.01.045 and SMC 8.02.490 (1))	\$500, within first year of first violation	
Violation Misdemeanor	A jail term of not more than 90 days, a fine of not more than \$1,000, or both such fine and imprisonment + costs	
Gross Misdemeanor	A jail term of not more than 364 days, a fine of not more than \$5,000, or both such fine and imprisonment + costs	
PARKING		
Civil Infraction Fine (SMC 10.46.135) If paid within 10 days*	\$35.00	\$10.00*
Handicapped Violation (SMC 10.46.115) If paid within 10 days*	\$350.00	\$175.00*

UTILITY BILLING FEES & CHARGES	
Activity	Fee
Water Disconnection Fee - Regular	\$27.50
Water Disconnection Fee - Frequent	Shut off more than once in a 12-month period \$40.00
Water Disconnection Fee – After Hours	Shut off after 4:00 pm on weekdays, weekends and holidays \$150.00
Meter Removal	\$150.00
Water Connection Fee - Regular	\$27.50
Water Connection Fee - Frequent	Turn on more than once in a 12-month period \$40.00
Water Connection Fee – After Hours	Turn on after 4:00 pm on weekdays, weekends and holidays \$150.00
Meter Reinstall	\$150.00
Meter Read Outside Normal Cycle Requested by Customer	\$15.00
Water Meter – Acts of Vandalism	Reimburse City for actual costs of repairs
NSF Check Fee	\$40.00
Irregular Check Fee	\$25.00 -- Post-dated, unsigned, or otherwise not acceptable for bank deposit
Lien Recording or Release	Actual cost of Recording

Special Events and Banner Hanging Fee other Events	
Activity	Fee
Application Fee	\$50.00
Banner Hanging Fee (see policy item 3 below)	\$180.00
Off Duty Police when needed is determined by Police Chief (see policy item 1 below)	\$50.00 per hour per officer \$60.00 per hour for traffic Control
Overtime for Police when needed is determined by Police Chief (see policy item 1 below)	\$56.00 per hour for on-duty officer

City Contribution Policy

1. The event sponsor is to pay the cost of off duty police and overtime for police as determined by the Stanwood Police Chief.
2. The City is to cover the cost of Public Works and Community Development employee work created by the special event if during normal work schedule, overtime will be billed to applicant.
3. For special events which request City contribution, the City will sponsor 75% of the cost of the Banner Hanging Fee when the event 1) is held in the City and 2) attracts the general public to the commercial areas.

Signage		
Type of Sign	Building Permit Fee (per sign)	Fee
Monument	Based on Valuation	\$100.00
Freestanding	Based on Valuation	\$100.00
Gable	Based on Valuation	\$100.00
Wall and Projecting	Based on Valuation	\$100.00
Marquee, awnings and canopies	Based on Valuation	\$100.00
Variance process for any signage	No Fee	\$65.00
“A” Board and other portable signs	No Fee	\$10.00
Sign modification	No Fee	\$10.00
Temporary promotional display	No Fee	\$25.00

Business Licenses, Temporary Merchants and Fireworks	
Activity	Fee
Business Licenses	\$50.00 Note: City of Stanwood Business Licenses are administered by the Washington State Department of Revenue's (DOR) Business Licensing Service, see: http://bls.dor.wa.gov/ to obtain a license. DOR information line: 1(800) 451-7985
Temporary Merchants Licenses	
Temporary Merchant	\$35.00
Peddlers & solicitors (per person)	\$20.00
Mobile unit vending	\$45.00
Charitable solicitations	\$45.00
Fireworks	\$100.00
Taxicabs	
Taxicab Operator License	\$50.00 plus cost of background check
Per Vehicle Fee	\$25.00
Per Driver Fee	\$25.00

Public Records Act –Related fees (Copying, Faxing and Transmission)	
Activity or item	Fee
Photocopies or printed copies	<i>Fifteen cents per page for photocopies of public records, printed copies of electronic public records when requested by the person requesting records, or for the use of agency equipment to photocopy public records;</i>
Scanning	<i>Ten cents per page for public records scanned into an electronic format or for the use of agency equipment to scan the records.</i>
Electronic files	<i>Five cents per each four electronic files or attachment uploaded to email, cloud-based data storage service, or other means of electronic delivery.</i>
Transmission of electronic files	<i>Ten cents per gigabyte for the transmission of public records in an electronic format or for the use of agency equipment to send the records electronically. The agency shall take reasonable steps to provide the records in the most efficient manner available to the agency in its normal operations.</i>
Storage Devices	<i>The actual cost of any digital storage media or device provided by the agency, the actual cost of any container or envelope used to mail the copies to the requestor, and the actual postage or delivery charge.</i>



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 8b

DATE: June 28, 2018

SUBJECT: Resolution 2018-16 Placing Annexation into the NCRFA on the November 2018 Ballot

CONTACT PERSON: David A. Hammond, Finance Director

ATTACHMENTS: A – Resolution 2018-16 Placing Annexation into the NCRFA on the November 2018 Ballot
B – NCRFA Resolution adopting an amendment to the RFA Plan
C – NCRFA Service Plan
D – ILA for Fire Services

ISSUE

Should the city council adopt Resolution 2018-16 declaring the city's intent to place a measure on the November 2018 general election ballot concerning annexation to join the North County Regional Fire Authority (NCRFA)?

RECOMMENDATION

The city council should adopt Resolution 2018-16 declaring the city's intent to place a measure on the November 2018 general election ballot concerning annexation to join the NCRFA.

SUMMARY

On February 8, 2018, council approved Resolution 2018-02 requesting the NCRFA amend the RFA plan to allow City of Stanwood annexation. On June 13, 2018, the NCRFA adopted an amendment to the RFA plan to establish terms and conditions for the annexation of the City of Stanwood (Attachment B & C). To proceed with annexation, the next step for council will be to adopt Resolution 2018-16 placing a ballot measure on the November 2018 general election ballot.

DISCUSSION

If council chooses to adopt the resolution, the NCRFA and the city will develop and negotiate a pre-annexation agreement. The annexation measure must be submitted to

Snohomish County Elections no later than August 7, 2018 in order to ensure the item is placed on the November 2018 ballot. If annexation occurs, the city will enter into an agreement for provision of services including, plan review and inspection, fire code enforcement, investigations, and oversight and coordination on the city's Emergency Operations Plan, and assignment of a command staff level fire representative to the city's Emergency Operations Center. The authority will also maintain the city emergency operations center at Fire Station 99.

FINANCIAL IMPACT

The financial impact of annexation into the RFA will vary depending on the levy rates of the city and the RFA in a given year. The amount in a given year may be a net cost to the city or a net gain, ranging to as much as a \$100,000 difference. The amount depends on the timing and feasibility of property tax levy lid lifts in each jurisdiction. The annual cost to the city for RFA fire marshal services is estimated to be \$43,700.

CITY COUNCIL OPTIONS

1. Adopt Resolution 2018-16 declaring the city's intent to place a measure on the November 2018 general election ballot concerning annexation to join the NCRFA.
2. Do not adopt Resolution 2018-16 declaring the city's intent to place a measure on the November 2018 general election ballot concerning annexation to join the NCRFA, and direct staff to address specific council concerns or provide additional information.
3. Do not adopt Resolution 2018-16 declaring the city's intent to place a measure on the November 2018 general election ballot concerning annexation to join the NCRFA.

RECOMMENDED MOTION

I MOVE TO ADOPT RESOLUTION 2018-16 CALLING FOR A SPECIAL ELECTION ON THE NOVEMBER 6, 2018 GENERAL ELECTION DATE, FOR VOTERS OF THE CITY OF STANWOOD TO APPROVE OR REJECT THE ANNEXATION OF THE CITY OF STANWOOD TO BE PART OF THE NORTH COUNTY REGIONAL FIRE AUTHORITY.

**CITY OF STANWOOD
Stanwood, Washington**

RESOLUTION NO. 2018-16

**A RESOLUTION OF THE CITY OF STANWOOD,
WASHINGTON, CALLING FOR A SPECIAL ELECTION ON
THE NOVEMBER 6, 2018 GENERAL ELECTION DATE,
CONCERNING ANNEXATION TO JOIN THE NORTH
COUNTY REGIONAL FIRE AUTHORITY (NCRFA)**

WHEREAS, RCW 52.04.071 establishes the procedure for elections concerning annexation of a city into a fire protection district; and

WHEREAS, On February 8, 2018, the City of Stanwood adopted Resolution No. 2018-02 stating the City's intent to annex into the NCFRA and making a finding that the public interest will be served thereby, authorizing the mayor to execute an interlocal agreement regarding such annexation, authorizing the filing of a notice of intention with the Snohomish County Boundary Review Board; and

WHEREAS, likewise on June 13, 2018 the Board of Fire Commissioners of NCRFA concurred in the annexation pursuant to Resolution No. 06132018-02; and

WHEREAS, notification of intent to annex is being transmitted to the Snohomish County Council wherein the City of Stanwood and the NCRFA are situated;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STANWOOD, WASHINGTON AS FOLLOWS:

Section 1. Pursuant to RCW 52.04.071, the City of Stanwood requests that the Snohomish County Council place a proposition on the ballot of a Special Election to be held on November 6, 2018 General Election date, or as soon thereafter as possible for voters in the City of Stanwood to approve or reject the annexation of the City of Stanwood to be part of the NCRFA substantially as follows:

**Shall the City of Stanwood be annexed to and be a part of the
North County Regional Fire Authority?**

YES _____
NO _____

ADOPTED AND APPROVED by the City Council of the City of Stanwood, Washington on this 28TH day of June, 2018.

Mayor

ATTEST:

David A. Hammond, City Clerk

Approved as to form:

Grant K. Weed, City Attorney

NORTH COUNTY REGIONAL FIRE AUTHORITY

RESOLUTION NO. 06132018-02

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF NORTH COUNTY REGIONAL FIRE AUTHORITY ADOPTING AN AMENDMENT TO THE RFA PLAN TO ESTABLISH TERMS AND CONDITIONS FOR THE ANNEXATION OF THE CITY OF STANWOOD.

WHEREAS, NCRFA currently contracts with the City of Stanwood ("City") to provide fire protection, emergency medical services and related services to the City; and

WHEREAS, on February 8, 2018, the City Council approved Resolution No. 2018-02 requesting that NCRFA amend the Regional Fire Protection Service Authority Plan (the "Plan") to allow the annexation of the City into NCRFA; and

WHEREAS, NCRFA is desirous of allowing the City to annex into NCRFA and has amended the Plan to provide for such annexation.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF NORTH COUNTY REGIONAL FIRE AUTHORITY DO HEREBY RESOLVE AS FOLLOWS:

SECTION I. The Board of Commissioners of NCRFA hereby adopts the Plan attached hereto as Appendix A (the "Amended Plan") which contains terms and conditions relevant to the annexation of the City into NCRFA.

SECTION II. Pursuant to RCW 52.26.300, this Resolution and the Amended Plan shall be submitted to the City so that the City Council may take action to adopt a resolution approving both the annexation and the Amended Plan. Following the City Council's adoption of such a resolution, an election may be held in the City as provided in RCW 52.26.300 for the voters within the City to approve the annexation and the Amended Plan.

ADOPTED at a regular meeting of the Board of Commissioners of North County Regional Fire Authority on the 13th day of June, 2018, the following commissioners being present and voting.

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

District Secretary

NORTH COUNTY REGIONAL FIRE AUTHORITY (RFA) SERVICE PLAN

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SECTION 1	BACKGROUND & NEEDS STATEMENTS
Revision	The BACKGROUND & NEEDS STATEMENTS section of the RFA Plan is subject to amendment by a majority vote of the RFA Governance Board.
Adopted	
Revised	

A. Background and Needs:

(1) The ability to respond to emergency situations by fire protection / emergency medical services jurisdictions has not kept up with the community's needs and special service demands, particularly in rapidly growing suburban areas;

(2) Providing a fire protection and emergency medical service system requires a shared partnership and responsibility among the local and regional governments.

(3) There are efficiencies to be gained by regional fire protection / emergency medical service delivery while retaining local control; and

(4) Timely development of significant projects can best be achieved through enhanced funding options for regional fire protection / emergency medical service agencies, using already existing taxing authority to address fire protection / emergency service needs and new authority to address critical fire protection projects and emergency services.

(5) The City of Stanwood and North County Regional Fire Authority (referred to herein as "NCRFA") have had a cooperative partnership, striving to provide the highest level of fire and emergency services to our community within the confines of available resources through an interlocal agreement for services. The City and NCRFA believe that annexation of the City into the RFA is in the best interests of the community.

RFA SECTION 1 PLAN REVISION:

The **NEEDS STATEMENT** section of the **(RFA) Plan** is subject to amendment by a majority vote of the RFA Governance Board.

SECTION 2	DEFINITIONS
Revision	The DEFINITIONS section of the RFA Plan is subject to amendment by a majority vote of the RFA Governance Board.
Adopted	
Revised	

NORTH COUNTY FIRE / EMS AUTHORITY PLAN DEFINITIONS:

The definitions in this section apply throughout this NCRFA Plan, unless the context clearly requires otherwise.

1. **"Board", "Governance Board", or "Governing Board"** means the governing body of North County Fire / EMS.
2. **"City"** means the City of Stanwood.
3. **"Existing City Interlocal"** means the Interlocal Agreement between the RFA and the City dated March 8, 2012.
4. **"Effective Date"** means January 1, 2019.
5. **"Interlocal Agreement" or "ILA"** means any interlocal service agreement between the RFA and the City of Stanwood in providing certain administrative and support services per the adopted Plan.
6. **"Participating Jurisdictions"** means the municipal jurisdictions joining the North County Fire / EMS Authority in accordance with RCW 52.26. The original Participating Jurisdictions were Snohomish County Fire Districts 14 and 18, both of which were dissolved by a vote of the citizens within each district in 2017.
7. **"North County Regional Fire Authority" or "NCRFA"** means a municipal corporation, an independent taxing authority within the meaning of Article VII, Section 1 of the state Constitution, and a taxing district within the meaning of Article VII, Section 2 of the state Constitution, whose boundaries are coextensive with two or more adjacent fire protection jurisdictions and that has been created by a vote of the people under RCW 52.26 to implement a *North County Regional Fire Authority Plan*.
8. **"North County Regional Fire Authority Plan" or "Plan"** means a plan to develop and finance North County Fire / EMS, including, but not limited to, specific capital projects, fire operations and emergency service operations pursuant to RCW 52.26.040(3)(b), and the preservation and maintenance of existing or future facilities and services.

RFA SECTION 2 PLAN REVISION DISPOSITION:

The **DEFINITIONS** section of the **RFA Plan** is subject to amendment or revision only by a majority vote of the RFA Governance Board.

SECTION 3	FORMATION
Revision	The FORMATION section of the RFA Plan is subject to amendment by being re-submitted to the electorate for approval.
Adopted	
Revised	

REFERENCE:

1. Authority to form a North County Regional Fire Authority between the Snohomish County Fire Protection District 14 and Snohomish County Fire Protection District 18 is authorized by RCW 52.26.
2. Authority and empowerment of the **PLANNING COMMITTEE** is provided by RCW 52.26.030.
3. Appointment and participation on the Planning Committee includes the three Fire Commissioners of each respective jurisdiction in accordance with RCW 52.26.030.
4. Upon successful development and approval of the NCRFA Plan by the NCRFA Planning Committee, the NCRFA Plan shall be brought to each participating jurisdiction's boards of fire commissioners for approval and adoption by resolution for placement of the NCRFA Plan on the ballot for approval by the respective voters.

ACTIVITY/OPERATION:

1. No current activity or operation of Snohomish County Fire District 14 or Snohomish County Fire District 18 will change during the planning period of the NCRFA.
2. Should the NCRFA Plan be ratified with a successful vote by the collective electorate of Snohomish County Fire Protection District 14 and Snohomish County Fire Protection District 18 shall be formed on January 1, 2008.

ASSETS/DOCUMENTATION TRANSFERRED:

1. No transfer of current assets, equipment, documents, contracts, agreements, or records of Snohomish County Fire District 14 and Snohomish County Fire District 18 will occur during the planning period of the NCRFA.
2. The transfer of assets, equipment, documents, contracts, agreements, and records to the NCRFA from the respective participating Fire Districts shall occur on January 1, 2008 and be in accordance with the Objectives identified in this NCRFA Plan.

NORTH COUNTY FIRE / EMS AUTHORITY PLAN REVISION DISPOSITION:

The **AUTHORITY** portion of the NCRFA Plan is subject to alteration only by a revised NCRFA Plan being re-submitted to the electorate for approval.

SECTION 4	ANNEXATION OF CITY OF STANWOOD
Revision	The ANNEXATION OF CITY OF STANWOOD section of the RFA Plan is subject to amendment or revision only by submission of a revised RFA Plan to the electorate for approval.
Adopted	
Revised	

A. REGIONAL FIRE PROTECTION SERVICE AUTHORITY

1. The North County Regional Fire Authority Plan was initially approved by the voters of Snohomish County Fire Districts 14 and 18 on November 6, 2007, and NCRFA was formed on January 1, 2008.
2. Chapter 52.26.300 RCW provides statutory authority for the annexation of additional participating jurisdictions into a Regional Fire Authority.

B. REVISED RFA PLAN APPROVAL

1. On February 8, 2018, the City of Stanwood adopted Resolution No. 2018-02 requesting annexation into NCRFA.
2. On June 13, 2018, the Governing Board of NCRFA adopted Resolution No. 06132018-02 to amend the RFA Plan to establish terms and conditions of the requested annexation by the City of Stanwood. The Amended Plan and the measure for the City to annex into the RFA is being submitted to the voters of the City at the general election on November 6, 2018 as a single ballot measure that must be approved by a simple majority.
3. If the City voters approve the annexation and the Amended RFA Plan at the November, 2018 general election, then on January 1, 2019:
 - a. The annexation of the City into the RFA will be effective in accordance with RCW 52.26.300, at which time the City will become a Participating Jurisdiction in the RFA.
 - b. The boundaries of the RFA shall be as shown on the map attached hereto and in **Appendix A** of this RFA Plan.

This Amended Plan will be void and of no force and effect if the voters of the City do not approve the ballot measure at the November, 2018 general election.

C. CHANGES IN JURISDICTIONAL BOUNDARIES AFTER FORMATION OF THE RFA BASED ON CITY ACTIONS

1. Boundary changes that do not require an RFA Plan amendment:
 - 1.1. City annexations of areas included within the boundaries of the RFA. Such annexations will not affect the RFA since the areas will already be within the

RFA boundaries. Pursuant to RCW 52.26.290 there will be no required asset or employee transfers.

- 1.2. City annexations of areas not included within the RFA. On the effective date of such annexation, the territory annexed shall automatically be included within the boundaries of the RFA pursuant to RCW 52.26.290. The territory added to the RFA by such annexation shall be subject to the taxation, charges, and bonded indebtedness (if approved as part of the annexation process) of the RFA. Any transfer of assets or employees that occurs because of annexation shall be between the transferring entity and the RFA.

RFA SECTION 5 PLAN REVISION DISPOSITION:

The **ANNEXATION OF THE CITY OF STANWOOD** section of the **Plan** may be amended by a majority vote of the RFA Governance Board.

SECTION 5	JURISDICTIONAL BOUNDARIES
Revision	The JURISDICTIONAL BOUNDARIES section of the RFA Plan is subject to amendment or revision only by a majority vote of the RFA Governance Board.
Adopted	
Revised	

REFERENCE:

1. The authority to define the jurisdiction of the North County Regional Fire Authority is provided by RCW 52.26.030.

ACTIVITY/OPERATION TRANSFERRED:

1. The jurisdictional boundaries of the NCRFA shall be the legal boundaries of each Participating Jurisdiction, which boundaries are depicted on the map attached hereto and marked as Appendix A of this Plan, and shall be transferred on January 1, 2008 upon successful approval by the collective electorate.
2. Until such time as Snohomish County Fire District 14 or Snohomish County Fire District 18 is dissolved, all annexations by either fire district shall automatically be transferred into the NCRFA in accordance with RCW 52.26.290. The territory added to the NCRFA by annexation to a participating jurisdiction shall be thereafter subject to the taxation, charges, and bonded indebtedness of the NCRFA in the same means as the RFSPA.
3. The jurisdictional boundaries of NCRFA shall be amended to reflect any annexations of fire protection jurisdictions into NCRFA pursuant to RCW 52.26.300.

ASSETS TRANSFERRED:

1. Transfer of authority and jurisdiction for the NCRFA from the respective participating fire districts shall occur on January 1, 2008 in accordance with the Objectives identified in this NCRFA Plan.

NORTH COUNTY FIRE / EMS AUTHORITY PLAN REVISION DISPOSITION:

The **JURISDICTION** portion of the NCRFA Plan is subject to alteration only by a revised NCRFA Plan being re-submitted to the electorate for approval.

SECTION 6	FUNDING and FINANCE
Revision	The FUNDING and FINANCE section of the RFA Plan is subject to amendment or revision by the Governing Board except when voter approval is required by statute.
Adopted	
Revised	

A. INTERIM RFA FINANCES

1. The operation and administration of the RFA shall be funded by the following:
 - 1.1 Tax levies of the RFA.
 - 1.2 Because the City annexed into the RFA after August 1, 2018, the RFA will be unable to levy its taxes within the jurisdictional limits of the City in 2018 for collection in 2019. Accordingly, for calendar year 2019, the City will pay to the RFA an amount equal to the 2019 NCRFA levy rate times the City of Stanwood 2018 Assessed Valuation in four equal payments within one month of the end of each quarter.
 - 1.3 Service contract revenues, if any.
 - 1.4 Impact Fees and Sepa Mitigation, as specified below.

B. RFA REVENUES

1. **Tax Levies.** The RFA shall be authorized to levy and collect taxes in accordance with RCW 52.26.050(1)(b) at a tax levy rate not to exceed \$1.50 per thousand of assessed valuation for the fire levy and at a tax levy rate not to exceed \$0.50 per thousand of assessed valuation for its EMS levy.
2. **Service Contracts.** To the extent permitted by law, the RFA Governance Board shall have the authority to pursue and contract with agencies and entities exempt from property taxes in accordance with RCW 52.30.020 and related statutes.
3. **Fire Impact and Mitigation Fees.** The RFA may enter into interlocal agreements with Snohomish County and/or the City of Stanwood to collect such fees.
4. **Transport Fees.** The RFA Board will charge and collect transport fees in accordance with policies adopted by the RFA Governing Board.
5. **Ground Emergency Medical Transport.** The RFA may seek to recover Ground Emergency Medical Transport Supplemental Reimbursement.
6. **Impact Fees and SEPA Mitigation.** The City, under certain circumstances, has the ability to impose impact fees and/or require actions of mitigation which may have an impact upon fire protection for development or other activities within the City. Prior to the issuance of a SEPA threshold determination for an annexation, development or other activity within the city which: (i) may materially increase the cost of providing the administrative and operational services specified

herein; and for which the City may charge an impact fee and/or require mitigation, the City and the Fire Authority shall meet and discuss the impact on the services provided by the RFA and the appropriate mitigation or impact fee. Should the City impose such fees, the fees shall be placed into a special reserve account maintained by the City until they are expended on mitigation. The RFA and the City agree that final authority to impose impact fees for fire shall remain with the City.

7. Additional Revenue Options. The RFA Governing Board shall have the authority to pursue, subject to any applicable statutory voter approval requirements and the RFA Plan Amendment, if required, all additional revenue sources authorized by law including, but not limited to, revenue sources specifically identified in Title 52 RCW and Title 84 RCW that are not otherwise addressed in chapter 52.26 RCW.

C. TRANSFER OF ASSETS

1.1. City Assets. On the Effective Date, the City shall immediately transfer to the RFA the following assets:

- a. The real property identified in Appendix C and any building fixtures, furniture and contents thereof. The transfer of Station 99 to the RFA shall contain a reversionary interest providing that the title to the land and the station will return to the City if the fire station ever ceases to be used for fire and/or emergency medical services by the RFA. The City is transferring real property identified in Appendix C and any building fixtures, furniture and contents thereof 'as-is' no warranties attached. The RFA accepts the real property identified in Appendix C and any building fixtures, furniture and contents thereof 'as-is' no warranties attached. Additionally, upon the transfer of the real property identified in Appendix C and any building fixtures, furniture and contents thereof the City has no further maintenance obligations or responsibilities including but not limited those in the March 8, 2012 Interlocal agreement. .

Note: The RFA would continue to permit the City to utilize the large meeting room in Station 99 as necessary for community needs. The terms of scheduling and use of such meeting room will be by mutual agreement.

- b. All mitigation fees held pursuant to paragraph 6.6 of the Interlocal Agreement dated March 8, 2012 between the RFA and the City.
- c. Unless otherwise specified herein, no City funds shall be transferred to the RFA.
- d. All reports, documents, surveys, books, records, files, papers, or written material used by the City to carry out the fire protection and emergency services powers, functions, and duties of the City that are owned by or in the possession of the City.

1.2. City Water Systems. City water systems including fire hydrants and related appurtenances shall not be transferred and shall remain City property.

2. Condition of Assets. All assets transferred by the City based on the Plan and any subsequent agreements shall be transferred on an "as is/where is" condition.

D. LIABILITIES

1. On the Effective Date, the RFA shall assume the following liabilities of the City:

- 1.1** Continued periodic fire related payment obligations of the City's interlocal agreement with Snohomish County 911 and SERS.
 - 1.2** Future fire-related capital investment obligations to SERS and Snohomish County 911.
- 2.** The following City Debt/Liabilities shall be retained by the City:
 - 2.1** The City will retain the liability for the outstanding bond debt on Station 99 and to continue to levy tax through 2020 or later as needed to make such payments.

RFA SECTION 6 PLAN REVISION DISPOSITION:

The **FUNDING AND FINANCE** section of the **RFA Plan** is subject to amendment or revision by majority vote of the Governing Board except when voter approval is required by statute.

SECTION 7	GOVERNANCE
Revision	The GOVERNANCE section of the RFA Plan is subject to amendment or revision only by a majority vote of the RFA Governance Board.
Adopted	
Revised	

A. GOVERNING BOARD STRUCTURE AND OPERATION

- 1. Governing Board.** As provided by RCW 52.26.080, the RFA Governing Board shall be established consistent with the terms of this Section and shall have authority as of the Effective Date.
- 2. Governing Board.** Upon the Effective Date, the Governing Board shall include seven (7) voting members, consisting of five (5) seated elected Commissioners from the RFA and two (2) elected officials from the City to be appointed by the City Council.
 - **Position 1 (Commissioner District No. 1).** This position will be initially filled by the RFA Commissioner currently serving in RFA Position No. 2 and will expire on December 31, 2019. Thereafter, this position will be filled by a registered voter residing within Commissioner District No. 1.
 - **Position 2 (Commissioner District No. 2).** This position will be initially filled by a City elected official appointed by the City Council and will expire on December 31, 2019. Thereafter, this position will be filled by a registered voter residing within Commissioner District No. 2.
 - **Position 3 (Commissioner District No. 3).** This position will be initially filled by a City elected official appointed by the City Council and will expire on December 31, 2019. Thereafter, this position will be filled by a registered voter residing within Commissioner District No. 3.
 - **Position 4 (At-Large).** This position will initially be filled by the RFA Commissioner serving in RFA Position No. 3 and will expire on December 31, 2019. Thereafter, this position shall be filled by a registered voter residing anywhere within the boundaries of the RFA.
 - **Position 5 (At-Large).** This position will initially be filled by the RFA Commissioner serving in RFA Position No. 5 and will expire on December 31, 2021. Thereafter, this position shall be filled by a registered voter residing anywhere within the boundaries of the RFA.
 - **Position 6 (At-Large).** This position will initially be filled by the RFA Commissioner serving in RFA Position No. 1 and will expire on December 31, 2023. Thereafter,

this position shall be filled by a registered voter residing anywhere within the boundaries of the RFA.

- **Position 7 (At-Large).** This position will initially be filled by the RFA Commissioner serving in RFA Position No. 4 and will expire on December 31, 2023. Thereafter, this position shall be filled by a registered voter residing anywhere within the boundaries of the RFA.

2.1. Not later than sixty (60) days prior to the filing period for the 2019 general election, the Governing Board shall establish the geographical boundaries of the three (3) commissioner districts (Positions 1, 2 and 3). In determining the geographical boundaries of such commissioner districts, the Governing Board shall be guided by the following principles: (i) the population of each commissioner district shall be relatively equal; and (ii) one (1) commissioner district shall include the City of Stanwood.

2.2. Concurrently with the establishment of commissioner districts for Positions 1, 2 and 3, the Governing Board shall assign "Initial Elected Terms" of office for those commissioners elected in 2019 to Positions 1, 2, 3 and 4; provided, however, that one position shall have an abbreviated Initial Elected Terms of two (2) years. In assigning such Initial Terms to each Position, the Governing Board may provide that the candidate receiving the lowest number of votes shall be assigned to the Initial Elected Term of two years.

2.3. Except as provided above, all commissioner terms shall be six (6) year terms.

2.4. If the RFA Plan is later amended to expand the Governing Board, the total number of voting members shall be an odd number no greater than nine (9) in number.

3. Governing Rules. The RFA Governing Board shall develop and adopt bylaws, governance policies and rules for the RFA Governing Board to conduct business in accordance with RCW 52.26.080.

4. Authority. The RFA Governing Board shall have all the power and authority granted governing boards under Washington State law, and shall include the power and authority to make any decisions appropriate for the RFA and for matters related to Title 52 RCW.

5. Compensation of Governing Board. Commissioners of the Governing Board will receive compensation in the same manner and under the same conditions as provided by law for commissioners of a fire protection district organized under Title 52 RCW.

RFA SECTION 7 PLAN REVISION DISPOSITION:

The **GOVERNANCE** section of the **Plan** may be amended by a majority vote of the RFA Governance Board.

SECTION 8	ORGANIZATIONAL STRUCTURE: PERSONNEL & ADMINISTRATION
Revision	The ORGANIZATIONAL STRUCTURE: PERSONNEL & ADMINISTRATION section of the RFA Plan is subject to amendment by a majority vote of the RFA Governance Board.
Adopted	
Revised	

A. ORGANIZATIONAL STRUCTURE

1. Organizational Chart. The RFA shall be organized as provided in Appendix B of the RFA Plan; provided, however, that after the Effective Date, the Fire Chief shall have authority to adjust the Organizational Chart as necessary to improve service delivery without amending the RFA Plan.

B. PERSONNEL

1. Fire Chief. On the Effective Date, the Fire Chief of the District shall serve as the Fire Chief of the RFA. The Fire Chief shall at all times be appointed and serve at the pleasure of the Governance Board pursuant to a written employment contract.

C. ADMINISTRATION

1. City Retained Administrative Service Responsibilities. The City of Stanwood shall continue to provide the following services: Collection and accounting Fire Impact Fees, when imposed. Prior to the effective date of the Annexation, the parties shall negotiate and execute an Interlocal Agreement to provide for the City collection of the Fire Impact Fees and disbursement of those fees to the RFA.

2. Seamless Transition. Unless otherwise noted in the RFA Plan, upon the Effective Date, the administration and management of the RFA shall be seamless and shall model the current administrative and management components of the RFA.

The **ORGANIZATIONAL STRUCTURE: PERSONNEL & ADMINISTRATION** section of The RFA Plan is subject to amendment by a majority vote of the RFA Governance Board.

SECTION 9	OPERATIONS AND SERVICES
Revision	The OPERATIONS AND SERVICES section of the RFA Plan is subject to amendment by a majority vote of the RFA Governance Board.
Adopted	
Revised	

A. FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES

1. Current staffing models, deployment standards, field operations, command staffing, and operational policies and procedures of the District shall be continued at the current level of service on the Effective Date.
2. Upon the Effective Date, the RFA will initially adopt the City's Standards of Coverage Document for the City's jurisdictional boundary area and the District's Standards of Coverage Document for the District's jurisdictional boundary areas. As such, services, levels of service, standards of coverage, development standards and customer expectations on the Effective Date shall remain unaffected.
3. All current automatic aid and mutual aid agreements, all interlocal agreements and contractual services agreements, documents, or memorandums currently in place with the City shall be transferred to the RFA on the Effective Date to provide continuous, seamless readiness and emergency services coverage. Notwithstanding the foregoing, the City's interlocal agreements with Snohomish County 911 shall be modified as necessary to provide that the RFA will assume the fire related rights and obligations under this agreement.

B. FIRE MARSHAL/INSPECTION SERVICES.

1. Existing Service Providers:
 - a. Pursuant to the Existing City Interlocal, the RFA currently provides Fire Prevention Services ("Fire Marshal Services") pursuant to RCW 19.27.050 within the boundaries of the City of Stanwood:
 - b. Snohomish County currently provides Fire Marshal Services within the District.
2. Fire Marshal Service Providers on Effective Date:
 - 2.1. On the Effective Date, Fire Marshal Services within the boundaries of the RFA shall be provided as follows:
 - a. Within the City Stanwood: The RFA will provide Fire Marshal Services to the City of Stanwood pursuant to an interlocal agreement which compensates the RFA for agreed-upon services.
 - b. Within unincorporated Snohomish County: Snohomish County shall provide Fire Marshal Services.

- c. The RFA may provide Fire Marshal and inspection services to another local municipal jurisdiction through an interlocal agreement.

C. EMERGENCY MANAGEMENT SERVICES

1. Existing Service Providers:

1.1. Pursuant to the Existing City Interlocal, the City of Stanwood contracts with the RFA for Emergency Management Services within the boundaries of the City of Stanwood. The City also contracts with Snohomish County Department of Emergency Management ("SCDEM") for emergency management services.

1.2. SCDEM currently provides Emergency Management Services within the City.

2. Emergency Management Services on Effective Date:

2.1. On the Effective Date, Emergency Management Services within the boundaries of the RFA shall be provided as follows:

a. Within the City of Stanwood: The RFA will provide oversight and coordination of the City's Emergency Operations Plans and will assign a command staff representative to the City's Emergency Operations Center when activated and during drills. The RFA will also coordinate emergency preparedness planning and training to the City. These services shall be provided pursuant to an interlocal agreement which compensates the RFA for agreed upon services.

b. Within unincorporated Snohomish County: SCDEM shall remain the provider of Emergency Management Services.

D. PUBLIC EDUCATION SERVICES

1. On the Effective Date of the creation of the RFA, the RFA shall provide Public Education Services throughout the jurisdiction of the RFA and its service area. The NCRFA Prevention/Education division shall be organized as provided in Appendix E of this NCRFA Plan.

RFA SECTION 9 PLAN REVISION DISPOSITION:

The **OPERATIONS AND SERVICES** section of the **RFA Plan** is subject to amendment by a majority vote of the RFA Governance Board.

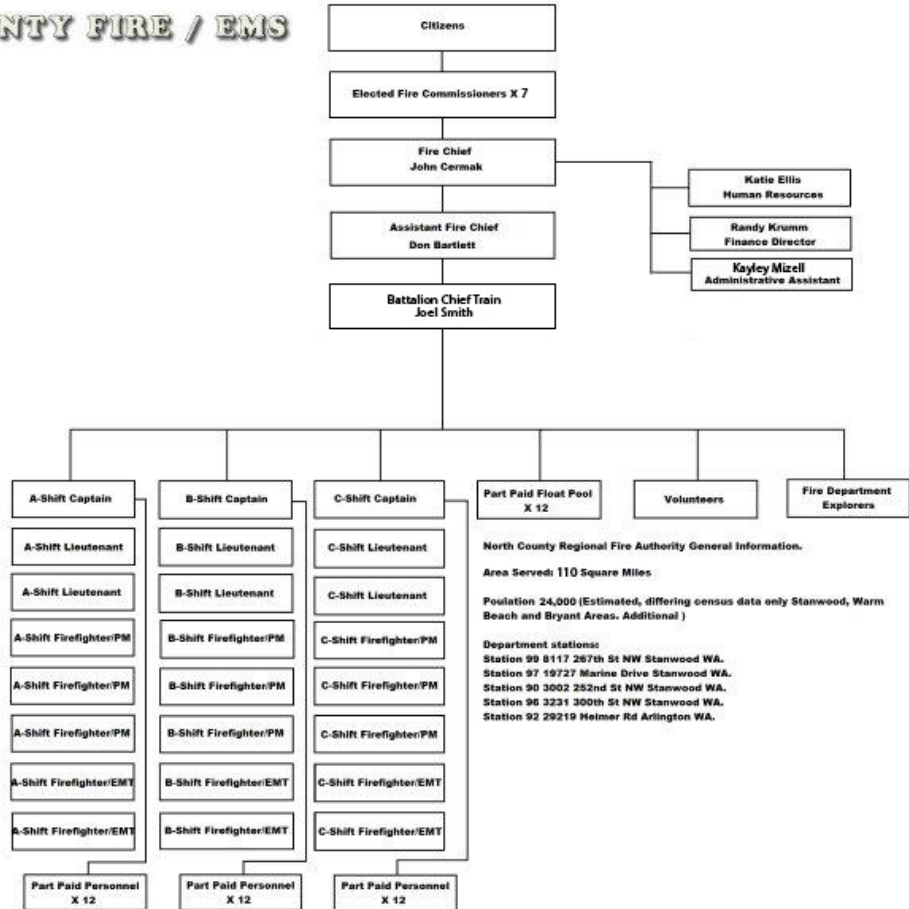
APPENDIX A
JURISDICTIONAL BOUNDARY MAP

Commission Districts will be set according to Section 4 – B3a

APPENDIX B ORGANIZATION STRUCTURE



NORTH COUNTY FIRE / EMS



**APPENDIX C
REAL PROPERTY**

The property commonly known as Station 99, located at 8117 267th Street NW, Stanwood, WA.

Tax Parcel No.: 32043000101400

Legal Description: Section 30 Township 32 Range 04 Quarter NE - BAAP ON N BDY SEC 668FT E OF 1/4 COR TH E 297FT TH S 165FT TH W 297FT TH N 165FT TO POB LESS CO RD LESS RD R/W TO ST OF WA PER POSS & USE AGRMNT REC AFN201003310760 TGW VAC RD PER CITY OF STAN ORD #1120 REC AFN 201004210063 LESS RD R/W TO ST OF WA PER QCD REC AFN 201009290189 - SUBJ TO ESE TO PUD 1.

Note: The transfer of Station 99 to the RFA shall contain a reversionary interest providing that the title to the land and the station will return to the City if the fire station ever ceases to be used for fire and/or emergency medical services by the RFA (defined as follows, "more than 75% of the square footage must be used at least 75% of the time and that at least one fire and one EMS apparatus must be housed there to respond to calls on a 24-hour basis.") .

**APPENDIX D
FIRE PREVENTION/ FIRE INVESTIGATION/EMERGENCY MANAGEMENT**

LIST OF SERVICES

I - PLAN REVIEW AND INSPECTION SERVICES:

The Authority will provide limited plan review and occupancy inspections. Annual Inspection Services for the City within the City's boundaries, as those boundaries may be adjusted in the future. The description of Plan Review and Inspection Services in this **Appendix** is intended to provide an overview of the Services that were previously provided by the Fire Department within the Interlocal Agreement either by contract to the County Fire Marshal or between the City and Authority. The Services should be construed broadly so that the Authority will continue seamlessly providing all services previously provided by the Interlocal Agreement. Plan Review Services include, but are not limited to, administration and enforcement of applicable fire codes and prevention standards ("Code or Codes"), including the local municipal code as that section may be amended or recodified by the City.

The Authority shall provide in consultation with the City the following Plan Review and Inspection Services:

- A. Direct the management and supervision of personnel performing the Services.
- B. Provide comments to the City Building Inspector, who completes the plan check, on Fire and Life Safety issues identified during the plan review and occupancy inspections, Code compliance and enforcement, and provide recommendations regarding the development and maintenance of Fire Codes and Standards. Consult with City on interpretation of Codes as necessary to perform the Services.
- C. Perform all other administrative and records tasks necessary to support Inspection Services for the City.
- E. Coordinate with the City the scheduling and conducting of new construction / tenant improvement inspections for fire code compliance where Fire and Life Safety input as deemed necessary.
- F. Review Special Event applications/sites for fire code compliance.
- G. Participate in the Land Use Planning process to ensure code compliance.
- H. Coordinate with City the annual inspection program to include one annual inspection per business occupancy with two re-inspections where necessary, before forwarding for code compliance.

II - FIRE CODE ENFORCEMENT:

The Authority shall provide the following Fire Prevention Code Enforcement Services in Stanwood city boundaries:

- A. Perform annual inspections required or authorized by the Code.
- B. Investigate and resolve Code violation complaints or inquiries.
- C. Perform all Code enforcement duties of the Fire Marshal, Fire Code Official, and/or Fire Chief as provided in the Code. If the parties mutually agree, the City may provide employees of the Authority with a limited law enforcement commission to enforce portions of the Code that require such commission (e.g. issuance of infractions for fire lane parking or fireworks enforcement). The parties acknowledge that the Authority, by statute, has no duty to enforce any provisions of the code or to enforce ordinances of the City except under the terms of this interlocal Agreement and the RFA Plan. Any duty the Authority does have to enforce the Code is not intended to benefit any specific members of the public. The City agrees that all court costs and other legal costs incurred in the judicial enforcement of the Code within the City limits shall be paid by the City and shall not be considered an operating expense of the Authority.
- D. Coordinate with the City when enforcement efforts are contested and when the City is undertaking related non-fire code enforcement efforts.
- E. Coordinate with the City on post-disaster building and system inspections and/or evaluations.
- F. Approve and/or review fire safety, emergency evacuation, lockdown, shelter-in-place, and hazardous materials management plans.
- G. Manage the Fire Department Annual Inspection Program.
- H. Provide fire protection system confidence test program activities to include evaluation of confidence tests provided by third parties, issuance of correction notices and/or notices of violation with the City Building official where deemed necessary.
- I. Manage a Fire Company Inspection Program and coordinate with the City the follow-up on code enforcement violations that are identified. The parties shall meet and confer regarding the number of inspections to be achieved on an annualized basis if the listed is found to be unacceptable.
- M. Process Fire Code complaints or inquiries from the public to include data entry, file creation, and routing of information.

III - FIRE INVESTIGATION SERVICES:

The Authority shall perform or Contract with the County Fire Investigation Services that include but are not limited to:

- A. Investigate the cause and origin of fires, interview suspects and witnesses, examine fire scenes, document findings and prepare reports, protect evidence, cooperate with prosecutors and law enforcement, be available for interviews and

- courtroom testimony, and other associated duties.
- B. Investigate all fires that are arson, suspicious, injurious, and fires with a loss of ten thousand dollars (\$10,000) or more if cause cannot be determined by on-scene personnel.
 - C. Coordinate arson investigation activities with the Stanwood Police Department as necessary.
 - D. Respond to all working fires when requested during working hours and all working fires after hours if available.
 - E. Participate in regional and state fire investigative organizations and activities where deemed applicable by the Authority.

Evidence Retention

All evidence gathered during the criminal investigation of a fire or other event for which Fire Investigative Services are provided shall be collected by the assigned fire investigator and maintained by the evidence custodians of the City's Police Department pursuant to the policies and procedures for the maintenance of evidence set forth by the City's Police department.

Cooperation in Criminal Investigations

The Parties will cooperate and keep each other informed as to the status of all fires in the City that occur because of suspected or confirmed criminal conduct by providing status reports of investigations as the investigations evolve. This obligation shall not be construed to require the disclosure of information if disclosure could jeopardize a criminal investigation.

IV. EMERGENCY MANAGEMENT:

The Fire Authority agrees to provide oversight and coordination on the City's Emergency Operations Plan. The Fire Authority further agrees to assign a command staff level fire representative to the City's Emergency Operations Center in the event that is activated as well as the services listed below:

1. Coordinate emergency preparedness planning and training to the City of Stanwood with the County DEM.
2. Serve as a part of the command staff in the City's EOC for drills, exercises and in emergencies. An effective EOC team includes multiple levels of inclusion between the city and public safety.
3. The City will maintain the EOC equipment and technology, however the Authority will maintain it as a classroom with projectors, tables, chairs, and televisions.

APPENDIX E STATION 99 MEETING ROOM POLICY

A1. The RFA would continue to permit the City to utilize the large meeting room in Station 99 as necessary for both official and non- commercial community needs.

a. Official city meetings and functions would be scheduled utilizing a calendar tool on the NCRFA Website or by communicating with the NCRFA office staff.

I. The city would be responsible for setting up and cleaning up before/after the meeting

b. Non- commercial meetings will be handled utilizing the modified city policy delineated below under section B1.

B1. NCRFA offers the use of its certain public meeting rooms to the community for non- commercial use:

As an extension of its mission to serve the community, NCRFA welcomes the community's non-commercial use of its meeting rooms for educational, cultural, intellectual, recreational, civic, governmental, social, political, or charitable meetings, workshops, lectures, entertainment, and other uses pertaining to the welfare of the community. Use of the meeting room is limited to noncommercial organizations.

2. Community Room use is made available on an equitable basis:

Space is made available for use by the public on equal terms, regardless of the beliefs, affiliations or viewpoints of the groups or individuals requesting their use.

3. The NCRFA does not endorse the activities or viewpoints of those using its Community Rooms:

Publicity for meetings or programs being held in NCRFA meeting rooms will clearly state the NCRFA does not endorse the activities or viewpoints of the groups presenting the event. If the NCRFA sponsors or cosponsors a meeting or program this will be clearly stated in the publicity of the event.

4. NCRFA sponsored or cosponsored meetings or programs have priority on Community Rooms availability:

The remaining Community Room space is made available on a first-come, first-served basis.

5. The NCRFA requires completed registration before Community Room use:

Registration includes a signed agreement on forms to be provided by the NCRFA that the group will abide by all NCRFA policies and procedures.

Use of Community Rooms

The NCRFA offers its community rooms for non-commercial use only.

Non- Commercial use is defined as groups or individuals that receive no commercial benefit by using a Community Room. Meetings or programs must not require payment to enter, but passive solicitation of donations and fund-raising activities for non-profit groups are acceptable. Meetings or programs do not have to be open to the public.

Commercial use is defined as groups or individuals that receive a commercial benefit by using a Community Room. This may include active solicitation of donations, charging admission fees, offering money-making activities or promoting a commercial business. Meetings or programs do not have to be open to the public.

The use of community meeting rooms may not be used to further the election or defeat of any candidate for public office or to support or oppose any ballot proposition.

Reservations

- You must be 18 years old to reserve a room.
- Reservations are not valid until the Community Room Registration form has been approved.
- Reservations will be on a first come first serve basis with a maximum of one-year advance reservations. No NCRFA facility may be reserved by the same individual, group or entity or individual who is a member of such group or entity more than twelve (12) times in any calendar year.
- You can reserve a room in one of the following ways:

Phone:

360-629-2184

Monday - Friday, 10 a.m. - 4 p.m.

Online:

www.northcountyfireems.com

In Person:

At NCRFA Office 8117267th ST NW.

Monday - Friday, 10 a.m. - 4 p.m.

Using the Community Rooms

- Users are responsible for room set-up and take-down. Rooms must be left in their original configuration.
- Food and beverages are welcome. Meeting room users must furnish their own dishes, utensils, paper products, and kitchen equipment, and remove them at the conclusion of the meeting. Trash should be properly disposed of in the receptacles provided and the kitchen left clean. Users are responsible for the care and condition of any equipment being used and must clean all equipment used.
- If the NCRFA sponsors or cosponsors a meeting or program this will be clearly stated in the publicity of the event.
- No activity may be undertaken in the community meeting rooms that disrupt the

normal operation or use of the facility, such as activities that involve disruptive levels of noise, odors, etc.

- NCRFA indoor facilities are smoke and tobacco free. No alcoholic beverages, tobacco, or drugs shall be allowed.
- Use of candles or any other type of open flame is not allowed.
- Audiovisual (AV) equipment may be available upon request at Fire Station 99. Other meeting rooms do not have AV equipment available. Items and equipment may not be stored in the meeting room.
- All community meeting room users must complete a NCRFA Community Meeting Room Registration form agreement and permission must be granted by the Fire Chief or designee.
- Users agree to be responsible for compliance with all federal, state and local laws, rules and regulations in regards to activities conducted, sponsored on or about the facility. Users understand the NCRFA may not discriminate nor endorse discrimination in the use of its facilities. Users must agree not to discriminate against any person on the grounds of race, religion, creed, color, national origin, sexual orientation, marital status, disability, age or other basis governed by state or federal law in the conduct of its activities while on or about the facility.
- Individuals or groups who complete the Community Room Registration agreement form agree to pay for damages to the facility and/or loss of NCRFA property within the facility resulting from the user's negligence.
- Organizations that engage in severe or repeated violations of meeting room policies, library regulations, or civil laws shall be banned from further use of the community meeting room.

INSURANCE & LIABILITY

Users planning high risk activities, as determined solely by the Fire Chief, will be required to provide proof of general liability insurance and must acknowledge responsibility that they will hold the NCRFA harmless from any and all claims by any person(s) arising from use of the facility and anticipation in the host's planned activities.

When insurance is required, the applicant has **three options**:

1. Purchase insurance through One Beacon Entertainment, or similar insurer, at <http://www.onebeaconentertainment.com>
2. Purchase private insurance or participate in an insurance pool.
3. In the case of contracting with a vendor, securing insurance through the vendor.

All groups who provide insurance shall provide NCRFA with a certificate of insurance naming NCRFA, its officers, agents, employees and elected officials as additional insureds as respects the use of the NCRFA facility. The insurance limits and coverages shall be as required by the NCRFA. Alternatively, at NCRFA's sole discretion, NCRFA may accept an acceptable letter evidencing insurance coverage.

Cancellation

- Cancellation of community room reservations are made to the NCRFA Administration Office.

ATTACHMENT D

INTERLOCAL AGREEMENT FOR FIRE MARSHAL/INVESTIGATION SERVICES AND
EMERGENCY MANAGEMENT BETWEEN NORTH COUNTY RFA AND THE CITY OF
STANWOOD

INTERLOCAL AGREEMENT BETWEEN NORTH COUNTY REGIONAL FIRE AUTHORITY AND THE CITY OF STANWOOD FOR FIRE MARSHAL/INVESTIGATION SERVICES AND EMERGENCY MANAGEMENT

THIS INTERLOCAL AGREEMENT (the "Agreement") is entered into by and between **NORTH COUNTY** regional fire authority, a Washington municipal corporation (the "Authority") and the **CITY OF STANWOOD**, a Washington city (the "City") on this January 1, 2019.

WHEREAS, the City is annexing into the Authority effective January 1, 2019; and

WHEREAS, the Regional Fire Authority (RFA) Plan contemplates that the City will contract for fire marshal services from the Authority; and

WHEREAS, the Authority and the City are authorized, pursuant to Chapter 39.34 of the Revised Code of Washington, to enter into interlocal cooperation agreements to provide high quality services to the public in an efficient manner.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. **Purpose.** The purpose of this Agreement is to ensure high quality and uninterrupted fire marshal services to the residents of the City during the term of this Agreement.

2. **Term.** This Agreement shall commence on January 1, 2019 or on the date that this Agreement is filed with the County Auditor or posted on either party's website, whichever is later (the "Effective Date") and will continue until terminated as provided herein. Either party may terminate this Agreement for any reason upon not less than twenty-four (24) months' advance written notice; provided, however, that neither party shall issue notice of termination prior to January 1, 2027.

2.1 Termination by Authority for Cause. The Authority may also terminate this Agreement upon thirty (30) days' notice if the City fails to pay an undisputed Contract Payment installment within ninety (90) days of its due date, and fails to cure the failure to pay prior to the termination date stated in the notice.

2.2 Termination by City for Cause. If the Authority is in material breach of any term or condition herein, the City may provide the Authority with a written notice describing the default in detail. The Authority shall cure such breach within ninety (90) days after receipt of such notice and shall confer with the City on the steps being taken; provided, however, that the time for cure shall be extended if the default cannot be cured within ninety (90) days and the Authority is making a good faith effort to cure such default in a timely manner. If the Authority fails to timely cure the default as provided in this section, the City may issue written notice of termination which shall take effect not less than thirty (30) days following such notice.

3. **Services.** During the term of this Agreement, the Authority agrees to provide those fire marshal services identified on Exhibit A hereto (the "Services") within the boundaries of the City, as those boundaries may be adjusted in the future.

4. **Level of Service.** The Services shall be provided in such a manner as to maintain the existing levels of service provided by the Authority immediately prior to the Effective Date until or unless a revised scope of services is mutually agreed upon in an amendment to this Agreement in accordance with Section 24 below.

4.1 The Services shall be administered in the interest of the City and shall be performed in a professional and competent manner pursuant to and within the timelines required of the City's Municipal Code (the "Code"), City policies and procedures, including applicable customer service standards, and any state or federal laws applicable to the performance of the Services. It is recognized by both parties that there are exceptions that will impact turnaround times that shall be taken into consideration in determining compliance with this section of the Agreement.

4.2 In the event the City, for any reason, determines that it is in the interest of the City to change the defined Level of Service, the Contract Payment shall be adjusted in accordance with Exhibit B. Any modification to the Level of Service shall be stated in a written amendment to this Agreement specifying the modifications to the Level of Service and the changes to the Contract Payment. In the event substantial volume increases affect the ability of the Authority to meet the defined Level of Service, the parties agree to collaborate in the public interest to address adjustments in the Contract Payment necessary to satisfy the Level of Service or to make changes to the Level of Service on mutually agreeable terms; provided, that no adjustment to the Contract Payment or change to the Level of Service shall be effective unless stated in a written amendment to this Agreement in accordance with Section 24 below.

4.3 Designees from each party shall meet on a regular basis at the request of either party, to discuss the Level of Service, the Contract Payment and any other issues arising out of the performance of this Agreement.

5. Personnel, Equipment and Office Space.

5.1 The Authority shall be solely responsible for establishing and supplying all staffing (the "Assigned Authority Personnel") and all equipment necessary to provide the Services, except for any equipment which the City is expressly required herein to provide.

5.2 The City shall provide the Assigned Authority Personnel with access to permit files and other City records reasonably necessary for the Authority to provide the Services.

6. **City Fees, Billing and Collection.** The City may continue to impose and charge fees related to fire prevention services. The City shall collect and shall be entitled to retain all such fees that are collected. Billing and collection services associated with the City's fees shall be solely performed by City staff.

7. **Contract Payment.** Beginning January 1, 2019, the City shall, in consideration of the Services, pay the Authority an annual sum (the "Contract Payment") in accordance with **Exhibit B**. **Exhibit B** is designed to set forth an estimated level of compensation that fully compensates the Authority for the actual cost of providing the Services as defined in **Exhibit A**.

7.11 Contract Payment Adjustment. Each year, no later than MONTH DAY ("Adjustment Deadline"), the Authority shall submit to the City a statement showing the Contract Payment for the ensuing year, taking into account increases in labor costs for those personnel providing the Services.

7.1.1 Adjustment Date Not Met. If a new collective bargaining agreement (CBA) between the Authority and the IAFF Local or employment contract which represents the Authority's employees has not been finalized by the Adjustment Deadline of the final year of the then-effective CBA, the Personnel costs and the Overhead Costs for the ensuing year shall be adjusted following execution of the new CBA and shall be retroactive to January 1 of the Adjustment Year. For purposes of this paragraph, the term "Adjustment Year" means the year in which a new CBA or contract is effective between the Authority and the local chapter of the IAFF or Authority. When a new CBA has retroactive effect, the Adjustment Year shall be the date to which the CBA is retroactively applied. For example, if a CBA expires on December 31, 2017 and a new CBA is executed on December 1, 2019 but made retroactive to January 1, 2018, the Adjustment Year would be 2018.

7.1.2 Compensation Aadjustments. If the parties determine that the calculation on **Exhibit B** results in an overcompensation or under compensation, the City and Authority shall cooperate to make adjustments to **Exhibit B**, as necessary, to achieve the goal of compensating the Authority for the actual cost of providing the Services; provided, that no adjustment to **Exhibit B** shall be effective unless stated in a written amendment to this Agreement in accordance with Section 24 below. The parties shall meet and confer on a regular basis to review performance and level of service of this agreement.

- i. Should a change in the level of service listed in Exhibit B be requested by either party, a reopener shall be allowed annually to discuss the changes necessary and cost of decrease or increase in services rendered.
- ii. This ILA shall be reevaluated once every eight years to discuss cost analysis and service levels.

7.1.3 Creating Unfunded Mandates. The City shall not create any unfunded mandates for increased service or reporting by the Authority without fully compensating the Authority for actual costs incurred.

8. **Payment.** For 2018, the Contract Payment shall be the pro rata amount of the amount set forth on Exhibit B. Beginning January 1, 2019, the Contract Payment shall be due and payable in four equal installments made by the fifteenth (15th) day of the month in the months of January, April, July and October. The Authority shall issue an invoice to the City at least thirty (30) days in advance of the due date. If payment of an undisputed installment is more than thirty (30) days delinquent, interest shall accrue at the rate of twelve percent (12%) per annum.

9. Fire Code Official. For purposes of Section 103.2 of the International Fire Code (IFC), the Authority Fire Chief shall be designated the Fire Code Official for the City during the term of this Agreement. In consultation with the City, the Fire Chief shall designate an individual to serve as the City Fire Marshal and ensure the assignment of fire prevention personnel to support the needs of the City as defined in Exhibit A. The Fire Marshal and prevention personnel will perform the functions specified in this Agreement, International Fire Code, City ordinances, and other adopted fire service standards. The City shall retain the full and ultimate authority for code adoption, interpretation and enforcement. The Fire Marshal and Fire Prevention personnel shall be certified commensurate with duties assigned.

9.1 Fire Code refers to all applicable fire codes and prevention standards ("Codes") of Section 103.2 of the International Fire Code (IFC) and local municipal code as that section may be amended or re-codified by the City.

9.2 The Fire Code Official may, from time to time, make recommendations to the City regarding suggested revisions or amendments to the City's Fire Code. Such recommendations shall be made according to the process prescribed by the City.

10. Fire Inspections. The following terms and conditions shall apply with regards to inspection services outlined on Exhibit A:

10.1 All services provided pursuant to this Exhibit shall be performed in a professional and competent manner pursuant to and within the timelines required of the Codes, City policies and procedures, including applicable customer service standards, and any state or federal laws applicable to the performance of that work. Fire prevention personnel shall obtain and maintain certifications needed to perform the duties of these services.

10.2 The personnel assigned to the Fire Marshal's office shall maintain their operational training and provide operational support as part of their daily activities as directed by the Authority.

10.3 NCRFA will complete one annual inspection per business occupancy per year with a maximum of two re-inspections before turning over to code enforcement by City personnel. Plan check and occupancy inspections will be completed by City Building

Inspectors, however fire personnel will be available to work together on issues mutually beneficial to fire and life safety.

11. Fire Code Enforcement. The following terms and conditions shall apply with regards to those Fire Prevention Code Enforcement services outlined on Exhibit A:

11.1 The City shall be responsible for providing prosecution services and legal counsel necessary to prosecute any civil or criminal code enforcement issues when enforcement requires judicial action (including hearing examiner proceedings). Once enforcement is turned over to the City for judicial action, the City retains independent prosecutorial discretion as to how or whether to proceed with enforcement action. The City will also maintain responsibility for any code enforcement activities that require the presence or involvement of commissioned law enforcement officers. The Assigned Authority Personnel who inspected the property and found it to be in violation shall appear before any court, hearing examiner, board, committee, or other body empowered to enforce the provisions of the IFC in order to assist the City with enforcing the IFC at the sole cost of the Authority. If the parties mutually agree, the City may provide Assigned Authority Personnel with a limited law enforcement commission to enforce portions of the Code that require such commission (e.g. issuance of infractions for fire lane parking or fireworks enforcement). The parties acknowledge that the Authority, by statute, has no duty to enforce any provisions of the code or to enforce ordinances of the City except under the terms of this Agreement and the RFA Plan. Any duty the Authority does have to enforce the Code is not intended to benefit any specific members of the general public. The City agrees that all court costs and other legal costs incurred in the judicial enforcement of the Code within the City limits shall be paid by the City and shall not be considered an operating expense of the Authority.

11.2 The Authority will coordinate with the City when enforcement efforts are contested and when the City is undertaking related non-fire code enforcement efforts.

11.3 The Authority will attend and provide testimony and exhibits at Code enforcement hearings before the City's Hearing Examiner, and upon appeal, if any, to court.

12. Fire Investigation Services, The following terms and conditions shall apply with regards to those Fire Investigation services outlined on **Exhibit A:**

12.1 The Authority will investigate the cause and origin of all fires, however major fires greater than \$10,000, the Authority Fire Marshal will investigate and coordinate arson Investigation with Snohomish County Sheriff and Fire Marshal as required.

12.2 The Authority will have available staff to investigate major fires 24 hours per day on call except during vacation and training periods, in which time mutual aid will be utilized or contracted with Snohomish County Fire Marshal.

12.3 The Authority will coordinate arson investigation activities with the City

Police Department as necessary. The City may issue a limited commission to investigators to allow for sharing of privileged information or other activities approved by the City Police Chief. In the event of major crimes such as homicide or great bodily injury, the Authority will work with Snohomish County Fire Marshal, and Snohomish County Sheriff to coordinate the outcome. The Authority shall not bear the cost of that enforcement if incurred.

12.4 All evidence gathered during the criminal investigation of a fire or other event for which Fire Investigative Services are provided shall be collected by the assigned fire investigator and maintained by the evidence custodians of the City's Police Department pursuant to the policies and procedures for the maintenance of evidence set forth by the City's Police department.

12.5 The Parties will cooperate and keep each other informed as to the status of all fires in the City that occur as a result of suspected or confirmed criminal conduct by providing status reports of investigations as the investigations evolve. This obligation shall not be construed to require the disclosure of information if disclosure could jeopardize a criminal investigation.

12.6 The City reserves the right to use Snohomish County Fire Marshal's Office to assist with the performance of the services in this section.

13. **Records.** All records received, used or prepared in connection with the Services shall remain in the custody of the City and shall be maintained in such manner(s) as may be prescribed by the City. All such records shall be accessible by the Assigned Authority Personnel in order to perform the Services.

13.1 The City shall be solely responsible for responding to Public Records Requests received by the City which involve public records generated pursuant to this Agreement; provided, however, that the Authority and Assigned Authority Personnel shall assist, as necessary, in locating responsive records necessary for the City to fulfill its statutory duties under RCW 42.56.

13.2 The Authority shall be solely responsible for responding to Public Records Requests received by the Authority which involve public records generated pursuant to this

Agreement; provided, however, that the City shall cooperate, as necessary, in providing records necessary for the Authority to fulfill its statutory duties under RCW 42.56.

14. **Indemnification.**

14.1 To the extent permitted by law, the Authority shall indemnify, hold harmless and defend the City and its officers, agents and employees or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages ("Claims") of any nature whatsoever, by reason of negligent or intentional acts or omissions of the Authority, its officers, agents, and employees, or any of them, in performing services pursuant to this Agreement. In the event that any suit based upon such a Claim is brought against the

City, the Authority shall defend the same at its sole cost and expense; provided that the City retains the right to participate in said suit if any principle of governmental or public law is involved; and further provided, if final judgment be rendered against the City and its officers, agents, employees or any of them, or jointly against the City and the Authority and their respective officers, agents, and employees, or any of them, for negligent or intentional acts or omissions of the Authority, the Authority shall satisfy the same; and further provided, that if any such Claim is based on the concurrent negligence of the parties, then the Authority's obligation under this Section applies only to the extent of its negligence.

14.2 To the extent permitted by law, the City shall indemnify, hold harmless and defend the Authority and its officers, agents and employees or any of them from any and all claims, actions, suits, liability, loss, costs, expenses, and damages ("Claims") of any nature whatsoever, by reason of negligent or intentional acts or omissions of the City, its officers, agents, and employees, or any of them, in performing services pursuant to this Agreement. In the event that any suit based upon such a Claim is brought against the Authority, the City shall defend the same at its sole cost and expense; provided that the Authority retains the right to participate in said suit if any principle of governmental or public law is involved; and further provided, if final judgment be rendered against the Authority and its officers, agents, employees or any of them, or jointly against the Authority and the City and their respective officers, agents, and employees, or any of them, for negligent or intentional acts or omissions of the City, the City shall satisfy the same; and further provided, that if any such Claim is based on the concurrent negligence of the parties, then the City's obligation under this Section applies only to the extent of its negligence.

15. City and Authority Are Independent Municipal Governments. The parties recognize and agree that they are independent governments. No separate legal or administrative entity is created by this Agreement. Except as expressly provided to the contrary in this Agreement, any real or personal property acquired or used by either party in connection with the performance of this Agreement shall remain the sole property of such party, and the other party shall have no interest therein. Except for the specific terms herein, nothing herein shall be construed to limit the discretion of the governing bodies of each party. Specifically, and without limiting the foregoing, the Authority shall have the sole discretion and the obligation to determine the exact method by which the Services are provided to the City.

16. Administration of Agreement. This Agreement shall be administered by the Authority's Fire Chief and the Mayor of the City. The Fire Chief and Mayor shall meet regularly and at the request of either party to ensure the satisfaction of the City with the Services. The Mayor may provide input to the Fire Chief concerning desired outcomes concerning the Services.

16.1 In addition to the foregoing, the Authority will provide such reports as may be reasonably requested by the Mayor in order to remain informed regarding the Services performed pursuant to this Agreement.

17. **Assigned Authority Personnel.** The Assigned Authority Personnel shall at all times be Authority employees and shall not be deemed to be loaned employees of the City. The Authority shall be solely responsible for all compensation due to Assigned Authority Personnel, supervision and discipline. The City shall immediately notify the Human Resources Director for the Authority concerning any actions by Assigned Authority Personnel requiring involvement by the Human Resources Department. The Authority retains the right to move employees within the Prevention Division.

18. **Dispute Resolution.** It is the intent of the parties herein to attempt to resolve all disputes between them without litigation. The parties shall mutually agree upon a mediator. Any expenses incidental to mediation, including the mediator's fee, shall be borne equally by the parties. If the parties cannot agree upon a mediator, the parties shall submit the matter to the Judicial Arbitration and Mediation Service (JAMS), Judicial Dispute Resolution (JDR) or Washington Arbitration and Mediation Service (WAMS) and request that a mediator be appointed. If the parties cannot agree on which of these services to use, one of them shall be selected at random. This requirement to mediate the dispute may only be waived by mutual written agreement before a party may proceed to litigation.

18.1 Jurisdiction and venue for any dispute arising out of this Agreement shall lie exclusively in the Superior Court of Snohomish County, Washington. Each party expressly waives the right to a jury trial.

19. **Non-Waiver.** No waiver of any act or omission, including but not limited to acceptance of payment by the Authority, shall operate as a waiver of any past or future default, or to deprive a party of its right to terminate this Agreement, or be construed to prevent a party from promptly exercising any other right or remedy it has under this Agreement.

20. **Notices.** Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing addressed to the other party at the addresses as follows:

North County Attention: Fire Chief
8117 267th ST NW
Stanwood, WA 98292

City of
Stanwood
Attention: Mayor
10220 270th ST
Stanwood, WA 98292

or such address as may have been specified by notifying the other party of the change of address. Notice shall be deemed served on the date of actual delivery or the first

INTERLOCAL AGREEMENT FOR FIRE MARSHAL/INVESTIGATION SERVICES AND
EMERGENCY MANAGEMENT BETWEEN NORTH COUNTY RFA AND THE CITY OF
STANWOOD

attempted delivery as shown on the return receipt if mailed with the United States Postal Service by certified mail, return receipt requested.

21. **Drafting.** Each party has fully participated in the drafting of this Agreement. Therefore, this Agreement shall be construed according to its fair meaning without regard to which party drafted a particular provision.

22. **Survival.** All obligations of either party as provided for in this Agreement shall not cease upon the termination of this Agreement and shall continue as obligations until fully performed. All clauses of this Agreement which require performance beyond the termination date shall survive the termination date of this Agreement.

23. **Entire Agreement.** This Agreement contains all of the understandings between the parties. Each party represents that no promises, representations or commitments have been made by the other as a basis for this Agreement which have not been reduced to writing herein. No oral promises or representations shall be binding upon either party, whether made in the past or to be made in the future, unless such promises or representations are reduced to writing in the form of a modification to this Agreement executed with all necessary legal formalities by the legislative authorities of each party.

24. **Amendments.** This Agreement may only be amended or modified by a written agreement approved and authorized by the legislative authorities of each party.

**NORTH COUNTY
REGIONAL FIRE AUTHORITY**

CITY OF STANWOOD

By: _____
Commissioner Cade

By: _____

Leonard Kelley, Mayor

By: _____
Commissioner Iverson

By: _____
Commissioner Sinker

ATTEST: _____
Katie Ellis, Board Secretary

By: _____
Commissioner Oakes

By: _____
Commissioner Longley

INTERLOCAL AGREEMENT FOR FIRE MARSHAL/INVESTIGATION SERVICES AND
EMERGENCY MANAGEMENT BETWEEN NORTH COUNTY RFA AND THE CITY OF
STANWOOD

EXHIBIT A LIST OF SERVICES

I - PLAN REVIEW AND INSPECTION SERVICES:

The Authority will provide limited plan review and occupancy inspections. Annual Inspection Services for the City within the City's boundaries, as those boundaries may be adjusted in the future. The description of Plan Review and Inspection Services in this **Exhibit A** is intended to provide an overview of the Services that were previously provided by the Fire Department within the Interlocal Agreement either by contract to the County Fire Marshal or between the City and Authority. The Services should be construed broadly so that the Authority will continue seamlessly providing all services previously provided by the Interlocal Agreement. Plan Review Services include, but are not limited to, administration and enforcement of applicable fire codes and prevention standards ("Code or Codes"), including local municipal code as that section may be amended or recodified by the City.

The Authority shall provide in consultation with the City the following Plan Review and Inspection Services:

- A. Direct the management and supervision of personnel performing the Services.
- B. Consult with City Building Inspector on Fire and Life Safety issues identified during the plan review and occupancy inspections, Code compliance and enforcement, and provide recommendations regarding the development and maintenance of Fire Codes and Standards. Consult with City on interpretation of Codes as necessary to perform the Services.
- C. Perform all other administrative and records tasks necessary to support Inspection Services for the City.
- E. Coordinate with the City the scheduling and conducting of new construction / tenant improvement inspections for fire code compliance where Fire and Life Safety input is deemed necessary.
- F. Review Special Event applications/sites for fire code compliance.
- G. Participate in the Land Use Planning process to ensure code compliance.
- H. Coordinate with City the annual inspection program to include one annual inspection per business occupancy with two re-inspections where necessary, before forwarding for code compliance.

II - FIRE CODE ENFORCEMENT:

The Authority shall provide the following Fire Prevention Code Enforcement Services in Stanwood city boundaries:

- A. Perform annual inspections required or authorized by the Code.
- B. Investigate and resolve Code violation complaints or inquiries.
- C. Perform all Code enforcement duties of the Fire Marshal, Fire Code Official, and/or Fire Chief as provided in the Code. If the parties mutually agree, the City may provide employees of the Authority with a limited law enforcement commission to enforce portions of the Code that require such commission (e.g. issuance of infractions for fire lane parking or fireworks enforcement). The parties acknowledge that the Authority, by statute, has no duty to enforce any provisions of the code or to enforce ordinances of the City except under the terms of this interlocal Agreement and the RFA Plan. Any duty the Authority does have to enforce the Code is not intended to benefit any specific members of the public. The City agrees that all court costs and other legal costs incurred in the judicial enforcement of the Code within the City limits shall be paid by the City and shall not be considered an operating expense of the Authority.
- D. Coordinate with the City when enforcement efforts are contested and when the City is undertaking related non-fire code enforcement efforts.
- E. Coordinate with the City on post-disaster building and system inspections and/or evaluations.
- F. Approve and/or Review fire safety, emergency evacuation, lockdown, shelter-in-place, and hazardous materials management plans.
- G. Manage the Fire Department Annual Inspection Program.
- H. Provide fire protection system confidence test program activities to include evaluation of confidence tests provided by third parties, issuance of correction notices and/or notices of violation with the City Building official where deemed necessary.
- I. Manage a Fire Company Inspection Program and coordinate with the City the follow-up on code enforcement violations that are identified. The parties shall meet and confer regarding the number of inspections to be achieved on an annualized basis if the listed is found to be unacceptable.
- M. Process Fire Code complaints or inquiries from the public to include data entry, file creation, and routing of information.

III - FIRE INVESTIGATION SERVICES:

The Authority shall perform or Contract with the County Fire Investigation Services that include but are not limited to:

- A. Investigate the cause and origin of fires, interview suspects and witnesses, examine fire scenes, document findings and prepare reports, protect evidence, cooperate with

prosecutors and law enforcement, be available for interviews and courtroom testimony, and other associated duties.

- B. Investigate all fires that are arson, suspicious, injurious, and fires with a loss of ten thousand dollars (\$10,000) or more if cause cannot be determined by on-scene personnel.
- C. Coordinate arson investigation activities with the Stanwood Police Department as necessary.
- D. Respond to all working fires when requested during working hours and all working fires after hours if available.
- E. Participate in regional and state fire investigative organizations and activities where deemed applicable by the Authority.

Evidence Retention

All evidence gathered during the criminal investigation of a fire or other event for which Fire Investigative Services are provided shall be collected by the assigned fire investigator and maintained by the evidence custodians of the City's Police Department pursuant to the policies and procedures for the maintenance of evidence set forth by the City's Police department.

Cooperation in Criminal Investigations

The Parties will cooperate and keep each other informed as to the status of all fires in the City that occur because of suspected or confirmed criminal conduct by providing status reports of investigations as the investigations evolve. This obligation shall not be construed to require the disclosure of information if disclosure could jeopardize a criminal investigation.

IV. EMERGENCY MANAGEMENT:

The Fire Authority agrees to provide oversight and coordination on the City's Emergency Operations Plan. The Fire Authority further agrees to assign a command staff level fire representative to the City's Emergency Operations Center in the event that is activated as well as the services listed below:

1. Coordinate emergency preparedness planning and training to the City of Stanwood with the County DEM.
2. Serve as a part of the command staff in the City's EOC for drills, exercises and in emergencies. An effective EOC team includes multiple levels of inclusion between the city and public safety.
3. The City will maintain the EOC equipment and technology, however the Authority will maintain it as a classroom with projectors, tables, chairs, and televisions.

EXHIBIT B

**2019 Fire Marshal/Fire Investigation/
Emergency Management
Service Contract Estimate**

Labor	\$42,000
M&O/Administration	\$875
Capital	\$838
Total Cost	\$43,713

Note 1: Labor costs are based on 2018 Stanwood current salary and benefit rates.

Note 2: In accordance with 7.1.1, if a new collective bargaining agreement (CBA) between the Authority and the IAFF Local or employee contract which represents the Authority's employees has not been finalized by September 1 of the final year of the then-effective CBA, the Personnel costs and the Overhead Costs for the ensuing year shall be adjusted following execution of the new CBA and shall be retroactive to January 1 of the Adjustment Year. For purposes of this paragraph, the term "Adjustment Year" means the year in which a new CBA is effective between the Authority and the local chapter of the IAFF. When a new CBA has retroactive effect, the Adjustment Year shall be the date to which the CBA is retroactively applied. For example, if a CBA expires on December 31, 2017 and a new CBA is executed on December 1, 2019 but made retroactive to January 1, 2018, the Adjustment Year would be 2018.

Note 3: M&O/Administration costs are related to human resources, accounting, payroll services, fleet maintenance, uniforms, radios, field technology, etc.

Note 4: Capital costs are related to fleet management for inspector vehicles on an 10-year replacement schedule and will increase 3% annually.



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 8c

DATE: June 28, 2018

SUBJECT: Integrated Planning Grant (IPG) and Service Contract for Grant Application

CONTACT PERSON: Ryan C. Larsen, City Administrator

ATTACHMENTS: A - Grant Contract with DOE
B - Maul Foster & Alongi – Scope of Work
C - Old Gas Station
D - Old Hamilton Lumber Mill

ISSUE

The issue in front of the city council is to authorize the mayor to sign the Integrated Planning Grant (IPG) with Department of Ecology for \$300,000 and approve the Scope of Work with Maul Foster & Alongi for managing the Integrated Planning Grant for \$275,000.

RECOMMENDATION

1. Review and discuss the IPG grant and scope of work for Maul Foster & Alongi.
2. Authorize the mayor to sign the IPG grant for \$300,000.
3. Support the Scope of Work with Maul Foster & Alongi to manage the grant for \$275,000.

SUMMARY STATEMENT

The city has been interested in studying two particular sites within the city to determine the extent of their possible environmental contamination and to develop a strategy for property redevelopment and/or future acquisition. One of the subject sites has been utilized as a previous gas station site over the years at 271st Street NW and the split to 270th Street NW owned by Kathleen Raplee (Attachment C), and the other is the former Hamilton Lumber Mill site which the city currently owns (Attachment D).

Maul Foster & Alongi assisted in the preparation and submission of an application for an Integrated Planning Grant (IPG) to the Washington State Department of Ecology back in 2014 for the city. The IPG grant was awarded to the city, however the funding with the granting program was put on hold at the end of 2014. The city was informed by the

Department of Ecology in February of this year that the funding is available if the city was still interested. After discussion with Ecology and Maul Foster & Algoni, staff feels that we could utilize the funding to determine any potential clean-up of these sites as well as master plan each of the sites.

If the city does not accept this funding, then the grant monies simply go back to the State in the general fund.

DISCUSSION

Integrated Planning Grants provide up to \$200,000 for a single site and \$300,000 for two sites to local governments without requiring local matching funds. The city is awarded \$300,000 since we will be looking at two sites. These grants allow local governments to conduct due diligence on a brownfield site and create a well-developed strategy for clean-up and redevelopment before investing local funds into acquiring property.

Integrated plans establish a vision for a contaminated property's future use that energizes the redevelopment effort and drives the clean-up process. Integrated plans outline a strategy to solve multiple problems that stem from contamination. The plan may address habitat restoration, recreational opportunities, and infrastructure development as part of the overall cleanup process. The plan would also include funding strategies that leverage multiple grant and loan opportunities to carry a project through to completion.

The city will utilize this funding to investigate the Raplee property as well as the Hamilton property and to develop a conceptual development plan for the Raplee property. For the Hamilton property, the consultant will complete our final overall master plan for the site and some construction estimates.

FINANCIAL IMPACT

The Scope of Work is limited to the services related to administering the grant funding from the Department of Ecology as identified in Attachment B. IPG eligible costs include up to \$300,000 at 100 percent funding through the Department of Ecology. The good news is there is no requirement for city matching funds for this grant application and the city will utilize \$25,000 to manage the contract and time spent working with the consultant. All costs are absorbed by the grant. The city is required to expend the monies first and will receive reimbursement from DOE for these costs.

COMMITTEE RECOMMENDATION

No Committee review at this time.

CITY COUNCIL OPTIONS

1. Authorize the mayor to sign the IPG for \$300,000 and support the Scope of Work with Maul Foster & Algoni not to exceed \$275,000 for administering the grant funding.
2. Direct staff to make changes to the scope of work and/or cost provided for these services.

The city council may have concerns regarding the services provided by Maul Foster & Algoni. The council may want to direct staff to resolve these concerns prior to authorizing the Scope of Work or allowing the mayor to sign for the grant acceptance.

3. Do not authorize the mayor to sign the IPG for \$300,000 or support the Scope of Work with Maul Foster & Algoni not to exceed \$275,000 for administering the grant funding.

The city council may have material concerns regarding the Scope of Work or the services provided by Maul Foster & Algoni or with the grant.

RECOMMENDED MOTION

1. **I MOVE TO AUTHORIZE THE MAYOR TO SIGN THE INTEGRATED PLANNING GRANT WITH THE DEPARTMENT OF ECOLOGY FOR ACCEPTANCE OF THE GRANT FUNDING FOR \$300,000.**
2. **I MOVE TO APPROVE THE SCOPE OF WORK IN ATTACHMENT “B” WITH MAUL FOSTER & ALGONI NOT TO EXCEED \$275,000 FOR SERVICES RELATED TO ADMINISTERING THE INTEGRATED PLANNING GRANT.**

**Agreement No. TCPRA-2018-Stanwo-00027****TOXICS CLEANUP REMEDIAL ACTION GRANT PROGRAM AGREEMENT****BETWEEN****THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY****AND****CITY OF STANWOOD**

This is a binding Agreement entered into by and between the state of Washington, Department of Ecology, hereinafter referred to as “ECOLOGY,” and CITY OF STANWOOD, hereinafter referred to as the “RECIPIENT,” to carry out with the provided funds activities described herein.

GENERAL INFORMATION

Project Title:	RAPLEE AND HAMILTON PROPERTIES
Total Cost:	\$300,000.00
Total Eligible Cost:	\$300,000.00
Ecology Share:	\$300,000.00
Recipient Share:	\$0.00
The Effective Date of this Agreement is:	04/02/2018
The Expiration Date of this Agreement is no later than:	06/30/2019
Project Type:	Integrated Planning Grant

Project Short Description:

Integrated planning activities at the Raplee and Hamilton properties. The RECIPIENT is exploring the opportunity to acquire one parcel and convert two contaminated and blighted properties into community assets that will expand the RECIPIENT’s park system and provide public access to the Stillaguamish River.

Project Long Description:

The project entails integrated planning activities at two properties in Stanwood, WA. The project includes environmental investigations and redevelopment planning to support the public acquisition of two contaminated and underutilized properties in downtown Stanwood, the Raplee and Hamilton properties. The Raplee and the Hamilton properties have a long history of commercial and industrial operations that have resulted in confirmed and suspected contamination in the soil and groundwater.

The Hamilton Property is located at 26716 98th Drive NW directly adjacent to the Stillaguamish River and was home to a historic log yard and lumber mill. The Site includes approximately 0.45 acres of riverfront property

Agreement No: TCPRA-2018-Stanwo-00027
Project Title: RAPLEE AND HAMILTON PROPERTIES
Recipient Name: CITY OF STANWOOD

that has been inaccessible to the public since the mill's establishment in the 1920s. Industrial operations are no longer active on the Site, but the market perception of environmental contamination has left the property underutilized. Current structures remaining on the property include a smokestack and one warehouse building. The "Hamilton Stack," built in 1927, remains a cultural icon and way-finding landmark for residents and visitors. Though environmental investigations have not been conducted, the public perception is that the property is contaminated as a result of this historic use. There are also concerns that there have been impacts to the adjacent Stillaguamish River from the Site.

Residents have voiced their desire to convert the blighted industrial property into a community waterfront park. The park has been proposed as an open green space that would act to bookend the downtown waterfront on the east, with the Ovenell property serving as the western bookend. The property is located within the proposed Port Susan Marine Stewardship Area, a 4,122-acre conservation area designated by The Nature Conservancy. The stewardship area is designed to generate awareness about the area's natural, cultural, and scenic value and empower local jurisdictions to take actions that protect its environmental health. The proposed park use would achieve these objectives by minimizing impact on the Stillaguamish River and surrounding ecological environment.

The Raplee Property is a currently vacant, 0.21-acre property located at 9816 271st Street NW at the eastern gateway of Stanwood's main street and approximately a quarter mile north of the Hamilton Property. It is situated at the eastern gateway of Stanwood's historic main street. A retail gasoline service station operated on the Site from 1941 to 1970, prior to the Raplee family's ownership.

At the time the Raplee family purchased the property, it had been converted to a plant nursery and the current owner was unaware of the environmental issues at the Site. The identification of several underground storage tanks, as well as legacy contamination left behind from the service station, has added burdensome costs to the planned redevelopment effort and hindered the owner's ability to return the property to productive use. Despite best attempts to proceed with cleanup actions, prior efforts have been unsuccessful. The Raplee Property retains restricted access and is surrounded by chain link fence, imposing an eyesore to the adjacent residents and business community.

The Site is listed on ECOLOGY's Confirmed and Suspected Hazardous Sites List with confirmed contamination in soil and groundwater (CSID 5275). Some cleanup activities were conducted in 2004 to remove three underground storage tanks (USTs). At the time, soil samples were collected from the bottom and side-walls of the UST excavation areas, from beneath the product lines, and from the soil stockpiled on site. Samples revealed the presence of gasoline and heavy oil range petroleum hydrocarbons, along with benzene, toluene, ethylbenzene and xylene (BTEX), at concentrations exceeding Model Toxics Control Act (MTCA) Method A cleanup standards. In addition, historical documents indicate that there may be additional USTs located on the Site and within the adjacent City right-of-way.

Groundwater sampling conducted as recent as April 2014, indicates continued petroleum hydrocarbon-related groundwater contamination, including free product, in one of the existing monitoring wells. The full extent of contamination is not known. Due to the costs associated with cleanup, the property owner removed the Site from ECOLOGY's Voluntary Cleanup Program in 2012, and plans for cleanup and redevelopment of the property were shelved.

In 2003 and 2012, a team of experts from the American Institute of Architects (AIA) facilitated a community visioning process that resulted in a series of recommended design solutions for revitalizing the downtown

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Recipient Name: CITY OF STANWOOD

waterfront area and attracting business and tourism to the city. The final Sustainability Design Assessment Team report (SDAT), issued in 2012, cited a lack of connection to the riverfront and predominantly auto-oriented development as two of the largest challenges facing the RECIPIENT's revitalization efforts. The report noted the lack of natural views and waterfront access, largely obstructed by industrial and commercial development along the shoreline.

The RECIPIENT's Parks, Recreation, and Open Space Plan and Shoreline Master Program supports these findings and sets goals for the expansion of existing recreation facilities, including public parks, waterfront access points, and recreational trails. The plan emphasizes the need to connect the downtown with the waterfront area and sets goals to provide public access to the Stillaguamish River.

Redevelopment of the two Sites has the potential to create two key activity nodes in the City's downtown core: the Hamilton Property and the waterfront, and the Raplee Property and the historic main street. The RECIPIENT plans to use redevelopment of the two properties to generate interest between the two nodes and establish the City's first bicycle-pedestrian corridor along 98th Drive Northwest. Potential alternatives will consider design of a shared right-of-way for multi-modal transportation, as well as the potential closing of the street to through automotive traffic and creating a multi-purpose, pedestrian-bicycle corridor. The corridor would be designed to stimulate connectivity between the downtown and waterfront, currently disconnected by US Route 532, and would stimulate the RECIPIENT's goals for incentivizing alternative modes of transportation.

Overall Goal:

The goals of the project are to integrate environmental, economic, and community development goals by:

- Addressing legacy contamination along the waterfront and within the historic downtown;
- Protecting water quality in the Stillaguamish River from potentially harmful contaminants located on the Hamilton Property;
- Increasing and enhancing shoreline habitat areas by restoring the Hamilton Property;
- Revitalizing blighted and underutilized properties in the downtown area and along the waterfront to address community eyesores and support the existing business community;
- Increasing the value of the neighborhood and surrounding properties;
- Attracting visitors travelling to Camano Island or along the Amtrak Cascade corridor Community;
- Providing opportunities for public access to the riverfront and reorient the community to the banks of the Stillaguamish River; and
- Improving bicycle and pedestrian routes between the waterfront and downtown.

Agreement No: TCPRA-2018-Stanwo-00027
Project Title: RAPLEE AND HAMILTON PROPERTIES
Recipient Name: CITY OF STANWOOD

RECIPIENT INFORMATION

Organization Name: CITY OF STANWOOD

Federal Tax ID: 91-6001509

DUNS Number: 019256379

Mailing Address: 10220 270th Street NW
Stanwood, WA 98292

Physical Address: 10220 270th Street NW
Stanwood, Washington 98292

Organization Email: ryan.larsen@ci.stanwood.wa.us

Contacts

Project Manager	Patricia Love Community Development Director 10220 270th Street NW Stanwood, Washington 98292 Email: patricia.love@ci.stanwood.wa.us Phone: (360) 629-2181
Billing Contact	Wendy Corder Dowhower Senior Accountant 10220 270th ST NW Stanwood, Washington 98292 Email: wendy.dowhower@ci.stanwood.wa.us Phone: (360) 629-2181 x4502
Authorized Signatory	Leonard Kelley Mayor 10220 270th Street NW Stanwood, Washington 98292 Email: leonard.kelley@ci.stanwood.wa.us Phone: (360) 629-2181

Agreement No: TCPRA-2018-Stanwo-00027
Project Title: RAPLEE AND HAMILTON PROPERTIES
Recipient Name: CITY OF STANWOOD

ECOLOGY INFORMATION

Mailing Address: Department of Ecology
Toxics Cleanup
PO BOX 47600
Olympia, WA 98504-7600

Physical Address: Toxics Cleanup
300 Desmond Drive SE
Lacey, WA 98503

Contacts

Project Manager	Alan Bogner PO Box 47600 Olympia, Washington 98504-7600 Email: abog461@ecy.wa.gov Phone: (360) 407-7188
Financial Manager	Lydia Lindwall PO Box 47600 Olympia, Washington 98504-7600 Email: llin461@ecy.wa.gov Phone: (360) 407-6210
Technical Advisor	Lucy McInerney 3190 - 160th Ave SE Bellevue, Washington 98008-5452 Email: lpeb461@ecy.wa.gov Phone: (425) 649-7272

Agreement No: TCPRA-2018-Stanwo-00027
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Recipient Name: CITY OF STANWOOD

AUTHORIZING SIGNATURES

RECIPIENT agrees to furnish the necessary personnel, equipment, materials, services, and otherwise do all things necessary for or incidental to the performance of work as set forth in this Agreement.

RECIPIENT acknowledges that they had the opportunity to review the entire Agreement, including all the terms and conditions of this Agreement, Scope of Work, attachments, and incorporated or referenced documents, as well as all applicable laws, statutes, rules, regulations, and guidelines mentioned in this Agreement. Furthermore, the RECIPIENT has read, understood, and accepts all requirements contained within this Agreement.

This Agreement contains the entire understanding between the parties, and there are no other understandings or representations other than as set forth, or incorporated by reference, herein.

No subsequent modifications or amendments to this agreement will be of any force or effect unless in writing, signed by authorized representatives of the RECIPIENT and ECOLOGY and made a part of this agreement. ECOLOGY and RECIPIENT may change their respective staff contacts without the concurrence of either party.

This Agreement shall be subject to the written approval of Ecology's authorized representative and shall not be binding until so approved.

The signatories to this Agreement represent that they have the authority to execute this Agreement and bind their respective organizations to this Agreement.

IN WITNESS WHEREOF: the parties hereto, having read this Agreement in its entirety, including all attachments, do agree in each and every particular and have thus set their hands hereunto.

Washington State
Department of Ecology

CITY OF STANWOOD

By: _____

By: _____

Jim Pendowski
Toxics Cleanup
Program Manager
Date

Leonard Kelley
Mayor
Date

Template Approved to Form by
Attorney General's Office

Agreement No: TCPRA-2018-Stanwo-00027
Project Title: RAPLEE AND HAMILTON PROPERTIES
Recipient Name: CITY OF STANWOOD

SCOPE OF WORK

Task Number: 1 **Task Cost:** \$100,000.00

Task Title: ENVIRONMENTAL INVESTIGATIONS - J003

Task Description:

This task funds the RECIPIENT's eligible costs ECOLOGY deems reasonable and necessary to plan and perform environmental investigations consistent with ECOLOGY-reviewed Work Plans for the Raplee and Hamilton properties. This includes costs associated with Phase 1 and 2 studies, identification and testing of sources of contamination, surveying/mapping, data management, preparation and implementation of a sampling and analysis, quality assurance, and health and safety plans, and RECIPIENT staff costs not billed under the Grant and Project Administration task.

Eligible costs also include activities associated with compliance with archaeological and cultural resource requirements.

Work performed under this task shall be in accordance with standard environmental assessment practices and in consideration of state cleanup regulations - the Model Toxics Control Act and the Sediment Management Standards (Chapters 173-340 WAC and 173-204 WAC).

The RECIPIENT shall prepare and submit an Environmental Investigation Work Plan for each property to the ECOLOGY Project Manager and Technical Advisor for review and approval. The Work Plan shall summarize existing information and describe planned environmental investigation work.

The RECIPIENT shall provide copies of all documents developed or funded under this task to the ECOLOGY Project Manager and Technical Adviser for review.

Task Goal Statement:

To compile existing information and conduct field investigations that provide information on contaminants at each property to enable the development and evaluation of any necessary cleanup options.

Task Expected Outcome:

The results of the environmental investigations are documented in reports that can be used to aid the development and evaluation of any necessary cleanup options for the properties.

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Recipient Task Coordinator: Patricia Love

ENVIRONMENTAL INVESTIGATIONS - J003

Deliverables

Number	Description	Due Date
1.1	Environmental Investigation Work Plan for Raplee Property.	
1.2	Environmental Investigation Work Plan for Hamilton Property.	
1.3	Environmental Investigation Report for Raplee Property.	
1.4	Environmental Investigation Report for Hamilton Property.	

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SCOPE OF WORK

Task Number: 2 **Task Cost:** \$50,000.00

Task Title: EVALUATION OF CLEANUP OPTIONS – J004

Task Description:

This task funds the RECIPIENT's eligible costs ECOLOGY deems reasonable and necessary to develop and evaluate any necessary cleanup options for each property, based on the work completed under Tasks 1 and 3.

Eligible costs may also include costs associated with pilot tests, treatability studies, stormwater source control engineering studies, green remediation alternatives analysis, Environmental Impact Statements, data management, and public involvement; and RECIPIENT staff costs not billed under the Grant and Project Administration task.

Work performed under this task shall be completed in consideration of state cleanup regulations – the Model Toxics Control Act and the Sediment Management Standards (Chapters 173-340 WAC and 173-204 WAC).

The RECIPIENT shall prepare and submit a Cleanup Options report for each property to the ECOLOGY Project Manager and Technical Adviser for review. The report shall include a range of cleanup options and associated planning level cost estimates.

Task Goal Statement:

To develop and evaluate cleanup options that address contamination in consideration of future land use.

Task Expected Outcome:

The results of the evaluations are documented in reports that can be used to identify potential future regulatory cleanup requirements and associated costs.

Recipient Task Coordinator: Patricia Love

EVALUATION OF CLEANUP OPTIONS – J004

Deliverables

Number	Description	Due Date
2.1	Cleanup Options Report for the Raplee Property.	
2.2	Cleanup Options Report for the Hamilton Property.	

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SCOPE OF WORK

Task Number: 3

Task Cost: \$125,000.00

Task Title: INTEGRATED PLANNING ACTIVITIES – J011

Task Description:

This task funds RECIPIENT integrated planning activities ECOLOGY deems reasonable and necessary perform redevelopment planning activities and to engage the public in proposed redevelopment efforts for the Raplee and Hamilton properties.

Planned activities included completing an analysis of the land use and regulatory framework, including zoning and development code; the Parks, Recreation, and Open Space Plan; and the Shoreline Master Program. The RECIPIENT will review local plans and codes to outline requirements and potential changes needed to promote site redevelopment.

The RECIPIENT will complete conceptual site planning through a collaborative workshop where the sites' constraints and opportunities will be evaluated. Conceptual redevelopment plans will be prepared for the Raplee and Hamilton properties. The master plans will provide preliminary park and open space design for the Hamilton property.

The RECIPIENT will integrate the key steps for implementing the cleanup actions and proposed redevelopment into an integrated redevelopment strategy. The findings will discuss an approach to risk management, development phasing, and financial feasibility. The final integrated plan will consider future development within the regulatory framework and environmental context evaluated through the environmental investigations at each of the Sites.

Task Goal Statement:

To inform community about the investigations, and proposed integration of the cleanup work, and land use planning options for the Sites.

Task Expected Outcome:

The community has access to the cleanup and redevelopment processes at the site. Technical information is communicated to community leaders and the general public so they can engage in the cleanup and land use planning activities at the site.

Recipient Task Coordinator: Patricia Love

INTEGRATED PLANNING ACTIVITIES – J011

Deliverables

Number	Description	Due Date
3.1	Conceptual master plan for the Raplee Site.	
3.2	Conceptual master plan for the Hamilton Site.	
3.3	Integrated cleanup and redevelopment strategy report Raplee Site.	
3.4	Integrated cleanup and redevelopment strategy report Hamilton Site.	

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SCOPE OF WORK

Task Number: 4 **Task Cost:** \$25,000.00

Task Title: GRANT AND PROJECT ADMINISTRATION - J008

Task Description:

This task funds the RECIPIENT's eligible costs ECOLOGY deems reasonable and necessary to administer the grant and manage project activities.

Eligible administrative costs may also include those incurred performing activities to:

- Ensure compliance with the terms of the approved work plans, Agreed Order/Consent Decree/AOC, as applicable, except legal costs.
- Perform Public Involvement Activities: Plan and hold meetings and communications with the public, consultants/contractors, or ECOLOGY not billed under another task.
- Procure and manage consultants and construction contractors.
- Perform quality control and quality assurance oversight of all project elements.
- Manage the grant, develop, and maintain grant files.
- Prepare and submit payment requests, and progress reports, spending plans, or other reports.
- Conduct, coordinate, and schedule activities related to multiple tasks or the grant as a whole.
- Purchase services, supplies, tools, and equipment needed to accomplish grant tasks.

(Equipment purchases are conditionally eligible and require prior written approval by ECOLOGY's Financial Manager).

- Attend training events approved in advance, including related travel costs. (Training requires prior approval by ECOLOGY'S Financial Manager).
- Perform Environmental impact analysis.
- Perform Cost-benefit analyses.
- Conduct research or studies relevant to multiple tasks or sites.
- Manage scientific Data.

Spending Plans:

The RECIPIENT shall submit a spending plan to ECOLOGY. The spending plan identifies the amount by quarter in which the RECIPIENT plans to bill ECOLOGY for accumulated costs through the term of the agreement.

The spending plan must be updated at least quarterly to reflect actual expenditures and projections for the remainder of grant/loan reimbursement requests.

The spending plan form in EAGL must be updated with each payment request/progress report.

Travel & Per Diem:

ECOLOGY will reimburse travel costs at the state per diem rate in effect when the costs were incurred. Any costs incurred over the state rate will be the sole responsibility of the contractor or recipient unless an exception is provided in writing by the financial manager prior to the costs being incurred. The RECIPIENT may bill costs related to vehicle usage at the state approved mileage rate. Any other motor pool costs, such as the cost of parking the RECIPIENT's vehicles at their own office, purchasing, or maintaining vehicles are considered part of overhead and may not be direct billed to this grant.

Task Goal Statement:

To manage the grant and project, and complete all administrative documentation and billings in accordance with

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accounting standards, the terms and conditions of the grant, and the Administrative Requirements for Recipients of Ecology Grants and Loans Managed in EAGL.

Task Expected Outcome:

Project documentation will be properly developed and maintained in accordance with the terms and conditions of the grant, and the Administrative Requirements for Recipients of Ecology Grants and Loans Managed in EAGL.

Recipient Task Coordinator: Wendy Corder Dowhower

GRANT AND PROJECT ADMINISTRATION - J008

Deliverables

Number	Description	Due Date
4.1	Timely grant payment requests/progress reports (PR/PR) with proper documentation.	
4.2	Updated spending plan form completed in EAGL with each PR/PR.	

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BUDGET

Funding Distribution EG180396

NOTE: *The above funding distribution number is used to identify this specific agreement and budget on payment remittances and may be referenced on other communications from ECOLOGY. Your agreement may have multiple funding distribution numbers to identify each budget.*

Funding Title: Raplee and Hamilton - Stanwood IPG Funding Type: Grant
Funding Effective Date: 04/02/2018 Funding Expiration Date: 06/30/2019

Funding Source:

Title: Local Toxics Control Account (LTCA)

Type: State

Funding Source %: 100%

Description: Remedial action grants and loans are provided to Local Governments in Washington State to assist with the cleanup of publicly owned lands contaminated with hazardous substances. Grants or loans offered included those for cleanups conducted under state or federal cleanup order or consent decree, independent cleanups, safe drinking water actions, areawide groundwater investigations, and integrated planning activities. The remedial action grant and loan program was created by the Model Toxics Control Act (MTCA), Chapter 70.105D RCW. MTCA directed ECOLOGY to adopt rules for grant and loan issuance and performance. Those rules are in Chapter 173-322A WAC, Remedial Action Grants and Loans. Funds for remedial action grants and loans come from a tax on hazardous substances. MTCA directs 44% of the tax revenue into the Local Toxics Control Account (LTCA). Each biennium, the Legislature appropriates a portion of the funds in the LTCA for remedial action grants and loans.

Approved Indirect Costs Rate: Approved State Indirect Rate: 25%

Recipient Match %: 0%

InKind Interlocal Allowed: No

InKind Other Allowed: No

Is this Funding Distribution used to match a federal grant? No

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Raplee and Hamilton - Stanwood IPG	Task Total
ENVIRONMENTAL INVESTIGATIONS - J003	\$ 100,000.00
EVALUATION OF CLEANUP OPTIONS – J004	\$ 50,000.00
INTEGRATED PLANNING ACTIVITIES – J011	\$ 125,000.00
GRANT AND PROJECT ADMINISTRATION - J008	\$ 25,000.00

Total: \$ 300,000.00

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 Recipient Name: CITY OF STANWOOD

Funding Distribution Summary

Recipient / Ecology Share

Funding Distribution Name	Recipient Match %	Recipient Share	Ecology Share	Total
Raplee and Hamilton - Stanwood IPG	0.00 %	\$ 0.00	\$ 300,000.00	\$ 300,000.00
Total		\$ 0.00	\$ 300,000.00	\$ 300,000.00

AGREEMENT SPECIFIC TERMS AND CONDITIONS

N/A

SPECIAL TERMS AND CONDITIONS

GENERAL FEDERAL CONDITIONS

If a portion or all of the funds for this agreement are provided through federal funding sources or this agreement is used to match a federal grant award, the following terms and conditions apply to you.

A. CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION:

1. The RECIPIENT/CONTRACTOR, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT/CONTRACTOR is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT/CONTRACTOR shall provide immediate written notice to ECOLOGY if at any time the RECIPIENT/CONTRACTOR learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact ECOLOGY for assistance in obtaining a copy of those regulations.
4. The RECIPIENT/CONTRACTOR agrees it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
5. The RECIPIENT/CONTRACTOR further agrees by signing this agreement, that it will include this clause titled "CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION" without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. Pursuant to 2CFR180.330, the RECIPIENT/CONTRACTOR is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. RECIPIENT/CONTRACTOR acknowledges that failing to disclose the information required in the Code of

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Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.

8. RECIPIENT/CONTRACTOR agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to ECOLOGY before requests for reimbursements will be approved for payment. RECIPIENT/CONTRACTOR must run a search in <http://www.sam.gov> and print a copy of completed searches to document proof of compliance.

B. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING

REQUIREMENTS:

CONTRACTOR/RECIPIENT must complete the FFATA Data Collection Form (ECY 070-395) and return it with the signed agreement to ECOLOGY.

Any CONTRACTOR/RECIPIENT that meets each of the criteria below must report compensation for its five top executives using the FFATA Data Collection Form.

- Receives more than \$25,000 in federal funds under this award.
- Receives more than 80 percent of its annual gross revenues from federal funds.
- Receives more than \$25,000,000 in annual federal funds.

Ecology will not pay any invoices until it has received a completed and signed FFATA Data Collection Form. Ecology is required to report the FFATA information for federally funded agreements, including the required DUNS number, at www.fsr.gov <http://www.fsr.gov> within 30 days of agreement signature. The FFATA information will be available to the public at www.usaspending.gov <http://www.usaspending.gov>.

For more details on FFATA requirements, see www.fsr.gov <http://www.fsr.gov>.

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GENERAL TERMS AND CONDITIONS

Pertaining to Grant and Loan Agreements With the state of Washington, Department of Ecology

GENERAL TERMS AND CONDITIONS AS OF LAST UPDATED 1/22/2018 VERSION

1. ADMINISTRATIVE REQUIREMENTS

- a) RECIPIENT shall follow the "Administrative Requirements for Recipients of Ecology Grants and Loans – EAGL Edition." (<https://fortress.wa.gov/ecy/publications/SummaryPages/1701004.html>)
- b) RECIPIENT shall complete all activities funded by this Agreement and be fully responsible for the proper management of all funds and resources made available under this Agreement.
- c) RECIPIENT agrees to take complete responsibility for all actions taken under this Agreement, including ensuring all subgrantees and contractors comply with the terms and conditions of this Agreement. ECOLOGY reserves the right to request proof of compliance by subgrantees and contractors.
- d) RECIPIENT's activities under this Agreement shall be subject to the review and approval by ECOLOGY for the extent and character of all work and services.

2. AMENDMENTS AND MODIFICATIONS

This Agreement may be altered, amended, or waived only by a written amendment executed by both parties. No subsequent modification(s) or amendment(s) of this Agreement will be of any force or effect unless in writing and signed by authorized representatives of both parties. ECOLOGY and the RECIPIENT may change their respective staff contacts and administrative information without the concurrence of either party.

3. ARCHAEOLOGICAL AND CULTURAL RESOURCES

RECIPIENT shall take reasonable action to avoid, minimize, or mitigate adverse effects to archeological and historic resources. The RECIPIENT must agree to hold harmless the State of Washington in relation to any claim related to historical or cultural artifacts discovered, disturbed, or damaged due to the RECIPIENT's project funded under this Agreement.

RECIPIENT shall:

- a) Contact the ECOLOGY Program issuing the grant or loan to discuss any Cultural Resources requirements for their project:
 - For capital construction projects or land acquisitions for capital construction projects, if required, comply with Governor Executive Order 05-05, Archaeology and Cultural Resources.
 - For projects with any federal involvement, if required, comply with the National Historic Preservation Act.
 - Any cultural resources federal or state requirements must be completed prior to the start of any work on the project site.
- b) If required by the ECOLOGY Program, submit an Inadvertent Discovery Plan (IDP) to ECOLOGY prior to implementing any project that involves ground disturbing activities. ECOLOGY will provide the IDP form.

RECIPIENT shall:

- Keep the IDP at the project site.
- Make the IDP readily available to anyone working at the project site.
- Discuss the IDP with staff and contractors working at the project site.
- Implement the IDP when cultural resources or human remains are found at the project site.
- c) If any archeological or historic resources are found while conducting work under this Agreement:
 - Immediately stop work and notify the ECOLOGY Program, the Department of Archaeology and Historic Preservation at (360) 586-3064, any affected Tribe, and the local government.
- d) If any human remains are found while conducting work under this Agreement:

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- Immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, and then the ECOLOGY Program.

- e) Comply with RCW 27.53, RCW 27.44.055, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting cultural resources and human remains.

4. ASSIGNMENT

No right or claim of the RECIPIENT arising under this Agreement shall be transferred or assigned by the RECIPIENT.

5. COMMUNICATION

RECIPIENT shall make every effort to maintain effective communications with the RECIPIENT's designees, ECOLOGY, all affected local, state, or federal jurisdictions, and any interested individuals or groups.

6. COMPENSATION

- a) Any work performed prior to effective date of this Agreement will be at the sole expense and risk of the RECIPIENT. ECOLOGY must sign the Agreement before any payment requests can be submitted.
- b) Payments will be made on a reimbursable basis for approved and completed work as specified in this Agreement.
- c) RECIPIENT is responsible to determine if costs are eligible. Any questions regarding eligibility should be clarified with ECOLOGY prior to incurring costs. Costs that are conditionally eligible require approval by ECOLOGY prior to expenditure.
- d) RECIPIENT shall not invoice more than once per month unless agreed on by ECOLOGY.
- e) ECOLOGY will not process payment requests without the proper reimbursement forms, Progress Report and supporting documentation. ECOLOGY will provide instructions for submitting payment requests.
- f) ECOLOGY will pay the RECIPIENT thirty (30) days after receipt of a properly completed request for payment.
- g) RECIPIENT will receive payment through Washington State Department of Enterprise Services' Statewide Payee Desk. RECIPIENT must register as a payee by submitting a Statewide Payee Registration form and an IRS W-9 form at the website, <http://www.des.wa.gov/services/ContractingPurchasing/Business/VendorPay/Pages/default.aspx>. For any questions about the vendor registration process contact the Statewide Payee Help Desk at (360) 407-8180 or email payeehelpdesk@watech.wa.gov.
- h) ECOLOGY may, at its sole discretion, withhold payments claimed by the RECIPIENT if the RECIPIENT fails to satisfactorily comply with any term or condition of this Agreement.
- i) Monies withheld by ECOLOGY may be paid to the RECIPIENT when the work described herein, or a portion thereof, has been completed if, at ECOLOGY's sole discretion, such payment is reasonable and approved according to this Agreement, as appropriate, or upon completion of an audit as specified herein.
- j) RECIPIENT must submit within thirty (30) days after the expiration date of this Agreement, all financial, performance, and other reports required by this agreement. Failure to comply may result in delayed reimbursement.

7. COMPLIANCE WITH ALL LAWS

RECIPIENT agrees to comply fully with all applicable federal, state and local laws, orders, regulations, and permits related to this Agreement, including but not limited to:

- a) RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.
- b) RECIPIENT agrees to be bound by all applicable federal and state laws, regulations, and policies against discrimination.
- c) RECIPIENT certifies full compliance with all applicable state industrial insurance requirements.
- d) RECIPIENT agrees to secure and provide assurance to ECOLOGY that all the necessary approvals and permits required by authorities having jurisdiction over the project are obtained. RECIPIENT must include time in their project timeline for the permit and approval processes.

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ECOLOGY shall have the right to immediately terminate for cause this Agreement as provided herein if the RECIPIENT fails to comply with above requirements.

If any provision of this Agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

8. CONFLICT OF INTEREST

RECIPIENT and ECOLOGY agree that any officer, member, agent, or employee, who exercises any function or responsibility in the review, approval, or carrying out of this Agreement, shall not have any personal or financial interest, direct or indirect, nor affect the interest of any corporation, partnership, or association in which he/she is a part, in this Agreement or the proceeds thereof.

9. CONTRACTING FOR GOODS AND SERVICES

RECIPIENT may contract to buy goods or services related to its performance under this Agreement. RECIPIENT shall award all contracts for construction, purchase of goods, equipment, services, and professional architectural and engineering services through a competitive process, if required by State law. RECIPIENT is required to follow procurement procedures that ensure legal, fair, and open competition.

RECIPIENT must have a standard procurement process or follow current state procurement procedures. RECIPIENT may be required to provide written certification that they have followed their standard procurement procedures and applicable state law in awarding contracts under this Agreement.

ECOLOGY reserves the right to inspect and request copies of all procurement documentation, and review procurement practices related to this Agreement. Any costs incurred as a result of procurement practices not in compliance with state procurement law or the RECIPIENT's normal procedures may be disallowed at ECOLOGY's sole discretion.

10. DISPUTES

When there is a dispute with regard to the extent and character of the work, or any other matter related to this Agreement the determination of ECOLOGY will govern, although the RECIPIENT shall have the right to appeal decisions as provided for below:

- a) RECIPIENT notifies the funding program of an appeal request.
- b) Appeal request must be in writing and state the disputed issue(s).
- c) RECIPIENT has the opportunity to be heard and offer evidence in support of its appeal.
- d) ECOLOGY reviews the RECIPIENT's appeal.
- e) ECOLOGY sends a written answer within ten (10) business days, unless more time is needed, after concluding the review.

The decision of ECOLOGY from an appeal will be final and conclusive, unless within thirty (30) days from the date of such decision, the RECIPIENT furnishes to the Director of ECOLOGY a written appeal. The decision of the Director or duly authorized representative will be final and conclusive.

The parties agree that this dispute process will precede any action in a judicial or quasi-judicial tribunal.

Appeals of the Director's decision will be brought in the Superior Court of Thurston County. Review of the Director's decision will not be taken to Environmental and Land Use Hearings Office.

Pending final decision of a dispute, the RECIPIENT agrees to proceed diligently with the performance of this Agreement and in accordance with the decision rendered.

Nothing in this Agreement will be construed to limit the parties' choice of another mutually acceptable method, in addition to the dispute resolution procedure outlined above.

11. ENVIRONMENTAL DATA STANDARDS

- a) RECIPIENT shall prepare a Quality Assurance Project Plan (QAPP) for a project that collects or uses environmental measurement data. RECIPIENTS unsure about whether a QAPP is required for their project shall contact

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the ECOLOGY Program issuing the grant or loan. If a QAPP is required, the RECIPIENT shall:

- Use ECOLOGY's QAPP Template/Checklist provided by the ECOLOGY, unless ECOLOGY Quality Assurance (QA) officer or the Program QA coordinator instructs otherwise.

- Follow ECOLOGY's Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies, July 2004 (Ecology Publication No. 04-03-030).

- Submit the QAPP to ECOLOGY for review and approval before the start of the work.

b) RECIPIENT shall submit environmental data that was collected on a project to ECOLOGY using the Environmental Information Management system (EIM), unless the ECOLOGY Program instructs otherwise. The RECIPIENT must confirm with ECOLOGY that complete and correct data was successfully loaded into EIM, find instructions at: <http://www.ecy.wa.gov/eim>.

c) RECIPIENT shall follow ECOLOGY's data standards when Geographic Information System (GIS) data is collected and processed. Guidelines for Creating and Accessing GIS Data are available at:

<https://ecology.wa.gov/Research-Data/Data-resources/Geographic-Information-Systems-GIS/Standards>. RECIPIENT, when requested by ECOLOGY, shall provide copies to ECOLOGY of all final GIS data layers, imagery, related tables, raw data collection files, map products, and all metadata and project documentation.

12. GOVERNING LAW

This Agreement will be governed by the laws of the State of Washington, and the venue of any action brought hereunder will be in the Superior Court of Thurston County.

13. INDEMNIFICATION

ECOLOGY will in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.

To the extent that the Constitution and laws of the State of Washington permit, each party will indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this Agreement.

14. INDEPENDENT STATUS

The employees, volunteers, or agents of each party who are engaged in the performance of this Agreement will continue to be employees, volunteers, or agents of that party and will not for any purpose be employees, volunteers, or agents of the other party.

15. KICKBACKS

RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this Agreement to give up any part of the compensation to which he/she is otherwise entitled to or receive any fee, commission, or gift in return for award of a subcontract hereunder.

16. MINORITY AND WOMEN'S BUSINESS ENTERPRISES (MWBE)

RECIPIENT is encouraged to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned (WBE) businesses in purchases and contracts initiated under this Agreement.

Contract awards or rejections cannot be made based on MWBE participation; however, the RECIPIENT is encouraged to take the following actions, when possible, in any procurement under this Agreement:

- a) Include qualified minority and women's businesses on solicitation lists whenever they are potential sources of goods or services.

- b) Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.

- c) Establish delivery schedules, where work requirements permit, which will encourage participation of qualified

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minority and women's businesses.

d) Use the services and assistance of the Washington State Office of Minority and Women's Business Enterprises (OMWBE) (866-208-1064) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

17. ORDER OF PRECEDENCE

In the event of inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable federal and state statutes and regulations; (b) The Agreement; (c) Scope of Work; (d) Special Terms and Conditions; (e) Any provisions or terms incorporated herein by reference, including the "Administrative Requirements for Recipients of Ecology Grants and Loans"; and (f) the General Terms and Conditions.

18. PRESENTATION AND PROMOTIONAL MATERIALS

ECOLOGY reserves the right to approve RECIPIENT's communication documents and materials related to the fulfillment of this Agreement:

- a) If requested, RECIPIENT shall provide a draft copy to ECOLOGY for review and approval ten (10) business days prior to production and distribution.
- b) RECIPIENT shall include time for ECOLOGY's review and approval process in their project timeline.
- c) If requested, RECIPIENT shall provide ECOLOGY two (2) final copies and an electronic copy of any tangible products developed.

Copies include any printed materials, and all tangible products developed such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements, or gadgets with a message, such as a refrigerator magnet, and any online communications, such as web pages, blogs, and twitter campaigns. If it is not practical to provide a copy, then the RECIPIENT shall provide a description (photographs, drawings, printouts, etc.) that best represents the item.

Any communications intended for public distribution that uses ECOLOGY's logo shall comply with ECOLOGY's graphic requirements and any additional requirements specified in this Agreement. Before the use of ECOLOGY's logo contact ECOLOGY for guidelines.

RECIPIENT shall acknowledge in the communications that funding was provided by ECOLOGY.

19. PROGRESS REPORTING

- a) RECIPIENT must satisfactorily demonstrate the timely use of funds by submitting payment requests and progress reports to ECOLOGY. ECOLOGY reserves the right to amend or terminate this Agreement if the RECIPIENT does not document timely use of funds.
- b) RECIPIENT must submit a progress report with each payment request. Payment requests will not be processed without a progress report. ECOLOGY will define the elements and frequency of progress reports.
- c) RECIPIENT shall use ECOLOGY's provided progress report format.
- d) Quarterly progress reports will cover the periods from January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be submitted within thirty (30) days after the end of the quarter being reported.
- e) RECIPIENT must submit within thirty (30) days of the expiration date of the project, unless an extension has been approved by ECOLOGY, all financial, performance, and other reports required by the agreement and funding program guidelines. RECIPIENT shall use the ECOLOGY provided closeout report format.

20. PROPERTY RIGHTS

- a) Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property under this Agreement, the RECIPIENT may copyright or patent the same but ECOLOGY retains a royalty free, nonexclusive, and irrevocable license to reproduce, publish, recover, or otherwise use the material(s) or property, and to

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authorize others to use the same for federal, state, or local government purposes.

b) Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish ECOLOGY information; present papers, lectures, or seminars involving information supplied by ECOLOGY; or use logos, reports, maps, or other data in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to ECOLOGY.

c) Presentation and Promotional Materials. ECOLOGY shall have the right to use or reproduce any printed or graphic materials produced in fulfillment of this Agreement, in any manner ECOLOGY deems appropriate. ECOLOGY shall acknowledge the RECIPIENT as the sole copyright owner in every use or reproduction of the materials.

d) Tangible Property Rights. ECOLOGY's current edition of "Administrative Requirements for Recipients of Ecology Grants and Loans," shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by ECOLOGY in the absence of state and federal statutes, regulations, or policies to the contrary, or upon specific instructions with respect thereto in this Agreement.

e) Personal Property Furnished by ECOLOGY. When ECOLOGY provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to ECOLOGY prior to final payment by ECOLOGY. If said property is lost, stolen, or damaged while in the RECIPIENT's possession, then ECOLOGY shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.

f) Acquisition Projects. The following provisions shall apply if the project covered by this Agreement includes funds for the acquisition of land or facilities:

1. RECIPIENT shall establish that the cost is fair value and reasonable prior to disbursement of funds provided for in this Agreement.

2. RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this Agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses intended by this Agreement.

g) Conversions. Regardless of the Agreement expiration date, the RECIPIENT shall not at any time convert any equipment, property, or facility acquired or developed under this Agreement to uses other than those for which assistance was originally approved without prior written approval of ECOLOGY. Such approval may be conditioned upon payment to ECOLOGY of that portion of the proceeds of the sale, lease, or other conversion or encumbrance which monies granted pursuant to this Agreement bear to the total acquisition, purchase, or construction costs of such property.

21. RECORDS, AUDITS, AND INSPECTIONS

RECIPIENT shall maintain complete program and financial records relating to this Agreement, including any engineering documentation and field inspection reports of all construction work accomplished.

All records shall:

- a) Be kept in a manner which provides an audit trail for all expenditures.
- b) Be kept in a common file to facilitate audits and inspections.
- c) Clearly indicate total receipts and expenditures related to this Agreement.
- d) Be open for audit or inspection by ECOLOGY, or by any duly authorized audit representative of the State of Washington, for a period of at least three (3) years after the final grant payment or loan repayment, or any dispute resolution hereunder.

RECIPIENT shall provide clarification and make necessary adjustments if any audits or inspections identify discrepancies in the records.

ECOLOGY reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced. Any remedies and penalties allowed by law to recover monies determined owed will be enforced. Repetitive instances of incorrect invoicing or inadequate records may be considered cause for termination.

All work performed under this Agreement and any property and equipment purchased shall be made available to ECOLOGY and to any authorized state, federal or local representative for inspection at any time during the course of

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this Agreement and for at least three (3) years following grant or loan termination or dispute resolution hereunder. RECIPIENT shall provide right of access to ECOLOGY, or any other authorized representative, at all reasonable times, in order to monitor and evaluate performance, compliance, and any other conditions under this Agreement.

22. RECOVERY OF FUNDS

The right of the RECIPIENT to retain monies received as reimbursement payments is contingent upon satisfactory performance of this Agreement and completion of the work described in the Scope of Work.

All payments to the RECIPIENT are subject to approval and audit by ECOLOGY, and any unauthorized expenditure(s) or unallowable cost charged to this Agreement shall be refunded to ECOLOGY by the RECIPIENT.

RECIPIENT shall refund to ECOLOGY the full amount of any erroneous payment or overpayment under this Agreement.

RECIPIENT shall refund by check payable to ECOLOGY the amount of any such reduction of payments or repayments within thirty (30) days of a written notice. Interest will accrue at the rate of twelve percent (12%) per year from the time ECOLOGY demands repayment of funds.

Any property acquired under this Agreement, at the option of ECOLOGY, may become ECOLOGY's property and the RECIPIENT's liability to repay monies will be reduced by an amount reflecting the fair value of such property.

23. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

24. STATE ENVIRONMENTAL POLICY ACT (SEPA)

RECIPIENT must demonstrate to ECOLOGY's satisfaction that compliance with the requirements of the State Environmental Policy Act (Chapter 43.21C RCW and Chapter 197-11 WAC) have been or will be met. Any reimbursements are subject to this provision.

25. SUSPENSION

When in the best interest of ECOLOGY, ECOLOGY may at any time, and without cause, suspend this Agreement or any portion thereof for a temporary period by written notice from ECOLOGY to the RECIPIENT. RECIPIENT shall resume performance on the next business day following the suspension period unless another day is specified by ECOLOGY.

26. SUSTAINABLE PRACTICES

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is fully encouraged to implement sustainable practices and to purchase environmentally preferable products under this Agreement.

a) Sustainable practices may include such activities as: use of clean energy, use of double-sided printing, hosting low impact meetings, and setting up recycling and composting programs.

b) Purchasing may include such items as: sustainably produced products and services, EPEAT registered computers and imaging equipment, independently certified green cleaning products, remanufactured toner cartridges, products with reduced packaging, office products that are refillable, rechargeable, and recyclable, and 100% post-consumer recycled paper.

For more suggestions visit ECOLOGY's web page: Green Purchasing, ,
<https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Sustainable-purchasing>.

27. TERMINATION

a) For Cause

ECOLOGY may terminate for cause this Agreement with a seven (7) calendar days prior written notification to the

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RECIPIENT, at the sole discretion of ECOLOGY, for failing to perform an Agreement requirement or for a material breach of any term or condition. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination. Failure to Commence Work. ECOLOGY reserves the right to terminate this Agreement if RECIPIENT fails to commence work on the project funded within four (4) months after the effective date of this Agreement, or by any date mutually agreed upon in writing for commencement of work, or the time period defined within the Scope of Work.

Non-Performance. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this Agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of ECOLOGY, to perform any obligation required of it by this Agreement, ECOLOGY may refuse to pay any further funds, terminate in whole or in part this Agreement, and exercise any other rights under this Agreement. Despite the above, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and the State of Washington because of any breach of this Agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

b) For Convenience

ECOLOGY may terminate for convenience this Agreement, in whole or in part, for any reason when it is the best interest of ECOLOGY, with a thirty (30) calendar days prior written notification to the RECIPIENT, except as noted below. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

Non-Allocation of Funds. ECOLOGY's ability to make payments is contingent on availability of funding. In the event funding from state, federal or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to the completion or expiration date of this Agreement, ECOLOGY, at its sole discretion, may elect to terminate the Agreement, in whole or part, or renegotiate the Agreement, subject to new funding limitations or conditions. ECOLOGY may also elect to suspend performance of the Agreement until ECOLOGY determines the funding insufficiency is resolved. ECOLOGY may exercise any of these options with no notification or restrictions, although ECOLOGY will make a reasonable attempt to provide notice.

In the event of termination or suspension, ECOLOGY will reimburse eligible costs incurred by the recipient/contractor through the effective date of termination or suspension. Reimbursed costs must be agreed to by ECOLOGY and the recipient/contractor. In no event shall ECOLOGY's reimbursement exceed ECOLOGY's total responsibility under the agreement and any amendments.

If payments have been discontinued by ECOLOGY due to unavailable funds, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination.

RECIPIENT's obligation to continue or complete the work described in this Agreement shall be contingent upon availability of funds by the RECIPIENT's governing body.

c) By Mutual Agreement

ECOLOGY and the RECIPIENT may terminate this Agreement, in whole or in part, at any time, by mutual written agreement.

d) In Event of Termination

All finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports or other materials prepared by the RECIPIENT under this Agreement, at the option of ECOLOGY, will become property of ECOLOGY and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work

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completed on such documents and other materials.

Nothing contained herein shall preclude ECOLOGY from demanding repayment of all funds paid to the RECIPIENT in accordance with Recovery of Funds, identified herein.

28. THIRD PARTY BENEFICIARY

RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this Agreement, the state of Washington is named as an express third party beneficiary of such subcontracts with full rights as such.

29. WAIVER

Waiver of a default or breach of any provision of this Agreement is not a waiver of any subsequent default or breach, and will not be construed as a modification of the terms of this Agreement unless stated as such in writing by the authorized representative of ECOLOGY.

SCOPE OF WORK AND BUDGET
STILLAGUAMISH RIVER CONNECTOR INTEGRATED PLANNING PROJECT
CITY OF STANWOOD

Maul Foster & Alongi, Inc. (Consultant), and any subconsultants that are pre-approved by the City of Stanwood (City), will provide professional services in compliance with the City's grant agreement associated with an Integrated Planning Grant with the Washington State Department of Ecology, and as described below.

Task 1 Environmental Assessment

The Consultant will provide environmental investigation services, as deemed appropriate based upon existing documentation, on the Hamilton and Raplee properties to provide a better understanding of the horizontal and vertical extent of contaminants and answer questions about site conditions that arise through data analysis and risk assessment.

Task 1 Deliverables:

- Site characterization reports for the Raplee and Hamilton properties

Task 2 Assessment of Cleanup Options

Potential options for cleanup of the contaminated properties, if warranted, will be developed. The remediation options will be designed to support the future use of the two properties envisioned in the Conceptual Site Plan (Task 3.3). Opportunities for cost savings and efficiencies between cleanup and redevelopment will be identified. This study will provide the City with planning level order of magnitude cleanup cost estimates and position the sites for cleanup funding.

Task 2 Deliverables:

- Briefing report on potential cleanup options

Task 3 Integrated Planning

Subtask 3.1—Community Outreach

This project is a community-driven effort that has roots in early public participation. The City will continue to engage the public as it considers acquisition of the Raplee Property and redevelopment of the Hamilton Property into a park.

Subtask 3.2—Existing Conditions Analysis

The existing conditions report will assess land use and the regulatory framework, including the zoning and development code; the Parks, Recreation, and Open Space Plan; and the Shoreline Master Program, which is currently undergoing revision. The City will review local plans and codes to outline requirements and potential changes needed to promote site redevelopment.

Subtask 3.3—Site Conceptual Design

Conceptual site planning will be conducted through a collaborative workshop process. The Citizen Advisory Committee and professional experts will collaborate through a facilitated discussion of sites' constraints and opportunities. Conceptual redevelopment plans will be prepared for the Raplee Property and Hamilton Property. The master plans will provide preliminary park and open space design for the Hamilton Property.

Subtask 3.4—Redevelopment Strategy and Implementation Report

The key steps for implementing the cleanup and redevelopment project will be integrated into a redevelopment strategy. The findings will discuss an approach to risk management, development phasing, and financial feasibility. The final integrated plan will consider future development within the regulatory framework and environmental context evaluated in Tasks 1 and 2.

Task 3 Deliverables:

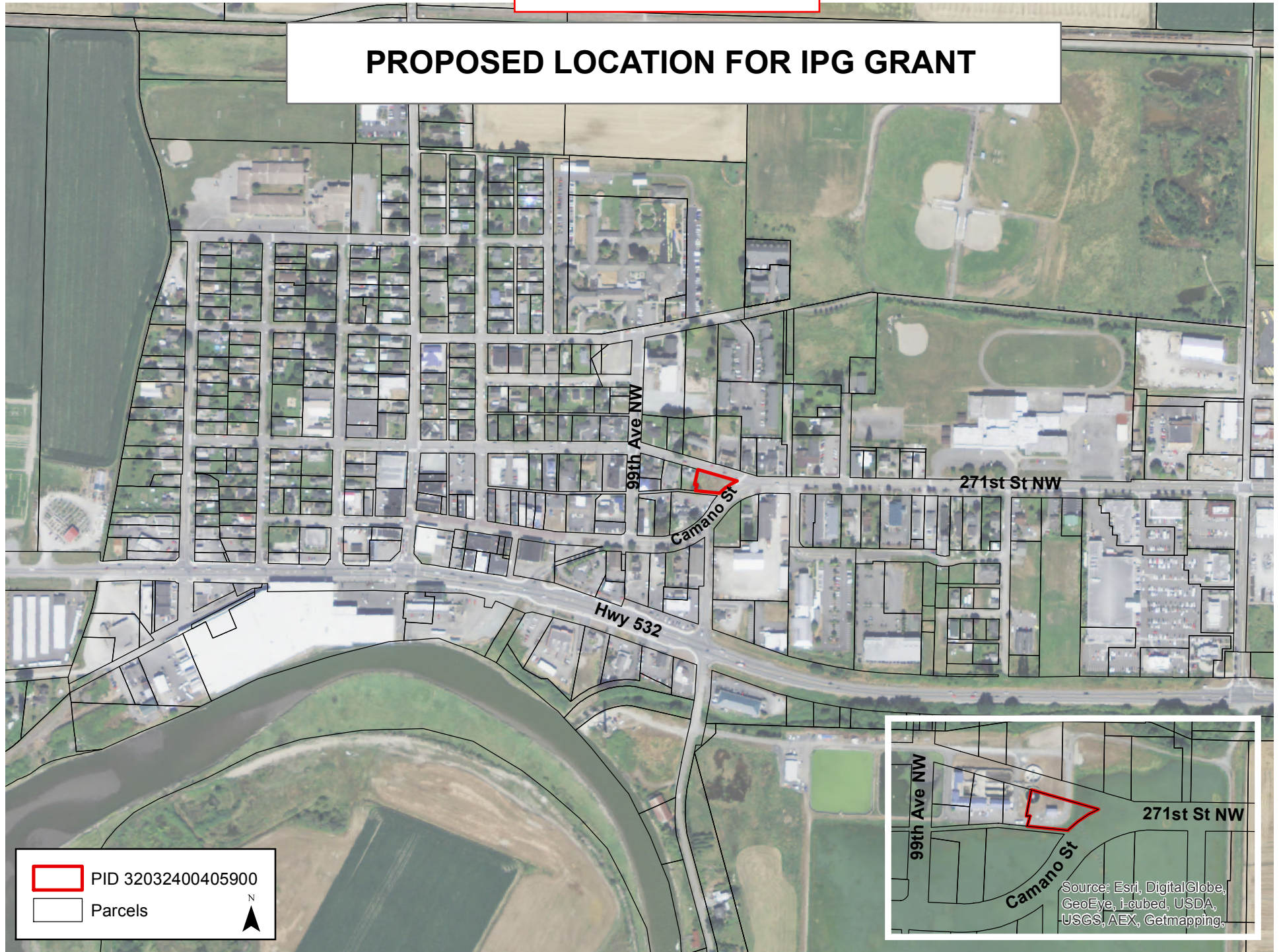
- Conceptual master plans
- Integrated cleanup and redevelopment strategy report

Budget

Task	Description	Budget
1	Environmental Assessment	\$100,000
2	Assessment of Cleanup Options	\$50,000
3	Integrated Planning	
	3.1 Community Outreach	\$10,000
	3.2 Existing Conditions Analysis	\$10,000
	3.3 Site Conceptual Design	\$90,000
	3.4 Redevelopment Strategy and Implementation Report	\$15,000
	TOTAL	\$275,000

ATTACHMENT C

PROPOSED LOCATION FOR IPG GRANT



Hamilton Vicinity Map





CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 9a

DATE: June 28, 2018

SUBJECT: Special Events Grant Process

CONTACT PERSON: Ryan C. Larsen, City Administrator

ATTACHMENTS: A - Resolution 2018–13 – Tourism Grant
B - Grant Application Form
C - SMC 5.06.035 Application for city contribution

ISSUE

The issue before the city council is to review the revised grant application process for special events in Resolution 2018-13.

RECOMMENDATION

1. Review and discuss the grant application process for special events in Resolution 2018-13.
2. Allow for the mayor to sign Resolution 2018-13.

SUMMARY STATEMENT

The Economic Development Action Plan calls for “A Community Marketing Program” to raise Stanwood’s profile in the region.

An adopted short term action strategy with the Community Marketing Program was to promote the community’s special events by establishing a grant program to support events that draw visitors from outside the area. Also, the Economic Development Action Plan calls for a Tourism Program to enhance Stanwood’s tourism draw. An adopted short term action of the tourism program is to regionally promote Stanwood events, including art shows and small performances.

The city council expressed interest in establishing a grant program to encourage new special events and promotion activities that meet the goals of both community marketing and tourism. In 2014 city council considered and adopted Resolution No. 2014-07 establishing a grant program for new tourism and events in the Stanwood Community. However, this grant program did not provide any funding for existing

events. Over the last several years the city has been approached by existing events in the community for grant funding.

The policy question for council is whether to support amending the grant program to allow for existing events in the community to receive grant funding in addition to new events.

Staff is also proposing modifications to the Special Event fee, which will come to council under a separate agenda item.

DISCUSSION

The purpose of the original grant program was to bring economic benefit to the community by supporting tourism activities and special events that bring new and repeat visitors to Stanwood. Under the existing program, the city solicits and facilitates proposals from agencies and groups promoting new tourism and events in Stanwood two times each year. The program promotes new tourism activities that have the potential to grow and be repeated year after year.

The program does not include activities that reach a specific small target audience already located solely within the Stanwood Camano area. The grant cannot be used for salaries to manage the event. Fund raisers for the benefit of the promotion are not allowed unless all funds were allocated to the event and any "profit" from the event was set aside to support the same event in the following year.

Events are only supported by city grant funding for a maximum of two years. Grants for new tourism and events may be considered in an amount up to \$7,500 for one fiscal year. Each event shall be eligible for funding for up to two years maximum (not required to be sequential). The idea was to kick-start an event, not become a long-term funding source. The event promoter would need to provide a 50% match. The match could include sponsorships, volunteer labor and donations.

The Economic Development Board acts as the Review Committee. The criteria for review includes: benefit to the Stanwood business community; cost effectiveness; ability to promote tourism and community marketing; and new or innovative ideas.

The mayor may approve grant awards based on recommendations of the Economic Development Board and does not need council approval. However, each of the grant awards are provided to council in their packet usually under Staff Reports.

The Board's recommendation and the mayor's approval is based on whether the program implements the city's economic development plans and meets the city sponsorship criteria in SMC 5.06.035 (Attachment C).

Staff is suggesting several changes to the existing program. The proposed changes are:

- Allow for existing events to apply for grant funding.

- Limit funding for new events to ~~\$3,000~~ **\$2,250** the first year and \$1,500 the second year. Also, the funding has to be in sequential years for new events.
- Existing events will be allowed to apply for a grant up to ~~\$500.00~~ **\$1,000.00** per year.
- Grant applications will be accepted twice a year, once by the last Friday in October and the second by the last Friday in March.

FINANCIAL IMPACT

In the past, the city council has discussed using a portion of the business license fees to promote special events and attract visitors to Stanwood businesses. Staff is suggesting to continue this approach for funding the grant program. Grants will be executed through a contract for service between the special event sponsor and the city consistent with the city's purchasing policies. At this point staff would suggest setting aside \$11,000 each year in the 2019/2020 bi-annual budget.

Payment will be on a reimbursement basis after the event has taken place and documentation and receipts submitted to the city have been approved by the Finance Director. The event promoter is required to submit a report documenting the effectiveness of the proposed event in promoting tourism and community marketing.

The Economic Development Board will evaluate events for effectiveness in achieving the stated promotion goals. The Board will submit a report to the mayor regarding the event's effectiveness and make a recommendation about funding the event in the future.

COMMITTEE RECOMMENDATION

City staff met with the Council Community Development Committee on Thursday, June 14, 2018 to discuss the proposed changes to the grant process for Special Events. The Committee supported moving forward with the proposed Resolution.

CITY COUNCIL OPTIONS

1. Adopt Resolution 2018-13 establishing a grant program and procedure to solicit and facilitate proposals from agencies and groups actively engaged in the promotion and enhancement of new and existing tourism and events.
2. Do not adopt Resolution 2018-13 establishing a grant program and procedure to solicit and facilitate proposals from agencies and groups actively engaged in the promotion and enhancement of new and existing tourism and events and direct staff to make any changes before reconsidering.

3. Do not adopt Resolution 2018-13 establishing a grant program and procedure to solicit and facilitate proposals from agencies and groups actively engaged in the promotion and enhancement of new and existing tourism and events.

RECOMMENDED MOTION

I MOVE TO ADOPT RESOLUTION 2018-13 ESTABLISHING A GRANT PROGRAM AND PROCEDURE TO SOLICIT AND FACILITATE PROPOSALS FROM AGENCIES AND GROUPS ACTIVELY ENGAGED IN THE PROMOTION AND ENHANCEMENT OF NEW AND EXISTING TOURISM AND EVENTS SUBJECT TO THE AMENDMENTS PROPOSED BY THE ECONOMIC DEVELOPMENT BOARD.

**CITY OF STANWOOD
Stanwood, Washington**

RESOLUTION NO. 2018-13

**A RESOLUTION OF THE CITY OF STANWOOD, WASHINGTON,
ESTABLISHING A GRANT PROGRAM AND PROCEDURE TO
SOLICIT AND FACILITATE PROPOSALS FROM AGENCIES
AND GROUPS ACTIVELY ENGAGED IN THE PROMOTION AND
ENHANCEMENT OF NEW AND EXISTING TOURISM AND
EVENTS IN THE STANWOOD COMMUNITY AND TO REPEAL
AND REPLACE RESOLUTION NUMBER 2014-07**

WHEREAS, The Economic Development Element of the Comprehensive Plan Goal EDG-1 states: EDG-1 Promote economic vitality defined as a lively growth oriented business climate that supports a wide range of private and public investment resulting in development and business activity that diversifies the City's tax base and provides both employment and consumer shopping opportunities for city and unincorporated area residents; and

WHEREAS, the Economic Development Element is implemented in part through the Economic Development Action Plan; and

WHEREAS, the City Council adopted an Economic Development Action Plan in July 2010; and

WHEREAS, the Economic Development Action Plan calls for a Community Marketing Program to raise Stanwood's profile in the region; and

WHEREAS, an adopted short term action strategy implementing the Community Marketing Program is to promote the community's special events by establishing a grant program to support events that draw visitors from outside the area; and

WHEREAS, the Economic Development Action Plan calls for a Tourism Program to enhance Stanwood's tourism draw; and

WHEREAS, an adopted short term action of the tourism program is to regionally promote Stanwood events, including art shows and small performances; and

WHEREAS, the City Council desires to establish a grant program to encourage the promotion and enhancement of new tourism and events, as well as maintain existing events that meet the goals of both community marketing and tourism; and

WHEREAS, the City Council has created an Economic Development Committee by Resolution No. 2014-04 to review and advise the city on special event grant applications;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANWOOD DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council hereby establishes a grant program to be administered according to the following criteria and procedures.

City of Stanwood Tourism/Events Grant Program

1. Intent

To solicit and facilitate proposals from agencies and groups actively engaged in the promotion and enhancement of new tourism and events, as well as existing events in Stanwood.

2. Program Eligibility

- a. The program will promote tourism activities that propose innovative methods of achieving the following goals:
 - i. Provide new events and activities that promote Stanwood;
 - ii. Provide demonstrated results or potential to result in documented economic benefit to the City of Stanwood businesses;
 - iii. Support events and activities which have the potential to grow and be repeated year after year.
- b. Excluded activities
 - i. Promotional activities that reach a specific small target audience already located solely within Stanwood/Camano Island;
 - ii. Salaries toward any event management;
 - iii. Fund raising events for the benefit of the promotion;
 - iv. Funds toward the operation of business or philanthropic groups. However, activities sponsored by such groups are eligible provided that all funds are allocated to the event and any “profit” resulting from the event is set aside for subsequent operation of the same event.

3. Funding for New Events

- a. Events funded through this program are exempted from the city contribution funding limits established in City of Stanwood Fee Resolution.
- b. Grants may be approved consistent with the City of Stanwood Uniform Procurement Policy.
 - i. Grants may be considered in an amount up to \$3,000 for the first year and up to \$1,500 for the second year.
- c. Each event shall be eligible for funding for up to two years maximum (shall be required to be sequential).
 - i. After the second year an applicant may apply for funding under Section 4 below for existing Events.
- d. Match from sponsoring organization.
 - i. Minimum 50% match required;
 - ii. Match may consist of;
 - 1. Cash
 - 2. Donated and documented services
 - 3. Volunteer labor credited per a consistent rate as determined by the City Finance Director.

4. Existing Events

- a. Events funded through this program are exempted from the city contribution funding limits established in City of Stanwood Fee Resolution.
 - b. Grants may be approved consistent with the City of Stanwood Uniform Procurement Policy.
 - i. Grants may be considered in an amount up to \$500.
 - c. Each event shall be eligible for funding every year.
 - d. Match from sponsoring organization.
 - ii. Minimum 50% match required;
 - iii. Match may consist of:
 - 1. Cash
 - 2. Donated and documented services
 - 3. Volunteer labor credited per a consistent rate as determined by the City Finance Director.
5. Application
- a. Grant applications to be submitted to the City
 - i. 2 review periods per year with deadlines to be established by the Economic Development Board.
 - ii. Application form and required data to be established by the Economic Development Board.
6. Evaluation Process and Criteria
- a. Application shall be reviewed based on the following criteria
 - i. Return on economic investment benefitting the City of Stanwood businesses;
 - ii. Cost effectiveness;
 - iii. The effectiveness of the proposed event in promoting tourism and community marketing;
 - iv. Innovation.
 - b. The Economic Development Board shall rank applications and make a recommendation for funding to the Mayor.
 - c. Grants utilizing funds earmarked in the city's adopted budget may be approved by the Mayor upon certification by the finance director that funds are available.
 - d. Grants which exceed budgeted amounts shall be reviewed and approved by the City Council.
 - e. Final approval of grant applications shall consider the Economic Development Board recommendation and shall be based on the following findings:
 - i. The program implements the Economic Development Element of the Comprehensive Plan and the Economic Development Strategic Plan.
 - ii. Special events meet the city contribution criteria in SMC 5.06.035 (below).
 - (i) The event contributes to the marketing of the city.
 - (ii) The event will attract the general public into the downtown or uptown commercial areas and will be conducted in a way that creates potential for additional retail or service business transactions that contribute to the city's tax base.
 - (iii) The event provides recreation benefit to the general public.
 - (iv) The event promotes the general public welfare.
 - (v) The city of Stanwood logo and/or text indicating the city role shall be included in signage, posters and other advertising materials for the event
7. Grant Administration
- a. Grants shall be executed through a contract for services between the special event sponsor and the city consistent with the city's purchasing policies.
 - b. Payment is to occur after the services are performed and are documented with receipts.

- c. A grant reimbursement request shall be submitted on a form with documentation as required by the Stanwood Finance Director and shall include at a minimum
 - i. An Event Expenditure Form with receipts
 - ii. Documentation of the required match as determined by the Finance Director
 - iii. A report documenting the effectiveness of the proposed event in promoting tourism and community marketing.
- 8. Special events utilizing grant funding shall obtain a special event permit consistent with SMC 5.06 Special Events
- 9. Evaluation
 - a. The Economic Development Board shall evaluate completed promotion efforts and events for effectiveness in achieving the goals stated in Section 2 Program Eligibility.
 - b. In consideration of effectiveness the Board shall review at a minimum the report submitted by the sponsor and shall summarize:
 - i. the effectiveness of the event in promoting tourism and community marketing, and
 - ii. the overall cost effectiveness of the event.
 - c. The Board may utilize other forms and information as needed to complete the evaluation.
 - d. The committee shall submit a report summarizing its findings to the Mayor, and shall make a recommendation as to whether the promotion or event may be considered for subsequent funding.

Section 2. Repealer. Resolution No. 2014-07 adopted on March 27, 2014 is hereby repealed.

PASSED AND APPROVED by the City Council of the City of Stanwood this 28th day of June, 2018.

CITY OF STANWOOD

Leonard Kelley, Mayor

ATTEST:

David A. Hammond, City Clerk

APPROVED AS TO FORM:

Grant K. Weed, City Attorney



**STANWOOD TOURISM PROMOTION GRANT
PROPOSAL GUIDELINES**

The purpose of this application packet is to solicit proposals from those agencies and groups actively engaged in the promotion and enhancement of tourism in Stanwood.

Round One Applications are due no later than the last Friday in October of each year by 4:00pm, to be considered for grant funding for the following year. Applications can be mailed, delivered, faxed or submitted online. Additionally, the activity and/or event must be based in the City of Stanwood or Camano Island area and clearly demonstrate the ability to attract tourism. Notification of award will occur in December of that year.

Round Two Applications are due no later than last Friday in March of each year by 4:00pm, to be considered for grant funding for the following year. Applications can be mailed, delivered, faxed or submitted online. Additionally, the activity and/or event must be based in the City of Stanwood or Camano Island area and clearly demonstrate the ability to attract tourism. Notification of award will occur in May of that year.

City of Stanwood
Attn: City Administrator
10220 270th Street NW
Stanwood, WA 98292
Fax No. (360) 629-3009
Website: www.ci.stanwood.wa.us

CRITERIA and GUIDELINES

Any agency or group actively engaged in the promotion and enhancement of new or existing tourism and events in Stanwood community, may apply for this tourism promotion grant.

Priority will be given to agencies, events, activities, and or places in Stanwood that promote out-of-town visitors; have demonstrated results or high potential to result in documented economic benefit to the City of Stanwood businesses; support events and activities which have the potential to grow and be repeated year after year.

Agencies, events, activities, and or places in Stanwood, should increase tourism by advertising, publicizing and distributing information for the purpose of attracting and welcoming tourists.

Excluded activities are promotional activities that reach a specific small target audience already located solely within Stanwood/Camano Island; salaries toward any event management; fund raising events for the benefit of the promotion; funds toward the operation of business; or

philanthropic groups. However, activities sponsored by such groups are eligible provided that all funds are allocated to the event and “profit” resulting from the event is set aside for subsequent operation of the same event.

PLEASE NOTE: Events funded through this program are exempted from the city sponsorship funding limits established in City of Stanwood Fee Resolution. (View resolution on our website www.ci.stanwood.wa.us)

Grants may be approved consistent with the City of Stanwood Uniform Procurement Policy. Grants for new tourism and events may be considered in an amount up to \$3,500 for one fiscal year and \$1,750 for the second fiscal year. Each event shall be eligible for funding for up to two years maximum (shall be required to be sequential). After two years, the event may apply for funding as an existing event.

Grant for existing tourism and events may be considered in an amount up to \$500.00. Each existing event shall be eligible for funding yearly.

Funding must be matched from sponsoring organization with minimum 50% match required. Match may consist of cash, donated and documented services, volunteer labor credited per a consistent rate as determined by the City Finance Director.

Final approval of grant application shall consider the Economic Development Board’s recommendation and shall be based on how the program implements the Economic Development Element of the Comprehensive plan and the Economic Development Action Plan. (View Economic Development Action Plan on our website www.ci.stanwood.wa.us)

Special events must meet the following sponsorship criteria; The event contributes to the marketing of the city; The event will attract the general public into the downtown or uptown commercial areas and will be conducted in a way that creates potential for additional retail or service business transactions that contribute to the city’s tax base; The event provides recreation benefit to the general public; The event promotes the general public welfare; The city of Stanwood logo and or text indicating the city role shall be included in signage, posters and other advertising materials for the event.

APPLICATION PROCEDURES

Complete and submit the application. All information is required; incomplete or missing information will disqualify applicant.

Application shall be reviewed by the Economic Development Board based on return on economic investment benefitting the City of Stanwood businesses; cost effectiveness, the effectiveness of the proposed event in promoting tourism and community marketing; innovation. The Board will review applications and make a recommendation for funding to the Mayor. Grants utilizing funds earmarked in the city’s adopted budget may be approved by the Mayor upon certification by the Finance Director that funds are available. Grants which exceed budgeted amounts shall be reviewed and approved by the City Council.

RESPONSIBILITIES

1. Approved grant shall be executed through a contract for services agreement between the special event sponsor and the city.

2. Payment is to occur after the services are performed and are documented with receipts.
3. A grant reimbursement request shall be submitted within 30 days of the event and shall include a minimum of an Event Expenditure Form with receipts, Documentation of the required match, or a report documenting the effectiveness of the proposed event in promoting tourism and community marketing.
4. Special events utilizing grant funding shall obtain a special event permit at the Stanwood City Hall.



CITY OF STANWOOD APPLICATION FORM

PROJECT

Project Title: _____

Name of Organization: _____

Contact Person: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Website: _____ Email: _____

Total Event/Facility Budget: _____

Amount requested: _____ Other funding sources (50% min.) _____

Project Timeline: _____

Project Description: _____

Estimated number of people who will travel 50 miles or more for the day (not staying overnight)

I understand that if awarded, funds will be distributed after the services have been completed. I understand that I must furnish an invoice, payment, and expense documentation. I understand that a submitted proposal is a public record potentially eligible for public release. Final reimbursements will not be released until the required Event and/or Expenditure Report Form has been submitted.

Signed: _____ Title: _____ Date: _____

Please attach the following to your application. Failure to provide required information may disqualify applicant from consideration.

1. Provide a one page description of the project. Explain how it will asset in building tourism and/or promoting events or activities to the City of Stanwood. Include a marketing/promotional plan.
2. Provide a project budget (example in Appendix A). List all sources of funding. Include in-kind, city funding, organization's own funding, if applicable provide historical data.
3. Provide one half page description of the organization including history of its existence and success creating tourism, size of staff and board, size of volunteer base, consistency and geographic area served and type of service provided.
4. Attach copy of previous year's fiscal year end statements and current year to date financials signed by a CPA or officer of the organization, other than the Treasurer.
5. Attach copy of meeting minutes approving the project.
6. Attach copies of separate facility budgets and event budgets, with visitor data.
7. Attach a budget narrative, offer any information which you feel may provide useful background on your proposed budget such as source and rate at which matching labor costs are calculated, number of promotional pieces to be produced, numbers of media ads to be placed, etc.

APPENDIX A

PROJECT BUDGET

Please detail the budget for your project. Please specify whether your various match items will be in cash or in-kind.

Project Name:

		(Min. 50% of total)			
Item	Stanwood ED \$	Match \$	Cash %	In-Kind %	Total
1	\$	\$			\$
2	\$	\$			\$
3	\$	\$			\$
4	\$	\$			\$
5	\$	\$			\$
6	\$	\$			\$
7	\$	\$			\$
8	\$	\$			\$
9	\$	\$			\$
10	\$	\$			\$
Totals	\$	\$			\$

EXAMPLE

BUDGET TEMPLATE FOR EVENT

	SAMPLE	Grant Budget
Income		
Advertising Income	\$ 500.00	\$ 500.00
Fundraising Income	\$ 5,000.00	
Grant Income		
Stanwood ED	\$ 2,500.00	\$ 2,500.00
Other grants	\$ 500.00	
Total Grant Income	\$ 3,000.00	
Interest Income	\$ 500.00	
Other Income	\$ 1,500.00	
Retail Sales	\$ 2,000.00	
Total Income	\$ 12,500.00	\$ 3,000.00

Expense

Administration	\$ 1,500.00	
Bank Charge	\$ 100.00	
Contract Services	\$ 2,000.00	
Credit Card Processing Fee	\$ 750.00	
Fundraising Expense	\$ 1,500.00	
Grant Expense	\$ 1,000.00	
Hospitality	\$ 150.00	
Insurance, Business	\$ 500.00	
Marketing		
Advertising		
Local	\$ 500.00	\$ 500.00
National	\$ -	\$ -
Regional	\$ 2,000.00	\$ 2,000.00
Total Advertising	\$ 2,500.00	\$ 2,500.00
Printing and Production	\$ 1,000.00	\$ 500.00
Total Marketing	\$ 3,500.00	\$ 3,000.00
Office Supplies	\$ 1,000.00	
Postage and Delivery	\$ 500.00	
Total Expense	\$ 12,500.00	\$ 3,000.00
Net Income	\$ -	\$ -

5.06.035 Application for city contribution.

(1) An application for city contribution towards a special event can be obtained at the community development department and will be completed and submitted to the director no later than 60 days prior to the proposed event. The application shall include the information required in SMC 5.06.030(3) and shall include cost estimates for any needed city services. City share of the cost of the event shall be determined by the city council at their discretion. Requests for city contribution shall be approved by the city council.

(2) A waiver of application deadline for requests for city contribution shall be granted upon a showing of good cause or at the discretion of the director. The director shall consider an application that is filed after the filing deadline if there is sufficient time to process and investigate the application and obtain city council approval for the event. Good cause can be demonstrated by the applicant showing that the circumstances that gave rise to the application for contribution did not reasonably allow the participants to file within the time prescribed.

(3) Criteria for Approval of City Contribution.

(a) As part of the review of a city contribution the following findings shall be made:

- (i) The event contributes to the marketing of the city.
- (ii) The event will attract the general public into the downtown or uptown commercial areas and will be conducted in a way that creates potential for additional retail or service business transactions that contribute to the city's tax base.
- (iii) The event provides recreation benefit to the general public.
- (iv) The event promotes the general public welfare.

(b) As part of city contribution the city of Stanwood logo and/or text indicating the city role may, in sole discretion of the city, be included in signage, posters and other advertising materials for the event. (Ord. 1400 § 5, 2015; Ord. 1309 § 5, 2012).



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 9b

DATE: June 28, 2018

SUBJECT: Authorize the mayor to sign an Agreement to Maintain an Enclosed Shelter Facility at Stanwood Station

CONTACT PERSON: Ryan C. Larsen, City Administrator

ATTACHMENTS: A - Summary of Findings
B - Agreement to Maintain an Enclosed Shelter Facility at Stanwood Station

ISSUE

The issue before the city council is to review the agreement with WSDOT to maintain an enclosed shelter facility at Stanwood Station and authorize the mayor to sign.

RECOMMENDATION

1. Review and discuss the proposed agreement to maintain an enclosed shelter facility at Stanwood Station.
2. Authorize the mayor to sign the proposed agreement.

SUMMARY STATEMENT

The city has received a number of requests for a wind shelter on the train platform since the Stanwood Amtrak Station opened on November 21, 2009. WSDOT did not install windscreens beneath the two passenger canopies at the station during initial construction due to concerns about high, on-going maintenance costs for cleaning, repairing, and replacing the windscreens without funding support from the city.

The Amtrak Cascades makes two morning and two evening stops daily in Stanwood as part of its service from Eugene, Oregon, to Vancouver, B.C.

The city contacted WSDOT in 2014 asking about the cost to install wind deflectors around the waiting shelters on the platform. In November 2014, the city was contacted by Kirk Fredrickson, the Cascades Operation Supervisor for the WSDOT Rail Division to discuss cost and funding for the wind deflectors. WSDOT did not have funding to retrofit

existing Amtrak stations. The city would have to pay for the design, procurement, installation and long-term maintenance with WSDOT approval. Currently, WSDOT pays to maintain grounds and facilities at Stanwood Station.

The city and WSDOT reached an agreement to allow the city to install a shelter at the station in June of 2015. During the discussion, city staff asked about placing a prefabricated Community Transit shelter on the platform in lieu of fabricating and installing wind deflectors around the existing shelter. The cost of a standard eight foot Community Transit bus shelter was roughly \$5,000 with glass panels and installation.

DISCUSSION

Using a pre-fabricated shelter on a WSDOT train platform was a new approach for WSDOT. Under the agreement, the parties agreed to participate in a demonstration project for a period of two (2) years to test the concept. The city agreed to pay for the cost of fabrication, installation and maintenance of a twelve (12) foot shelter. All costs associated with the shelter demonstration project was funded by the city. Either party may terminate the agreement with thirty (30) days notice.

The parties agreed to work together in good faith to evaluate the costs, benefits and risks of the demonstration project. Evaluation criteria include, but are not necessarily limited to the following:

1. A complete accounting of all costs to the city during the demonstration project to procure, install, and maintain the shelter;
2. Condition of the shelter near the end of the term of the Demonstration Project;
3. Ability of the city to continue to provide funding to meet the obligations described in Section 2 of this Agreement;
4. A review of city police reports associated with activities at the station;
5. A review of public, written comments received by WSDOT, Amtrak, and/or the city regarding the shelter;
6. Total station passenger volumes at Stanwood during the term of the Demonstration Project and an analysis of historic passenger volume trends since 2010.

The parties also agreed to summarize the findings of the demonstration project evaluation in a report prepared by WSDOT and approved by the city. A summary has been prepared by WSDOT and the city for the six questions above (Attachment A).

Finally, the parties will determine whether the shelter Demonstration Project will continue for a period of time agreed upon by the parties, with a maximum extension of two (2) years; failure to reach agreement on the outcomes of the evaluation or the duration of any extension to the original project term shall result in the removal of the shelter within thirty (30) days of the evaluation, with all costs associated with the safe removal and platform surface repairs funded by the city. The city has worked with

WSDOT to extend the Demonstration Project. The agreement that has been reached is highlighted in Attachment B.

Highlights of the Agreement

SECTION 1 – SHELTER MAINTENANCE AND COSTS RESPONSIBILITIES

- (a) The CITY shall be responsible for all costs associated with maintaining the SHELTER and the space it covers, including but not limited to cleaning of all surfaces, vandalism repairs, glass repairs and replacement, bench repairs and replacement, garbage removal, repainting, and removal if necessary.

SECTION 2 – AGREEMENT TERM

- (a) This Agreement shall be in effect from the date of execution until December 31, 2020.
- (b) The Parties shall work together to evaluate the costs, benefits, risks, and alternatives available to the CITY and WSDOT regarding the continued placement of the SHELTER at the STATION at least sixty (60) days before the end of the Agreement term, using the evaluation criteria described in Section 3 of this Agreement.
- (c) If it is determined mutually by the Parties that the SHELTER's placement at the STATION has been successful, per the evaluation criteria in Section 3 of this Agreement, the SHELTER shall continue for a period of time agreed upon by the Parties, with a maximum extension of two (2) years, though a written amendment to this Agreement. Failure to reach agreement on the outcomes of the evaluation or the duration of any extension to the Agreement term shall result in the removal of the SHELTER within thirty (30) days of the evaluation, with all costs associated with the safe removal and platform surface repairs funded by the CITY.

FINANCIAL IMPACT

City staff time to maintain the shelter on the platform.

COMMITTEE RECOMMENDATION

This item was not presented to a committee.

CITY COUNCIL OPTIONS

1. Authorize the mayor to sign the agreement to maintain an enclosed shelter facility at Stanwood Station.
2. Do not authorize the mayor to sign the agreement to maintain an enclosed shelter facility at Stanwood Station and direct staff to address specific council issues or concerns prior to council reconsidering the agreement.

3. Do not authorize the mayor to sign the agreement to maintain an enclosed shelter facility at Stanwood Station.

RECOMMENDED MOTION

I MOVE TO AUTHORIZE THE MAYOR TO SIGN AGREEMENT NO. GCB 2956 BETWEEN THE CITY OF STANWOOD AND THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION TO MAINTAIN AN ENCLOSED SHELTER FACILITY AT STANWOOD STATION.



Stanwood Station Shelter Agreement: Summary of Findings

In 2015, the Washington State Department of Transportation (“WSDOT”) and the City of Stanwood (“City”), mutually referred to as the “Parties”, entered into an agreement to procure, install and maintain an enclosed shelter facility at Stanwood Station. Per Section 4b of Agreement GCB2045, this report summarizes the findings of the Demonstration Project Evaluation, as specified in Section 4a.

Summary of Findings:

1. The City of Stanwood purchased the shelter for \$1,561.24, paid \$98.97 for the permit to install the shelter, and paid approximately \$50-\$100 in miscellaneous supplies to install the shelter. The City also incurred some costs for staff time for the shelter installation and for crews to periodically check the shelter for damage.
2. At the end of the Demonstration Project, the shelter appears to be in good condition and function adequately.
3. The City budgets repair and maintenance money, as well as miscellaneous small project dollars, which can be used for any necessary work on the shelter. Therefore, the City has the means to continue to meet the funding obligations described in Section 2 of Agreement GCB2045.
4. The City has not received any reports of police activity associated with the shelter. WSDOT and Amtrak have not received any reports from passengers or on-board staff regarding any type of criminal activity or disturbances regarding the shelter or the station.
5. The City has not received any written comments regarding the shelter. Neither have Amtrak nor WSDOT.
6. In 2017, Stanwood Station had 5,000 passenger on-offs (a measurement of how many passengers get on and off the train at that station). Stanwood Station passenger on-offs remained steady at 5,000 passengers during the term of the Demonstration Project (from 2015 to 2017). Stanwood Station experienced an increase of 500 passenger on-offs between 2013 and 2017.

Mutual Agreement to Keep Shelter in Place

Based on the findings of this report, the Parties have mutually determined to continue with the placement and maintenance of the shelter at Stanwood Station. As such, the Parties are in the process of executing Agreement GCB2956, which is now pending review before the Stanwood City Council.

AGREEMENT NUMBER GCB 2956

**BETWEEN
THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
AND
THE CITY OF STANWOOD, WASHINGTON**

**AGREEMENT TO MAINTAIN AN ENCLOSED SHELTER FACILITY AT
STANWOOD STATION**

This Agreement is made by and between the Washington State Department of Transportation (herein after “WSDOT”) and the City of Stanwood, Washington (herein after “CITY”), individually referred to as “Party” collectively referred to as the “Parties.”

WHEREAS, WSDOT funded the construction of an intercity passenger rail station at Stanwood, Washington that opened in November 2009; and

WHEREAS, WSDOT owns the land and station facility at Stanwood (“STATION”); and

WHEREAS, WSDOT contracts with the National Railroad Passenger Corporation (“AMTRAK”) to operate state-funded AMTRAK Cascades intercity passenger rail service between Portland, Oregon and Vancouver, British Columbia, Canada, with daily stops at Stanwood; and

WHEREAS, WSDOT contracts with AMTRAK to maintain the STATION and associated facilities at Stanwood; and

WHEREAS, WSDOT did not install windscreens beneath the two passenger canopies at the STATION during initial construction due to concerns about high, on-going maintenance costs for cleaning, repairing, and replacing said windscreens without funding support from the CITY; and

WHEREAS, the Parties participated in a Demonstration Project whereby the City, at City’s expense, placed a pre-fabricated transit shelter (“SHELTER”) on the station platform pursuant to GCB 2045; and

WHEREAS, the Parties agree that it is the CITY’s responsibility to maintain the City installed SHELTER at CITY expense; and

WHEREAS, this Agreement is issued pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW; and

NOW THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, the above recitals that are incorporated herein as if set forth below, it is mutually agreed as follows:

TERMS AND CONDITIONS

SECTION 1 – SHELTER MAINTENANCE AND COSTS RESPONSIBILITIES

- (b) The CITY shall be responsible for all costs associated with maintaining the SHELTER and the space it covers, including but not limited to cleaning of all surfaces, vandalism repairs, glass repairs and replacement, bench repairs and replacement, garbage removal, repainting, and removal if necessary.
- (c) The SHELTER must be painted in a color or colors that match those currently used for other STATION facilities or as may be updated in the future.
- (d) WSDOT shall have the right to direct the CITY to perform SHELTER maintenance activities that WSDOT, in its sole discretion deems necessary and appropriate by providing the City written notice. Such maintenance shall be performed within ten (10) business days after receiving written notice. Failure by the CITY to perform maintenance activities as directed by WSDOT shall entitle WSDOT, after thirty (30) days from the original notice sent by WSDOT, to have the SHELTER removed by WSDOT forces with costs for such removal charged back to the CITY.

SECTION 2 – AGREEMENT TERM

- (d) This Agreement shall be in effect from the date of execution until December 31, 2020.
- (e) The Parties shall work together to evaluate the costs, benefits, risks, and alternatives available to the CITY and WSDOT regarding the continued placement of the SHELTER at the STATION at least sixty (60) days before the end of the Agreement term, using the evaluation criteria described in Section 3 of this Agreement.
- (f) If it is determined mutually by the Parties that the SHELTER's placement at the STATION has been successful, per the evaluation criteria in Section 3 of this Agreement, the SHELTER shall continue for a period of time agreed upon by the Parties, with a maximum extension of two (2) years, though a written amendment to this Agreement. Failure to reach agreement on the outcomes of the evaluation or the duration of any extension to the Agreement term shall result in the removal of the SHELTER within thirty (30) days of the evaluation, with all costs associated with the safe removal and platform surface repairs funded by the CITY.

SECTION 3 – SHELTER PUBLIC FACILITY EVALUATION

- (a) The Parties shall work together in good faith to evaluate the costs, benefits and risks of the SHELTER's placement at the STATION. Evaluation criteria will include, but not necessarily be limited to the following:

1. A complete accounting of all costs to the CITY during the term of this Agreement to maintain the SHELTER;
 2. Condition of the SHELTER near the end of the Agreement term;
 3. Ability of the CITY to continue to provide funding to meet the obligations described in Section 1 of this Agreement;
 4. A review of CITY police reports associated with activities at the STATION;
 5. A review of public, written comments received by WSDOT, AMTRAK, and/or the CITY regarding the SHELTER; and
 6. Total STATION passenger volumes at Stanwood during the term of this Agreement and an analysis of historic passenger volume trends since 2010.
- (b) The Parties will summarize the findings of the SHELTER public facility evaluation in a report prepared by WSDOT and approved by the CITY.

SECTION 4 – SHELTER REMOVAL AND PLATFORM REPAIR

Upon determination to remove the SHELTER from the STATION platform, the CITY will be required to remove anchoring bolts and brackets and patch all platform surfaces damaged or changed by the SHELTER. The CITY shall be responsible for any and all actions and costs reasonably necessary to return the STATION platform surface to the same condition that existed before the SHELTER installation.

SECTION 5 – AGREEMENT AMENDMENTS

This Agreement GCB 2956 may be amended in writing only by the mutual agreement of the Parties.

SECTION 6 – INDEMNIFICATION

- (a) Each of the Parties to this Agreement shall protect, defend, indemnify and save harmless the other Party, its officers, officials, employees, and agents, while acting within the scope of their employment as such, from any and all costs, claims, judgment and/or awards of damages arising out of, or in any way resulting from, each of the Party's negligent acts or omissions. No Party will be required to indemnify, defend or save harmless the other Party if the claim, suit or action for injuries, death or damages is caused by the sole negligence of the Party; provided that if such claims, suits, or actions result from the concurrent negligence of (a) the CITY, its employees and authorized agents, and (b) the WSDOT, its employees or authorized agents, or involves those actions covered by RCW 4.24.115, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each Party's, its employees, and/or authorized agents own negligence. Where such claims, suits, or actions result from concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of the Party's own negligence.
- (b) Each of the Parties agrees that its obligations under this subparagraph extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents.

For this purpose, each of the Parties, by mutual negotiation, hereby waives with respect to each of the other Party only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW.

- (c) In the event that any of the Parties or combination of the Parties incurs any judgment, award, and/or cost arising therefrom, including attorneys' fees, to enforce the provisions of this Section all such fees, expenses and costs shall be recoverable from the responsible Party or combination of the Parties to the extent of that Party's/those Party's culpability.
- (d) This indemnification and waiver shall survive the termination of this Agreement.

SECTION 7 – NOTICES

Correspondence between the Parties shall be directed to the following:

For WSDOT: Washington State Department of Transportation
 Cascades Passenger Services Manager
 Box 47407
 Olympia, WA 98504-7407
 (360) 705-7939

For the CITY: City of Stanwood, Public Works Director
 10220 270th Street NW
 Stanwood, WA 98292
 (360) 629-9781

SECTION 8 – COMPLIANCE WITH LAWS AND REGULATIONS

The Parties shall comply with all applicable, federal, state, county and city laws and regulations during the entire term of this Agreement. This Agreement shall be construed and interpreted in accordance with the laws of the state of Washington and the venue of any action brought under this Agreement shall be in Superior Court for Thurston County.

SECTION 9 – INDEPENDENT CAPACITY

The employees or agents of each Party who are engaged in the performance of this Agreement shall continue to be employees or agents of that Party and shall not be considered for any purpose to be employees or agents of the other Party.

SECTION 10 – MAINTENANCE OF RECORDS

- (a) The Parties to this Agreement shall each maintain books, records, documents and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the service(s) described herein. These records shall be subject to inspection, review or audit by personnel of both Parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this

Agreement will be retained for six years after expiration of Agreement. The Office of the State Auditor, federal auditors, and any persons duly authorized by the Parties shall have full access and the right to examine any of these materials during this period.

- (b) If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.
- (c) Records and other documents, in any medium, furnished by one Party to this Agreement to the other Party, will remain the property of the furnishing Party, unless otherwise agreed. The receiving Party will not disclose or make available any confidential information to any third Parties without first giving notice to the furnishing Party and giving it a reasonable opportunity to respond. Each Party will utilize reasonable security procedures and protections to assure that records and documents provided by the other Party are not erroneously disclosed to third Parties. However, the Parties acknowledge that State Agencies are subject to chapter 42.56 RCW, the Public Records Act.

SECTION 11 – TERMINATION

Either of the Parties shall have the right to terminate this Agreement for reasons associated with costs, railroad operations, public safety, or those reasons described in Sections 2 and 3. The Notice to Terminate shall be submitted to the contacts identified in Section 7 and must be received in writing delivered at least thirty (30) days before any actions can be taken, unless those actions are taken for immediate public safety reasons.

SECTION 12 – DISPUTES

The Parties shall work in good faith to resolve and remedy any issues before proceeding to termination. In the event that a dispute arises, it shall be determined by a Dispute Board in the following manner:

Each Party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall evaluate the facts, Agreement terms, applicable statutes and rules, and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on both Parties.

SECTION 13 - INSURANCE

The CITY must provide proof of the following insurance coverage prior to performing any work on WSDOT property:

- (a) Commercial General Liability covering the risks of bodily injury (including death), property damage and personal injury, including coverage for contractual liability; this coverage may be any combination of primary, umbrella and/or excess coverage affording total liability limits of not less than \$1 million per occurrence/\$1 million general aggregate;

- (b) Business Automobile Liability (owned, hired, or non-owned) covering the risks of bodily injury (including death) and property damage, including coverage for contractual liability; this coverage may be any combination of primary, umbrella and/or excess coverage affording total liability limits of not less than \$500,000 per accident;
- (c) Employers Liability (Stop Gap) insurance covering the risks of CITY's employees' bodily injury by accident or disease with limits of not less than \$1 million per accident for bodily injury by accident and \$1 million per employee for bodily injury by disease;

Such insurance policies or related certificates of insurance shall name the Washington State Department of Transportation (WSDOT) as an additional insured on all general liability, automobile liability, employers' liability, and excess policies, using form CG 2010 11 85 or similar endorsement approved in advance by WSDOT. The additional insured coverage afforded shall be "primary and non-contributory" with respect to any other coverage which may be available to WSDOT. All coverages afforded to WSDOT as an additional insured shall also contain a waiver of subrogation endorsement made in favor of WSDOT. The CITY may comply with these insurance requirements through a program of self-insurance that meets or exceeds these minimum limits. The CITY must provide WSDOT with adequate documentation of self-insurance prior to performing any work within state highway right of way. Should the CITY no longer benefit from a program of self-insurance, the CITY agrees to promptly obtain insurance as provided above. A forty-five (45) Calendar Day written notice shall be given to prior to termination of or any material change to the policy(ies) as it relates to this Agreement.

SECTION 14 – ALL WRITINGS CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the Parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the Parties hereto.

The Parties hereby execute this Agreement GCB 2956 as of the last date written below by the Parties.

CITY OF STANWOOD, WASHINGTON

By:_____

Name: _____

Title:_____

Date:_____

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

By:_____

Name: _____

Title: _____

Date: _____

Approved as to Form Only on behalf of WSDOT
This ____ Day of ____ 2018

By _____
L. Scott Lockwood
Assistant Attorney General



CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 9c
DATE: June 28, 2018
SUBJECT: Water and Sewer Availability Analysis for Trailside
CONTACT PERSON: Kevin Hushagen, Public Works Director
ATTACHMENTS: A – Agreement with RH2 for Consultant Services

ISSUE

The issue in front of council is whether or not to authorize the mayor to enter into an agreement with RH2 Engineering for professional consulting services to perform a water and sewer availability analysis for the proposed subdivision known as Trailside.

SUMMARY

The city requires that proposed subdivisions apply for sewer and water availability. The agreement with RH2 will allow them to utilize the water and sewer models that they have produced over the years working with the city.

DISCUSSION

RH2 is not currently on the city's on-call roster. In the past, RH2 provided water and sewer modeling for all projects in the city. Staff used a different engineering firm for this task, from our current on-call roster. Staff did not feel that we received as good of a product utilizing this other firm. RH2 has been selected off of the MRSC roster for this project.

FINANCIAL IMPACT

The estimated budget is \$8,600. The Water Operating Fund has over \$25,000 in Professional Services and the Sewer Operating Fund has nearly \$10,000 in Professional Services. This project will be split evenly between these two accounts.

COMMITTEE RECOMMENDATION

This issue has not been presented to committee.

CITY COUNCIL OPTIONS

1. Authorize the mayor to enter into an agreement with RH2 for a water and sewer availability analysis for Trailside.
2. Do not authorize the mayor to enter into an agreement with RH2 for a water and sewer availability analysis for Trailside and direct staff to areas of concern.
3. Reject the proposal from RH2 and look for a different consulting firm.

RECOMMENDED MOTION

I MOVE TO AUTHORIZE THE MAYOR TO ENTER INTO AN AGREEMENT WITH RH2 ENGINEERING FOR A WATER AND SEWER AVAILABILITY ANALYSIS FOR THE TRAILSIDE PLAT, FOR \$8,600.

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF STANWOOD, WASHINGTON
AND RH2 ENGINEERING, INC.
FOR CONSULTANT SERVICES**

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Stanwood, Washington, a Washington State municipal corporation ("City"), and RH2 Engineering, Inc., a Washington Corporation ("Consultant").

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, the parties hereto agree as follows:

ARTICLE I. PURPOSE

The purpose of this Agreement is to provide the City with consultant services regarding a water and sewer availability analysis for the proposed subdivision known as Trailside, as described in Article II. The general terms and conditions of the relationship between the City and the Consultant are specified in this Agreement.

ARTICLE II. SCOPE OF SERVICES

The Scope of Services is attached hereto as **Exhibit "A"** and incorporated herein by this reference ("Scope of Services"). All services and materials necessary to accomplish the tasks outlined in the Scope of Services shall be provided by the Consultant unless noted otherwise in the Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant's profession.

ARTICLE III. OBLIGATIONS OF THE CONSULTANT

III.1 MINOR CHANGES IN SCOPE. The Consultant shall accept minor changes, amendments, or revision in the detail of the Scope of Services as may be required by the City when such changes will not have any impact on the service costs or proposed delivery schedule. Extra work, if any, involving substantial changes and/or changes in cost or schedules will be addressed as follows:

Extra Work. The City may desire to have the Consultant perform work or render services in connection with each project in addition to or other than work provided for by the expressed intent of the Scope of Services in the scope of services. Such work will be considered as extra work and will be specified in a written supplement to the scope of services, to be signed by both parties, which will set forth the nature and the scope thereof. All proposals for extra work or services shall be prepared by the Consultant at no cost to the City. Work under a supplemental agreement shall not proceed until executed in writing by the parties.

III.2 WORK PRODUCT AND DOCUMENTS. The work product and all documents produced under this Agreement shall be furnished by the Consultant to the City, and upon completion of the work shall become the property of the City, except that the Consultant may retain one copy of the work product and documents for its records. The Consultant will be responsible for the accuracy of the work, even though the work has been accepted by the City.

In the event that the Consultant shall default on this Agreement or in the event that this Agreement shall be terminated prior to its completion as herein provided, all work product of the Consultant, along with a summary of work as of the date of default or termination, shall become the property of the City. Upon request, the Consultant shall tender the work product and summary to the City. Tender of said work product shall be a prerequisite to final payment under this Agreement. The summary of work done shall be prepared at no additional cost to the City.

Consultant will not be held liable for reuse of documents produced under this Agreement or modifications thereof for any purpose other than those authorized under this Agreement without the written authorization of Consultant.

III.3 TERM. The term of this Agreement shall commence on June 28, 2018 and shall terminate at midnight, December 31, 2018. The parties may extend the term of this Agreement by written mutual agreement.

III.4 NONASSIGNABLE. The services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

III.5 EMPLOYMENT.

a. The term “employee” or “employees” as used herein shall mean any officers, agents, or employee of the of the Consultant.

b. Any and all employees of the Consultant, while engaged in the performance of any work or services required by the Consultant under this Agreement, shall be considered employees of the Consultant only and not of the City, and any and all claims that may or might arise under the Workman's Compensation Act on behalf of any said employees while so engaged, and any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Consultant or its employees while so engaged in any of the work or services provided herein shall be the sole obligation of the Consultant.

c. Consultant represents, unless otherwise indicated below, that all employees of Consultant that will provide any of the work under this Agreement have not ever been retired from a Washington State retirement system, including but not limited to Teacher (TRS), School District (SERS), Public Employee (PERS), Public Safety (PSERS), law enforcement and fire fighters (LEOFF), Washington State Patrol (WSPRS), Judicial Retirement System (JRS), or otherwise. *(Please indicate No or Yes below)*

_____ No employees supplying work have ever been retired from a Washington state retirement system.

_____ Yes employees supplying work have been retired from a Washington state retirement system.

In the event the Consultant indicates “no”, but an employee in fact was a retiree of a Washington State retirement system, and because of the misrepresentation the City is required to defend a claim by the Washington State retirement system, or to make contributions for or on account of the employee, or reimbursement to the Washington State retirement system for benefits paid, Consultant hereby agrees to save, indemnify, defend and hold City harmless from and against all expenses and costs, including reasonable attorney’s fees incurred in defending the claim of the

Washington State retirement system and from all contributions paid or required to be paid, and for all reimbursement required to the Washington State retirement system. In the event Consultant affirms that an employee providing work has ever retired from a Washington State retirement system, said employee shall be identified by Consultant, and such retirees shall provide City with all information required by City to report the employment with Consultant to the Department of Retirement Services of the State of Washington.

III.6 INDEMNITY.

a. **Indemnification / Hold Harmless.** Consultant 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 resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

b. 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 Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

c. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant'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.

d. **Public Records Requests.**
In addition to Paragraph IV.3 b, when the City provides the Consultant with notice of a public records request per Paragraph IV. 3 b, Consultant agrees to save, hold harmless, indemnify and defend the City its officers, employees and elected officials from and against all claims, lawsuits, fees, penalties and costs resulting from the consultants violation of the Public Records Act RCW 42.56, or consultant's failure to produce public records as required under the Public Records Act.

e. The provisions of this section III.6 shall survive the expiration or termination of this agreement.

III.7 INSURANCE.

a. **Insurance Term**
The Consultant 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 Consultant, its agents, representatives, or employees.

b. **No Limitation**
Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

c. **Minimum Scope of Insurance - Consultant 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.
- (2). Commercial General Liability insurance shall be written at least as broad on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap, independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
- (3). Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- (4). Professional Liability insurance appropriate to the Consultant's profession.

d. **The minimum insurance limits shall be as follows:**

Consultant shall maintain the following insurance limits:

- (1) Comprehensive General Liability. \$1,000,000 combined single limit per occurrence for bodily injury personal injury and property damage; \$2,000,000 general aggregate.
- (2) Automobile Liability. \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (3) Workers' Compensation. Workers' compensation limits as required by the Workers' Compensation Act of Washington.
- (4) Professional Liability/Consultant's Errors and Omissions Liability. \$1,000,000 per claim and \$1,000,000 as an annual aggregate.

e. **Notice of Cancellation.** In the event that the Consultant receives notice (written, electronic or otherwise) that any of the above required insurance coverage is being cancelled and/or terminated, the Consultant shall immediately (within forty-eight (48) hours) provide written notification of such cancellation/termination to the City.

f. **Acceptability of Insurers.** Insurance to be provided by Consultant shall be with insurers with a current A.M.Best rating of no less than A:VII, or if not rated by Best, with minimum surpluses the equivalent of Best VII rating.

g. **Verification of Coverage.** In signing this agreement, the Consultant is acknowledging and representing that required insurance is active and current. Consultant 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 Consultant before commencement of the work. Further, throughout the term of this Agreement, the Consultant shall provide the City with proof of insurance upon request by the City.

h. **Insurance shall be Primary - Other Insurance Provision.** The Consultant's insurance coverage shall be primary insurance as respect the City. The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

i. **Claims-made Basis.** Unless approved by the City all insurance policies excepting professional liability, shall be written on an "Occurrence" policy as opposed to a "Claims-made" policy. The City may require an extended reporting endorsement on any approved "Claims-made" policy.

j. **Failure to Maintain Insurance** Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

k. **Public Entity Full Availability of Consultant Limits**
If the Consultant maintains higher insurance limits than the minimums shown above, the Public Entity shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this contract or whether any certificate of insurance furnished to the Public Entity evidences limits of liability lower than those maintained by the Consultant.

III.8 DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION. The Consultant agrees to comply with equal opportunity employment and not to discriminate against client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training, rendition of services. The Consultant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth the provisions of this nondiscrimination clause. The Consultant understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the City, and further that the Consultant will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

III.9 UNFAIR EMPLOYMENT PRACTICES. During the performance of this Agreement, the Consultant agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

III.10 LEGAL RELATIONS. The Consultant shall comply with all federal, state and local laws

and ordinances applicable to work to be done under this Agreement. The Consultant represents that the firm and all employees assigned to work on any City project are in full compliance with the statutes of the State of Washington governing activities to be performed and that all personnel to be assigned to the work required under this Agreement are fully qualified and properly licensed to perform the work to which they will be assigned. This Agreement shall be interpreted and construed in accordance with the laws of Washington. Venue for any litigation commenced relating to this Agreement shall be in Snohomish County Superior Court.

III.11 INDEPENDENT CONTRACTOR.

a. The Consultant and the City understand and expressly agree that the Consultant is an independent contractor in the performance of each and every part of this Agreement. The Consultant expressly represents, warrants and agrees that his status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195 or as hereafter amended. The Consultant, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the services required under this Agreement. The Consultant shall make no claim of City employment nor shall claim any related employment benefits, social security, and/or retirement benefits.

b. The Consultant shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Consultant shall pay the same before it becomes due.

c. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Consultant performs hereunder.

d. Prior to commencement of work, the Consultant shall obtain a business license from the City.

III.12 CONFLICTS OF INTEREST. The Consultant agrees to and shall notify the City of any potential conflicts of interest in Consultant's client base and shall obtain written permission from the City prior to providing services to third parties where a conflict or potential conflict of interest is apparent. If the City determines in its sole discretion that a conflict is irreconcilable, the City reserves the right to terminate this Agreement.

III.13 CITY CONFIDENCES. The Consultant agrees to and will keep in strict confidence, and will not disclose, communicate or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or services provided to the City.

III.14 SUBCONTRACTORS/SUBCONSULTANTS.

a. The Consultant shall be responsible for all work performed by subcontractors/subconsultants pursuant to the terms of this Agreement.

b. The Consultant must verify that any subcontractors/subconsultants they directly hire meet the responsibility criteria for the project. Verification that a subcontractor/subconsultant has proper license and bonding, if required by statute, must be included in the verification process. The Consultant will use the following Subcontractors/Subconsultants or as set forth in Exhibit ____:

c. The Consultant may not substitute or add subcontractors/subconsultants without the written approval of the City.

d. All Subcontractors/Subconsultants shall have the same insurance coverages and limits as set forth in this Agreement and the Consultant shall provide verification of said insurance coverage.

ARTICLE IV. OBLIGATIONS OF THE CITY

IV.1 PAYMENTS.

a. The Consultant shall be paid by the City for services rendered under this Agreement as described in the Scope of Services and as provided in this section. In no event shall the compensation paid to Consultant under this Agreement exceed \$8,600.00 without the written agreement of the Consultant and the City. Such payment shall be full compensation for work performed and services rendered and for all labor, materials, supplies, equipment and incidentals necessary to complete the work. In the event the City elects to expand the scope of services from that set forth in Exhibit A, the City shall pay Consultant a mutually agreed amount.

b. The Consultant shall submit a monthly invoice to the City for services performed in the previous calendar month in a format acceptable to the City. The Consultant shall maintain time and expense records and provide them to the City upon request.

c. The City will pay timely submitted and approved invoices received before the 20th of each month within thirty (30) days of receipt.

IV.2 CITY APPROVAL. Notwithstanding the Consultant's status as an independent contractor, results of the work performed pursuant to this Agreement must meet the approval of the City, which shall not be unreasonably withheld if work has been completed in compliance with the Scope of Services and City requirements.

IV.3 MAINTENANCE/INSPECTION OF RECORDS.

a. The Consultant shall maintain all books, records, documents and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Consultant shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts and records where necessary to conduct or document an audit. The Consultant shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or

inspection identifies any discrepancy in such financial records, the Consultant shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

b. Public Records

The parties agree that this Agreement and records related to the performance of the Agreement are with limited exception, public records subject to disclosure under the Public Records Act RCW 42.56. Further, in the event of a Public Records Request to the City, the City may provide the Consultant with a copy of the Records Request and the Consultant shall provide copies of any City records in Consultant's possession, necessary to fulfill that Public Records Request. If the Public Records Request is large the Consultant will provide the City with an estimate of reasonable time needed to fulfill the records request.

ARTICLE V. GENERAL

V.1 NOTICES. Notices to the City shall be sent to the following address:

**Leonard Kelley, Mayor
City of Stanwood
10220 270th ST NW
Stanwood, WA 98292**

Notices to the Consultant shall be sent to the following address:

**RH2 Engineering, Inc.
22722 29th Street SE, Suite 210
Bothell, WA 98021**

Receipt of any notice shall be deemed effective three (3) days after deposit of written notice in the U.S. mail with proper postage and address.

V.2 TERMINATION. The right is reserved by the City or the Consultant to terminate this Agreement in whole or in part at any time upon ten (10) calendar days' written notice to the other party.

If this Agreement is terminated in its entirety by the City or the Consultant for its convenience, the City shall pay the Consultant for satisfactory services performed through the date of termination in accordance with payment provisions of Section IV.1.

V.3 DISPUTES. The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this Agreement may be resolved by a mutually agreed-upon alternative dispute resolution of arbitration or mediation.

V.4 EXTENT OF AGREEMENT/MODIFICATION. This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties and supersedes

all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties.

V.5 SEVERABILITY

a. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

b. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

V.6 NONWAIVER. A waiver by either party hereto of a breach by the other party hereto of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either party to insist upon strict performance of any agreement, covenant or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

V.7 FAIR MEANING. The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

V.8 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

V.9 VENUE. The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Snohomish County, Washington.

V.10 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

V.11 AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT. The undersigned represent that they have full authority to enter into this Agreement and to bind the parties for and on behalf of the legal entities set forth below.

DATED this 28th day of June, 2018.

CITY OF STANWOOD

RH2 Engineering, Inc.

By _____
Leonard Kelley, Mayor

By _____
RH2 Engineering, Inc.

Approved as to form:

Grant Weed, City Attorney

EXHIBIT A



RH2 ENGINEERING, INC.

www.rh2.com
mailbox@rh2.com
1.800.720.8052

WASHINGTON LOCATIONS

BOTHELL
MAIN OFFICE
22722 29th Drive SE, Suite 210
Bothell, WA 98021

BELLINGHAM

EAST WENATCHEE

ISSAQUAH

RICHLAND

TACOMA

OREGON LOCATIONS

PORTLAND
MAIN OFFICE
6500 SW Macadam Ave. Suite 125
Portland, OR 97239

MEDFORD

June 20, 2018

Mr. Shawn Smith, PE
City Engineer and Assistant Public Works Director
City of Stanwood
10220 270th Street NW
Stanwood, WA 98292

Sent via: Email

**Subject: Certificates of Water and Sewer Availability – Robinett Development
Scope of Work and Fee Estimate**

Dear Shawn:

RH2 Engineering, Inc., (RH2) is pleased to present this services proposal for Certificates of Water and Sewer Availability for the Robinett Development, a 15-lot subdivision.

Attached is a proposed Scope of Work (**Exhibit A**), Fee Estimate (**Exhibit B**), and Schedule of Rates and Charges (**Exhibit C**). RH2 proposes to provide its services on a time and expense basis not to exceed the total shown in **Exhibit B** without prior written authorization.

RH2 understands the City has a standard professional services agreement that the City prepares, and RH2 typically requests minor modifications to the standard agreement which have been agreeable to the City and City Attorney on past contracts. RH2 is ready to enter into agreement with the City using the same minor modifications. If you need a copy of the agreement modifications, please notify me and an example will be sent to you.

If you have any questions regarding this services proposal, please contact me at (360) 684-1564 or bbeaupain@rh2.com.

Sincerely,

RH2 ENGINEERING, INC.

Bret Beaupain, PE
Bellingham Office Manager

BB/sp

Attachments: Exhibit A – Scope of Work
Exhibit B – Fee Estimate
Exhibit C – Schedule of Rates and Charges
Attachment 1 – Water/Sewer Availability Request
Attachment 2 – Draft Water/Sewer Availability Reviews by MurraySmith & Associates

EXHIBIT A
Scope of Work
City of Stanwood
Certificates of Water and Sewer Availability – Robinett Development
June 2018

Background

The City of Stanwood (City) desires to evaluate the water and sewer availability for a proposed 15-lot subdivision on Parcel No. 32032400401500 (**Figure 1**). The City has requested that RH2 Engineering, Inc., (RH2) develop a Scope of Work and Fee Estimate to analyze water and sewer availability for the proposed development.



Figure 1 – Parcel No. 32032400401500

Task 1 – Certificates of Water and Sewer Availability

Objective: Review and analyze the City's water and sewer systems to determine available capacity to provide water and sewer service to Parcel No. 32032400401500 for a 15-lot subdivision, and identify system improvements required to provide service.

Approach:

- 1.1 Update the City's water and sewer models currently available on the RH2 network (dated January 13, 2017) with the Landed Gentry Development (125 lots) certificated by the City via other consultants.
- 1.2 Perform water system modeling, identify improvements needed to provide water service, and document in a letter to the City.

- 1.3 Perform sewer system modeling, identify improvements needed to provide sewer service, and document in a letter to the City.

Assumptions:

- *RH2 will utilize the latest water and sewer model on its network (dated January 13, 2017) for conducting water and sewer service evaluations and update them to include the Landed Gentry Development certificated by the City. City staff states the development is for 125 single-family lots (i.e., 125 equivalent residential units), and the draft water and sewer availability reviews prepared by MurraySmith and Associates dated May 2017 indicate the analyses were for 300 residential units. RH2 will use 125 equivalent residential units per the City's direction.*

Provided by City:

- Water and sewer availability reviews from MurraySmith and Associates (note: RH2 has already received a digital Word Document of the letter).

RH2 Deliverables:

- One (1) letter in portable document format (PDF) documenting the water and sewer analyses and water and sewer improvements needed to provide water and sewer service to the 15-lot subdivision.

Schedule

It is the goal of all parties that the work for this project be fully completed within four (4) weeks from RH2 receipt of authorization from the City. The schedule for this Scope of Work may be modified as mutually agreeable to RH2 and the City.

EXHIBIT B

City of Stanwood

Certificates of Water and Sewer Availability

Robinett Development

Fee Estimate

Description		Project Engineer	Project Manager	Principal	Administrative Support	Total Hours	Total Labor	Total Expense	Total Cost
Classification		Professional IV	Professional VI	Professional VIII	Administrative V				
Task 1	Certificates of Water and Sewer Availability	32	6	1	1	40	\$ 7,385	\$ 1,215	\$ 8,600

PROJECT TOTAL		32	6	1	1	40	\$ 7,385	\$ 1,215	\$ 8,600
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EXHIBIT C
RH2 ENGINEERING, INC.
2018 SCHEDULE OF RATES AND CHARGES

RATE LIST	RATE	UNIT
Professional I	\$144	\$/hr
Professional II	\$157	\$/hr
Professional III	\$170	\$/hr
Professional IV	\$180	\$/hr
Professional V	\$197	\$/hr
Professional VI	\$209	\$/hr
Professional VII	\$227	\$/hr
Professional VIII	\$236	\$/hr
Professional IX	\$236	\$/hr
Technician I	\$104	\$/hr
Technician II	\$110	\$/hr
Technician III	\$136	\$/hr
Technician IV	\$145	\$/hr
Administrative I	\$71	\$/hr
Administrative II	\$83	\$/hr
Administrative III	\$99	\$/hr
Administrative IV	\$117	\$/hr
Administrative V	\$135	\$/hr
CAD/GIS System	\$27.50	\$/hr
CAD Plots - Half Size	\$2.50	price per plot
CAD Plots - Full Size	\$10.00	price per plot
CAD Plots - Large	\$25.00	price per plot
Copies (bw) 8.5" X 11"	\$0.09	price per copy
Copies (bw) 8.5" X 14"	\$0.14	price per copy
Copies (bw) 11" X 17"	\$0.20	price per copy
Copies (color) 8.5" X 11"	\$0.90	price per copy
Copies (color) 8.5" X 14"	\$1.20	price per copy
Copies (color) 11" X 17"	\$2.00	price per copy
Technology Charge	2.50%	% of Direct Labor
Mileage	\$0.545	price per mile (or Current IRS Rate)
Subconsultants	15%	Cost +
Outside Services	at cost	

Rates listed are adjusted annually.

Attachment 1

CITY OF STANWOOD CERTIFICATE OF WATER AVAILABILITY NUMBER

2018-0075

This certificate provides the Department of Health, Community Development Department and Public Works Department with information necessary to evaluate development proposals.



CITY OF STANWOOD
10220 270th St. NW
Stanwood, WA 98292
(360) 629-4577

CITY OF STANWOOD CERTIFICATE OF WATER AVAILABILITY

Do not write in this box

Number

Name

☐ Building Permit

☒ Preliminary Plat

☐ Short Plat

☐ Rezone or Other

Applicant's Name John Robinett

Proposed Use 15 lot subdivision

Location Located on the east side of intersection 272nd & Heritage Trail

(Attach map and legal description if necessary)

WATER PURVEYOR INFORMATION

1. a. ☐ **Domestic Service Only:**
Water will be provided by service connection only to an existing _____ water main _____ feet from the site.
- b. ☐ **Domestic, Fire and Other Service:**
Water service will require an improvement to the water system of:
☐ (1) _____ feet of water main to reach the site; and/or
☐ (2) the construction of a distribution system on the site; and/or
☐ (3) other (describe) _____
2. a. ☐ The water system is in conformance with a County approved water comprehensive plan.
OR b. ☐ The water system improvement will require a water comprehensive plan amendment.
3. a. ☐ The proposed project is within the corporate limits of the city, or has been granted Boundary Review Board approval for extension of service outside the city, or is within the County approved service area of a private water purveyor.
OR b. ☐ Annexation or BRB approval will be necessary to provide service.
4. a. ☐ Water is/or will be available at the rate of flow and duration indicated below at no less than 20 psi measured at the nearest fire hydrant _____ feet from the building/property (or as marked on the attached map):
- | | |
|---|--|
| <p>Rate of Flow</p> <p>☐ Less than 500 gpm (approx. _____ gpm)</p> <p>☐ 500 to 999 gpm</p> <p>☐ 1,000 gpm or more</p> <p>☐ flow test of _____ gpm</p> <p>☐ calculation of _____ gpm</p> | <p>Duration</p> <p>☐ less than 1 hour</p> <p>☐ 1 hour to 2 hours</p> <p>☐ 2 hours or more</p> <p>☐ other _____
(Commercial Building permits require flow test or calculation)</p> |
|---|--|
- OR** b. ☐ Water system is not capable of providing fire flow.

COMMENTS/CONDITIONS: (1) The fire flow requirement for the applicant's proposed project must be determined to identify if improvements to the City's system are necessary. (2) This is not an application for or approval of water service to the proposed site. A proper application must be filed with and accepted by the City before service will be provided. The City has a service connection charge, meter installation charge and plant investment charge for each new water service provided. It is recommended that the applicant consult with the City to obtain applicable fees, charges, and procedures which may change during the property development process.

I hereby certify that the above water purveyor information is true. This certification shall be valid for one year from date of signature.

Agency Name _____

Signatory Name _____

Title _____

Signature _____

Date _____

Attachment 1
CITY OF STANWOOD CERTIFICATE OF SEWER AVAILABILITY NUMBER

2018-0075

This certificate provides the
Department of Health,
Community Development
Department and Public Works
Department
with information necessary to
evaluate development proposals.



CITY OF STANWOOD
10220 270th St. NW
Stanwood, WA 98292
(360) 629-4577

CITY OF STANWOOD CERTIFICATE OF SEWER AVAILABILITY

Do not write in this box

Number

Name

☐ Building Permit

☒ Preliminary Plat

☐ Short Plat

☐ Rezone or Other

Applicant's Name John Robinett

Proposed Use 15 lot subdivision

Location Located on the east side of intersection 272nd & Heritage Trail

(Attach map and legal description if necessary)

SEWER PURVEYOR INFORMATION

1. a. ☐ Sewer will be provided by side sewer connection only to an existing _____ size sewer _____ feet from the site and the sewer system has the capacity to serve the proposed use.
- OR b. ☐ Sewer service will require an improvement to the sewer system of:
- ☐ (1) _____ feet of sewer trunk or lateral to reach the site; extending from _____ and/or
- ☐ (2) the construction of a collection system on the site; and/or
- ☐ (3) other (describe) _____
2. a. ☐ The sewer system is in conformance with a County approved sewer comprehensive plan.
- OR b. ☐ The sewer system improvement will require a sewer comprehensive plan amendment.
3. a. ☐ The proposed project is within the corporate limits of the city, or has been granted Boundary Review Board approval for extension of service outside the city, or is within the County approved service area of a private sewer purveyor.
- OR b. ☐ Annexation or BRB approval will be necessary to provide service.

COMMENTS/CONDITIONS: This is not an application for or approval of sewer service to the proposed site. A proper application must be filed with and accepted by the City before service will be provided. The City has a service connection charge and plant investment charge for each new sewer service provided. It is recommended that the applicant consult with the City to obtain applicable fees, charges, and procedures which may change during the property development process.

I hereby certify that the above sewer purveyor information is true. This certification shall be valid for one year from date of signature.

Agency Name

Signatory Name

Title

Signature

Date



TECHNICAL MEMORANDUM

DATE: DRAFT

PROJECT: BD-1817

TO: Shawn Smith, P.E.
City of Stanwood, Washington

FROM: Thomas J. Perry, P.E.
Shad J. Roundy, P.E.
Thomas C. Walsh, EIT, PhD
Murraysmith

RE: On-Call Modeling, Water Distribution, Proposed Landed Gentry Development

Overview

Murraysmith conducted a review of the proposed Landed Gentry development on 68th Avenue NW for the City of Stanwood (City). While the proposed development area is part of the 2015 Comprehensive Water System Plan (CWSP), as Urban Growth Area (UGA) Addition 1, the specific demand was not considered. The development review included evaluation of demand from the proposed development, potential impact of additional demand on the distribution system, and impacts to sizing or timing of planned improvements.

The analysis utilized demand assumptions and peaking factors from the 2015 CWSP and the hydraulic model provided by the City. The hydraulic model is a steady state model, utilizing peaking factors applied to average demands to evaluate peak conditions, and is complete with fire flow analysis. The model included scenarios for 2015, 2021, and 2035 time frames. The 2021 and 2035 models scenarios are improved scenarios, where applicable capital improvement projects from the CWSP have been implemented. The 2015 and 2035 scenarios were chosen for the analysis of the proposed development.

Peak Demand & Fire Flow Estimation Review

Based on the 2015 CWSP, the average daily demand per equivalent residential unit is 191 gallons (gallons per ERU per day) in 2015 and 185 gallons in 2035. These values were used

Attachment 2

to develop average day demand (ADD) for the proposed Landed Gentry development which will have 300 residential units. ADD was multiplied by factors of 1.69 and 2.45 to estimate maximum day demand (MDD) and peak hour demand (PHD) respectively. Development demands are listed in Table 1. Demand from the proposed development for both the 2015 and 2035 distribution system analysis was placed at Junction J-901. The fire flow analysis for the residential development assumed 2,500 gallons-per-minute for a two-hour duration, a conservative requirement based on the traditional neighborhood (TN) zoning classification.

Table 1
Demand for Proposed Development

Scenario	Ratio to ADD	Maximum Number of Dwelling Units	2015 Demand (gpm)	2035 Demand (gpm)
ADD	1.0	300	39.8	38.5
MDD	1.69	300	67.4	65.3
PHD	2.45	300	97.4	94.3

Distribution System Analysis

Existing System (2015)

Distribution pipes and junctions within the vicinity of the proposed development location satisfy minimum City standards for both velocity and pressures with the additional peak demands from the Landed Gentry development except for Junctions J-976 and J-984. These locations fall short of the minimum fire flow requirement (2,500 gpm). Figure 1 shows the existing distribution system fire flow availability with development impacts.

Capital improvement DF6, from the CWSP, addresses the fire flow requirements at the deficient junctions and provides a pipeline loop through the proposed development as described below.

- DF6: Install new 12-inch ductile iron 297 Zone water main in 284th Street NW from 68th Avenue NW to approximately 65th Avenue NW. Install new 12-inch ductile iron water main in approximately 65th Avenue NW from 284th Street NW to Jensen Road.

Full development of the proposed area requires completion of capital improvement DF6.

Future (2035)

A future demand scenario was evaluated to validate the improvements identified in the CWSP Capital Improvement Program with the Landed Gentry development. This scenario assumes that all improvements have been completed.

In the 2035 model scenario, both pressure and supply are adequately met in the study area vicinity with the additional demand from the proposed development. Fire flow deficiencies, from the existing analysis, at J-976 and J-984 are eliminated with system improvements.

Attachment 2

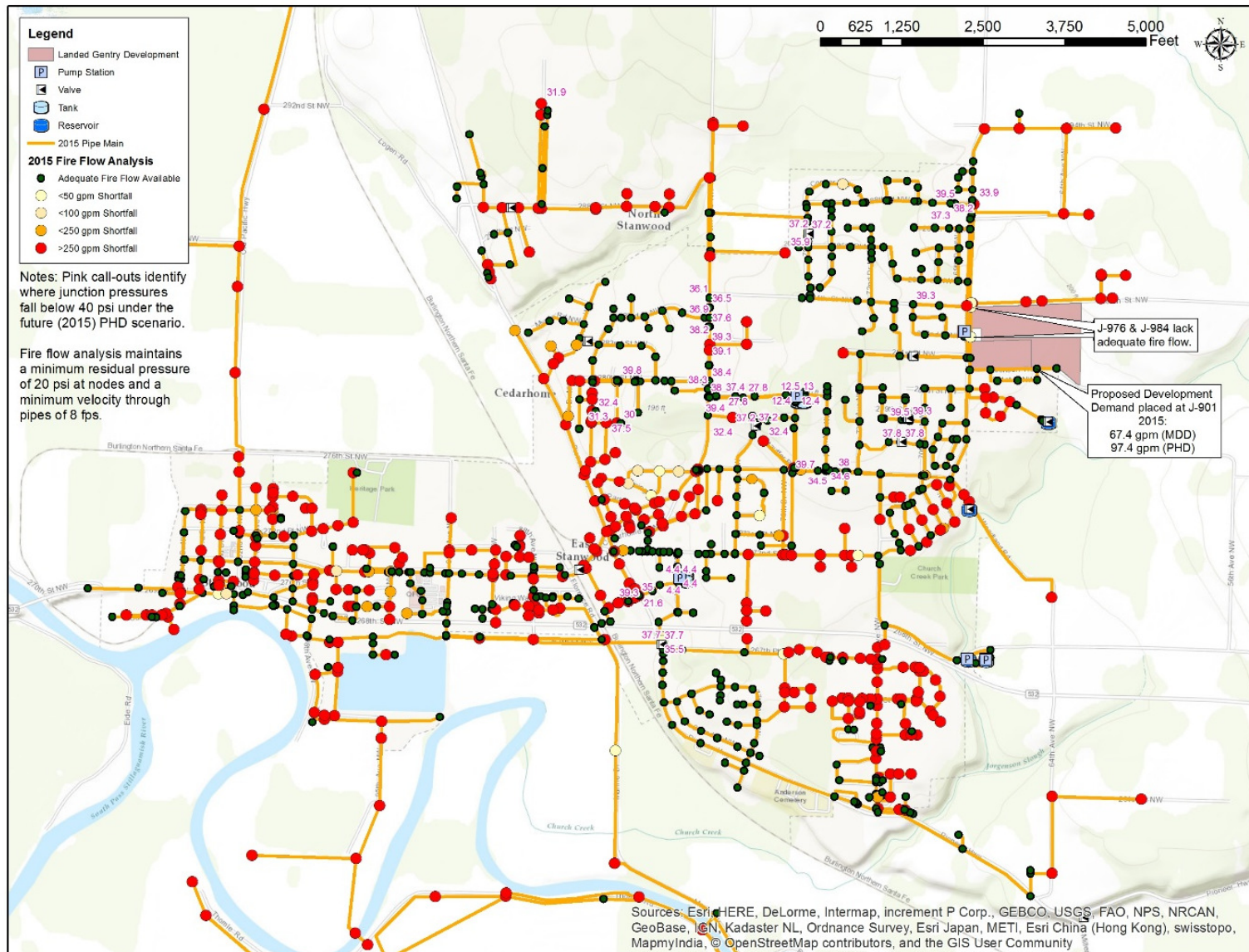
This result is dependent upon the improvements identified in the CWSP, including capital improvement DF6. Figure 2 shows results of the future model scenario.

Summary

- The proposed Landed Gentry development requires approximately 97 gpm of water during peak hour conditions.
- For distribution system analysis, demand was assigned at Junction J-901.
- Several fire flow deficiencies were observed in the existing (2015) model scenario
- Capital improvement DF6 creates a pipeline loop through the development and addresses the fire flow deficiencies.
- Capital improvement DF6 is sized adequate at 12-inches to convey future water demands and fire flow requirements including demands from the proposed development.

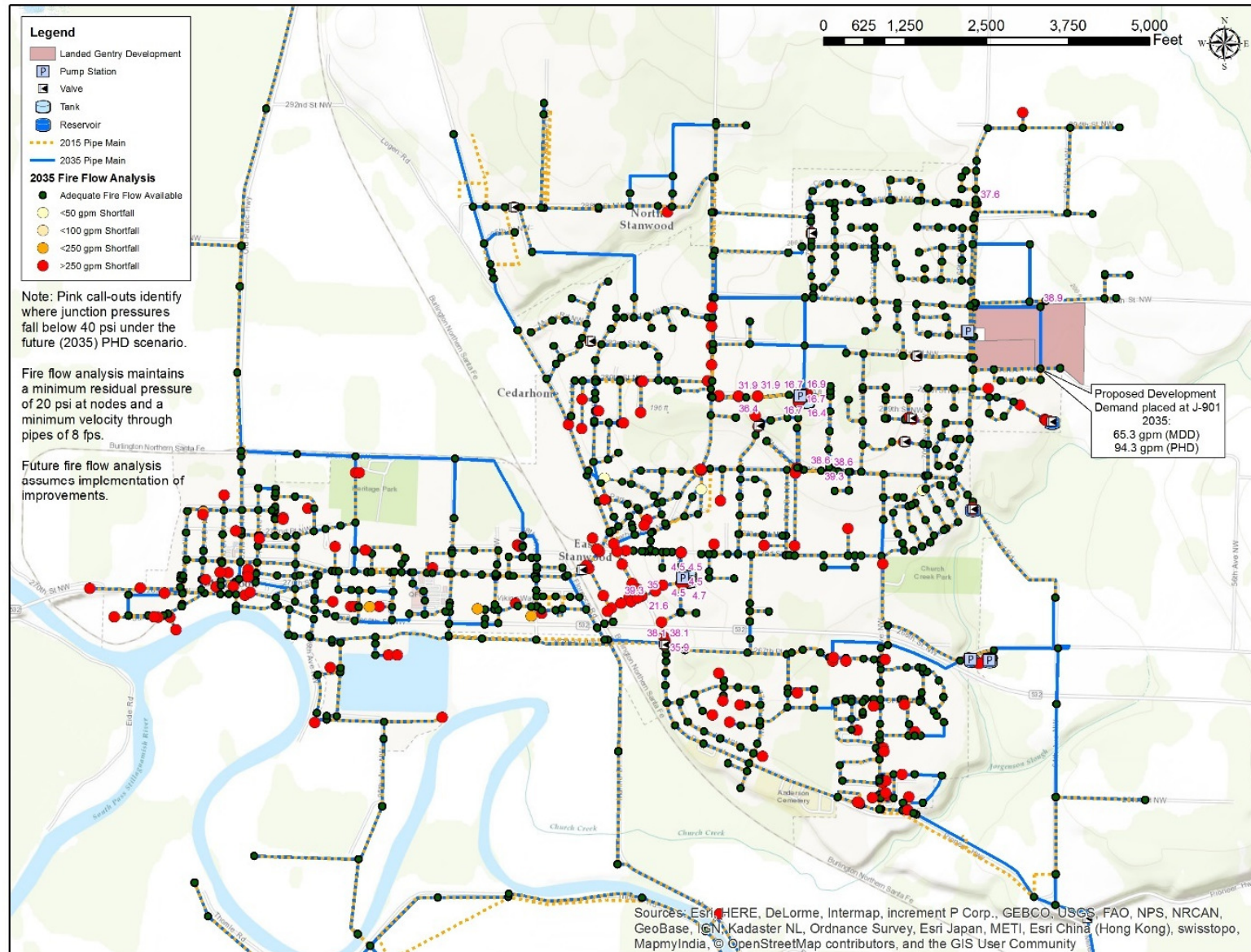
Attachment 2

Figure 1 | Existing (2015) Fire Flow with Landed Gentry Development



Attachment 2

Figure 2 | Future (2035) Fire Flow with Landed Gentry Development





TECHNICAL MEMORANDUM

DATE: Draft

PROJECT: BD-1817

TO: Shawn Smith, P.E.
City of Stanwood, Washington

FROM: Thomas J. Perry, P.E.
Shad J. Roundy, P.E.
Sven MacAller, EIT
Murraysmith

RE: On-Call Modeling, Wastewater Collection, Proposed Landed Gentry Development

Overview

Murraysmith conducted a review of the proposed Landed Gentry development on 68th Ave NW for the City of Stanwood (City). The proposed development area was not included in the 2015 Comprehensive Sewer System Plan (CSSP) as it was outside the study area boundary. The development review included evaluation of loading from the proposed development, potential impact of additional loading on the collection system, and impacts to sizing or timing of planned improvements.

The analysis utilized loading assumptions and peaking factors from the 2015 CSSP and the hydraulic model provided by the City. The hydraulic model is a steady state model and utilizes peaking factors applied to average flow rates to evaluate peak flow conditions. The model included scenarios for 2013 (existing), 2021, and 2035 time frames. The 2021 and 2035 models scenarios were improved scenarios, where applicable capital improvement projects from the CSSP have been implemented. The 2013 and 2035 scenarios were used for the analysis of the proposed development.

Peak Flow Estimation Review

The proposed development will have 300 residential units. Using 2.9 people per household density and 100 gallons per capita per day loading rate from the CSSP, this equates to an

Attachment 2

average loading of 60 gallons-per-minute (gpm). Using a peaking factor of four the peak flow generated by the development is approximately 245 gpm.

For both the 2013 and 2035 collection system analysis, additional loading from the proposed development was placed at manhole MH-441. This is a conservative loading point and flow from the development may enter the system further downstream due to topographical constraints.

Collection System Analysis

Existing System

Two alternatives were evaluated for the Landed Gentry development. Alternative A routes flow through collection system as it is currently configured. Flow from the proposed development flows by gravity to the Cedar Home Pump Station and is then pumped to downstream trunk lines. In Alternative B, both the Cedar Home and the Church Creek lift stations are decommissioned and flow is conveyed via new gravity extensions.

In the existing system model, several of the pipe segments downstream of the loading location flow full or close to full with the additional peak flow from the Landed Gentry development. Figure 1 shows the collection system capacity with development impacts.

Capital improvement DF4, from the CSSP addresses the capacity issues as described below. These improvements are required regardless of the selected routing alternative.

- DF4: Replace approximately 1,060 linear feet (LF) of existing gravity pipe with 12-inch diameter gravity pipe per City standards along 68th Avenue NW between 277th Street NW and 280th Street NW.

The Cedar Home Lift Station would be deficient with the additional peak flow from the proposed development. Figures 2 shows the pump curve and system curve for the Cedar Home Lift Station. Firm capacity at this lift station would need to be increased from the current firm capacity of 330 gpm to approximately 465 gpm to accommodate flow from the proposed development. The Church Creek Lift Station would not be directly impacted by flow from the proposed development, however the improvements that have been identified to allow decommissioning of Church Creek would also convey flow from the proposed development. Both the Cedar Home and Church Creek lift stations are scheduled to be decommissioned after completing two gravity extensions to reroute flow. These improvements are addressed by capital improvements EX5A and EX5B as described below.

- EX5A: Construction of approximately 2,640 LF of 12-inch gravity sewer from the intersection of Church Creek Loop NW and Manor Place NW to the intersection of 72nd Avenue NW and 267th Street NW, decommissioning of Church Creek Lift Station. EX5A is scheduled for the 2022 to 2028 timeframe based on the CSSP.

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- EX5B: Construct approximately 490 LF of 12-inch gravity sewer from the intersection of 68th Avenue NW and 277th Street NW to the Church Creek Court NW cul-de-sac, decommissioning of Cedar Home Lift Station. EX5B is scheduled for the 2029 to 2035 timeframe based on the CSSP.

Routing flow via Alternative A requires completion of DF4 as well as upsizing of Cedar Home Lift Station. Improvements at Cedar Home Lift Station would ultimately be stranded assets as this lift station is scheduled for decommissioning following completion of EX5A and EX5B in the 2022 to 2035 timeframe.

Alternative B utilizes the long-term improvements that have already been identified in the CSSP (DF4, EX5A and EX5B). The additional flow from the development requires accelerating the capital improvement schedule for DF4, EX5A and EX5B. These improvements are required to convey peak flow generated by full build-out of the Landed Gentry development area.

Future (2035)

A future loading scenario was evaluated to validate the improvement sizes identified in the CSSP Capital Improvement Program. This scenario assumes that all improvements have been completed.

In the 2035 model scenario, there are two 8-inch pipe segments that are flowing close to full (approximately 95-percent) with the additional peak flow from the proposed development; however, no surcharging is observed. These pipe segments are immediately upstream of the improvements identified as DF4.

In the 2035 model scenario, both Church Creek and Cedar Home lift stations have been decommissioned and wastewater is routed via new gravity pipelines. Sizing of capital improvements EX5A and EX5B at 12-inches are adequate to convey future peak flows including additional flow from the development area.

There are a limited number of pipes downstream of EX5A that have decreased excess capacity with additional development flow; however, none of these pipe segments are more than 80-percent full under peak flow conditions. Figure 3 shows results of the future model scenario.

Summary

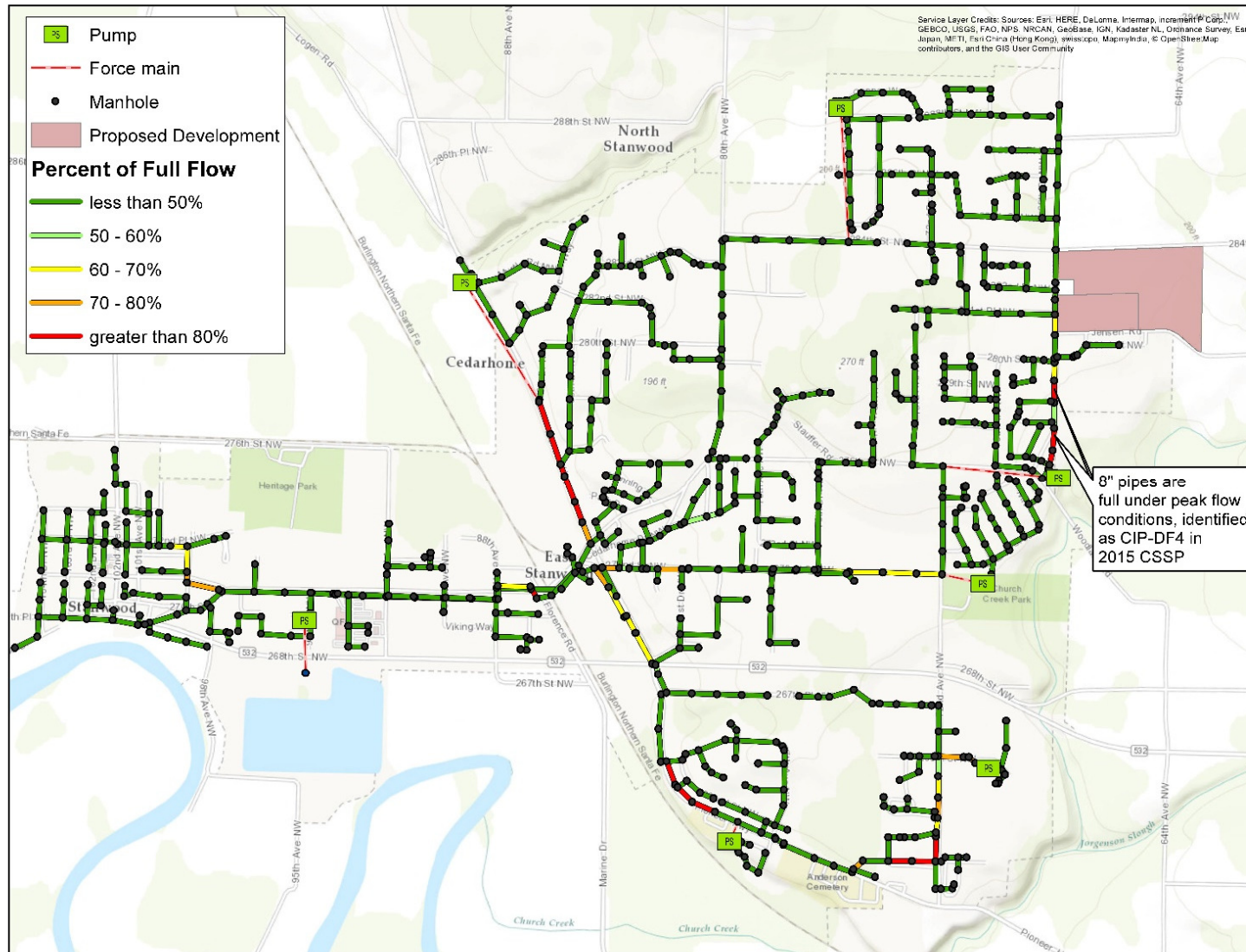
- The proposed Landed Gentry development will contribute approximately 245 gpm of peak to the collection system.
- For collection system analysis, flow was loaded at MH-441, however the actual loading point may be further downstream due to topography.
- Several deficiencies were observed in the existing (2013) model scenario due to the additional loading. These deficiencies were also identified in the 2021 model scenario in the CSSP.

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- Capital Improvement DF4 addressed the deficiencies and would be adequate to convey additional wastewater from the development. This project is triggered by the additional development.
- If the development is loaded to the collection system as it is currently configured (Alternative A), Cedar Home Lift Station requires improvements.
- The new gravity lines that have been identified in the CSSP to facilitate decommissioning of Cedar Home and Church Creek lift stations are adequately sized to convey future flow and the additional flow from the proposed development.
- In the 2035 scenario, the additional flow from the proposed development reduced excess capacity in the collection system, particularly in the 8-inch line along 68th Ave NW, however capacity is not exceeded and no surcharging was observed in model simulations.
- Capital improvements DF4, EX5A and EX5B are required to convey flow via Alternative B routing and the schedule for these improvements will need to be accelerated with the additional flow from the proposed development.

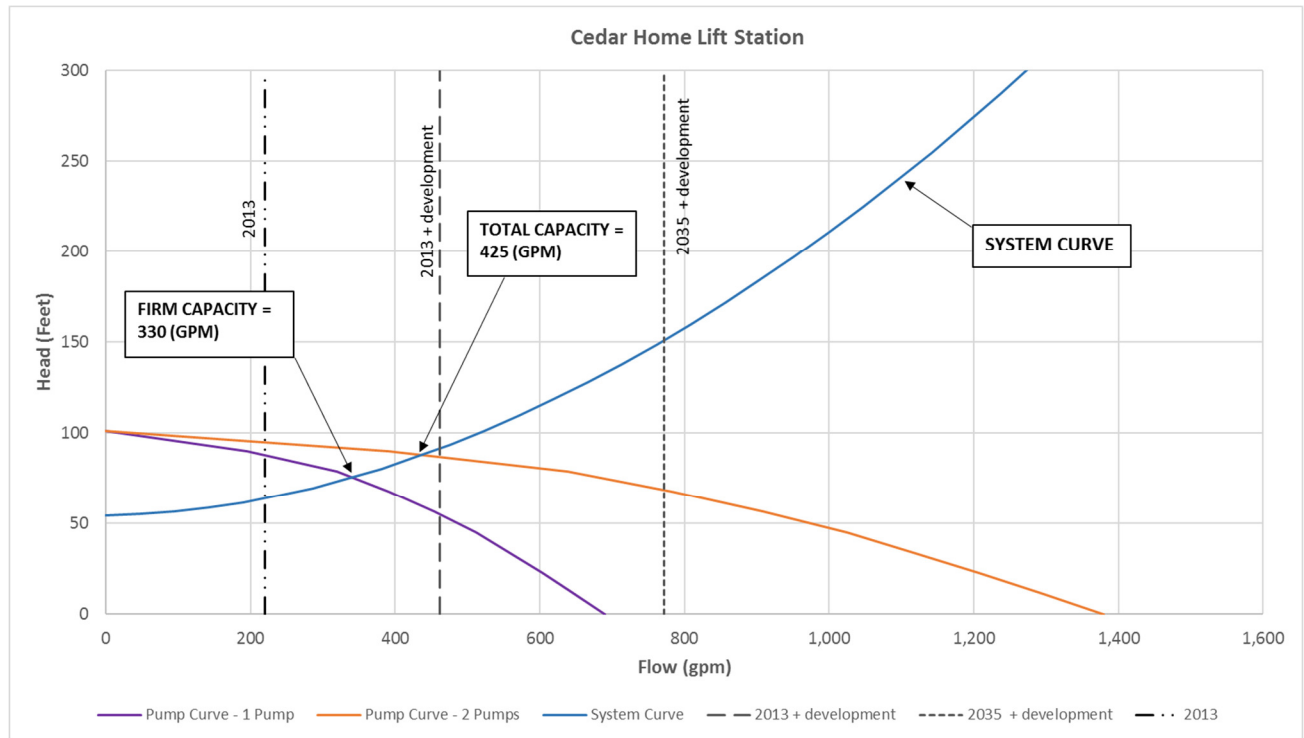
Attachment 2

Figure 1 | Existing, Peak Hour Flow with Landed Gentry Development



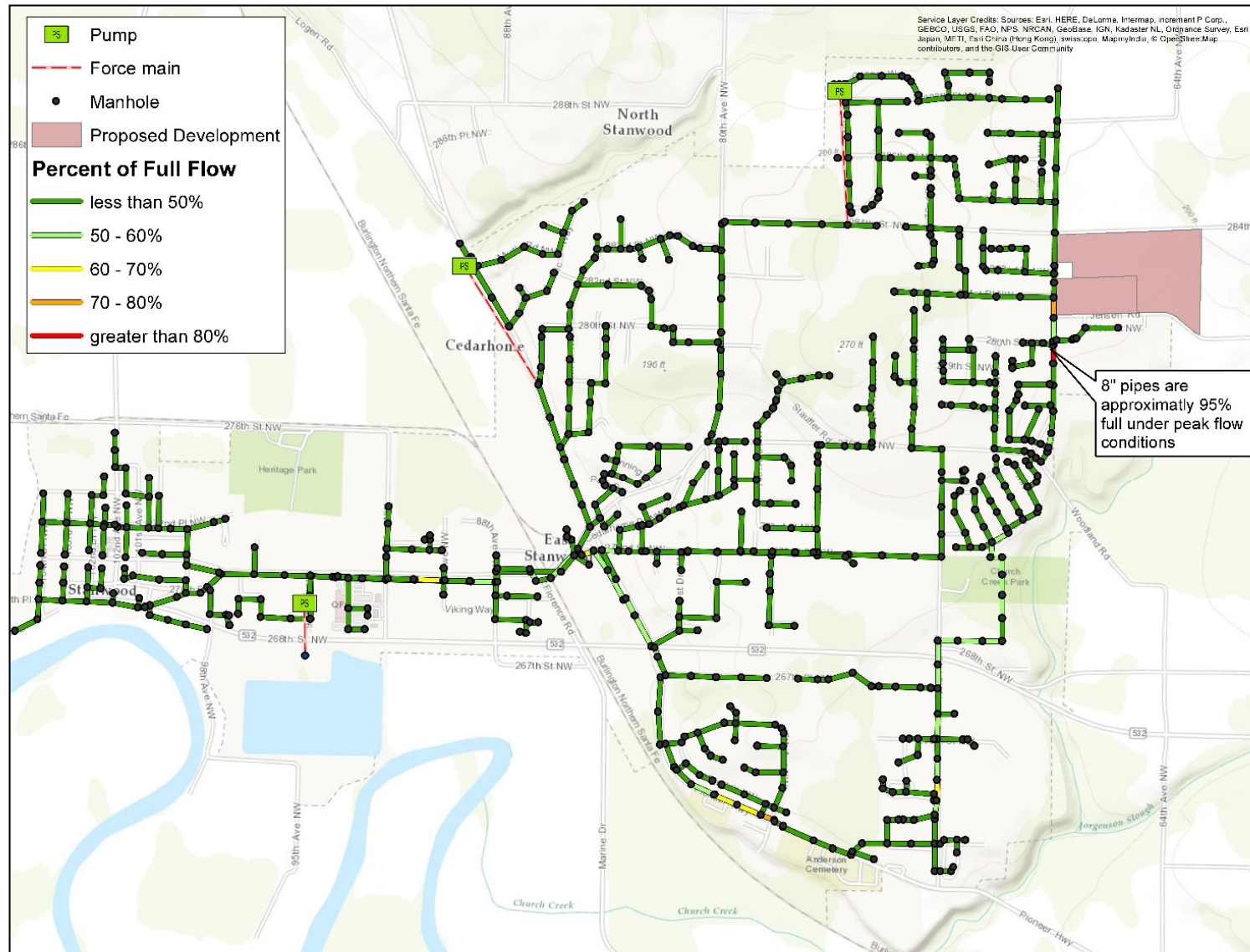
Attachment 2

Figure 2 | Cedar Home Pump Station



Attachment 2

Figure 3 | 2035, Peak Hour Flow with Landed Gentry Development





CITY OF STANWOOD COUNCIL AGENDA STAFF REPORT

ITEM NUMBER: 9d

DATE: June 28, 2018

SUBJECT: Interlocal Agreement with Snohomish County for
Emergency Management Services

CONTACT PERSON: David A. Hammond, Finance Director

ATTACHMENTS: A – Interlocal Agreement for Emergency Services

ISSUE

The issue in front of the city council is to authorize the mayor to sign a two-year interlocal agency agreement (ILA) with Snohomish County for emergency management services.

The purpose of the ILA is to provide an economical mechanism for administration and coordination of county and city emergency management programs to protect the public peace, health, and safety and to preserve the lives and property of the people of the county and city.

SUMMARY STATEMENT

Under RCW 38.52, each city and county in Washington State is required to establish a local organization or to be a member of a joint local organization for emergency management in accordance with the state comprehensive emergency management plan and program. The City of Stanwood joined Snohomish County and other Snohomish County cities to form a joint local organization for emergency management.

The city has been a party to the Interlocal Agency Agreement with Snohomish County for emergency management services since 2006 when Snohomish County assumed leadership of emergency management in north and east Snohomish County. Prior to 2005, the agency was an independent entity led by a Director with a board made up of member cities and the County. DEM reports directly to the County Executive's Office.

The most recently adopted agreement was approved by the city council on October 8, 2015 and will expire on December 31, 2018. The new agreement will be effective from January 1, 2019 through December 31, 2021.

The updated ILA is the result of input from the members of the multi-jurisdictional workgroup. Key highlights of this ILA are:

- Schedule A - Description of Emergency Management Services
- Schedule B – Description of Additional Emergency Management Services

- Schedule C – Expectations of Participating Jurisdiction
- Schedule D – Estimated 2019 Services Fees by Jurisdiction (estimated per capita rate for Stanwood is \$1.285)

DISCUSSION

The purpose of the ILA is to provide for the preparation and carrying out of plans for emergency services in the event of an emergency or disaster; for the coordination of the emergency services with the county, other public agencies and affected private persons; and for the continuity of county government, in a manner consistent with the Washington Emergency Management Act, Chapter 38.52 RCW, and the Continuity of Government Act, Chapter 42.14 RCW.

One of the primary functions of the ILA is to adopt and maintain a comprehensive emergency management plan. A comprehensive emergency management plan is a written basic plan with elements which address all natural and man-made emergencies and disasters to which a political subdivision is vulnerable. The comprehensive emergency management plan specifies the purpose, organization, responsibilities and facilities of agencies and officials of the political subdivision in the mitigation of, preparation for, response to, and recovery from emergencies and disasters. (Paraphrased from WAC 118-30-030 (9)).

Each political subdivision (city and county) is required to maintain a current plan of operation which is based on a hazard analysis and include a basic document with the elements listed in WAC 118-30-060 (1)-(8). Participation in the ILA fulfills this requirement for the City of Stanwood. Participation in the ILA also ensures the city will be eligible for federal recovery and mitigation grant funds through FEMA.

The city is entitled during the term of the Agreement to representation on the Snohomish County DEM Advisory Board.

The advisory board is composed of one member from each city, town or tribe that contracts with the county through the interlocal agreement for emergency management services. Additionally, the Director of Emergency Management participates as an ex officio representative to the advisory board, serving as a liaison between the county and the members, but is not a voting member.

The board serves in an advisory capacity and makes recommendation on emergency management plans; department budget; rate schedules for service charges to contracting agencies; grant applications; and other matters as requested by the county executive or director.

FISCAL IMPACT

The city shall pay an annual service charge to the county. Beginning January 1, 2020, and as adjusted annually each January 1st thereafter, the annual service charge shall be a per capita rate based on: 1) Snohomish County Department of Emergency Management's (SCDEM) proposed general fund budget, minus funding for those positions predicated by SCDEM's status as a county department and; 2) the city's population number from the annual Office of Financial Management (OFM) population estimate. By July 15th of each

year, the county will issue a revision to Schedule D to reflect changes to the city's population number. For 2019, the annual service charge shall be set at the median between a rate of \$1.1x per capita and the per capita assessment based on the 2020 annual service charge model. The 2019 charge is estimated to be \$8,718, which is an increase of \$348 over 2018.

Payments are due and payable quarterly on January 31, April 30, July 31 and October 31.

OPTIONS

1. Authorize the mayor to sign the Interlocal Agreement between City Of Stanwood and Snohomish County for administration and coordination of County and City emergency management programs. This option indicates the city council supports the proposed ILA and scope of work between the city and the county.
2. Do not authorize the mayor to sign the Interlocal Agreement between City Of Stanwood and Snohomish County and direct staff to areas of concern. This option indicates the city council has questions or concerns regarding the proposed agreement. The city council may want to direct staff to bring the agreement to the public safety subcommittee for further discussion and a recommendation before taking final action.
3. Do not authorize the mayor to sign the Interlocal Agreement. This option implies the city council has serious concerns regarding the proposed interlocal agreement. The city council should indicate whether the proposed ILA should be reconsidered at a later date or dropped indefinitely. This option could result in a lapse of emergency management services in the event of a disaster.

RECOMMENDED MOTION

I MOVE TO AUTHORIZE THE MAYOR TO SIGN THE INTERLOCAL AGREEMENT BETWEEN CITY OF STANWOOD AND SNOHOMISH COUNTY FOR ADMINISTRATION AND COORDINATION OF COUNTY AND CITY EMERGENCY MANAGEMENT PROGRAMS.

INTERLOCAL AGREEMENT FOR EMERGENCY MANAGEMENT SERVICES

THIS INTERLOCAL AGREEMENT FOR EMERGENCY MANAGEMENT SERVICES (the “Agreement”) is made and entered into this 28th day of June, 2018, by and between SNOHOMISH COUNTY, a political subdivision of the State of Washington (the “County”), and the CITY OF STANWOOD, a municipal corporation of the State of Washington (the “City”) (individually “Party” and collectively “Parties”) pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW.

RECITALS

A. The County has established the Snohomish County Department of Emergency Management (hereinafter “SCDEM”) as an emergency management agency within County government pursuant to Chapter 2.36 SCC.

B. The County, acting through SCDEM, operates as a local organization for emergency management in accordance with relevant comprehensive emergency management plans and programs pursuant to Chapter 38.52 RCW.

C. The City and the County have previously contracted for coordinated emergency management services through a series of Interlocal Agreements for Emergency Management Services, most recently dated February 4, 2016.

D. The coordinated emergency management services that SCDEM provides augment, but do not supplant, the City’s responsibilities and obligations under Chapter 38.52 RCW.

E. The County and City believe that it is in the public interest to provide coordinated emergency management services as provided herein.

AGREEMENT

NOW, THEREFORE, in consideration of the respective agreements set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the City agree as follows:

1. Purpose of Agreement.

This Agreement is authorized by and entered into pursuant to Chapter 39.34 RCW. The purpose and intent of this Agreement is to provide an economical mechanism for administration and coordination of County and City emergency management programs, generally to protect the public peace, health, and safety and to preserve the lives and property of the people of the County and City.

2. Effective Date and Duration.

This Agreement shall not take effect unless and until it has been duly executed by both Parties and either filed with the County Auditor or posted on the County's Interlocal Agreements website. This Agreement shall remain in effect through midnight December 31, 2021, unless earlier terminated pursuant to the provisions of Section 12 below, and the term of this Agreement may be extended or renewed for up to one (1) additional three (3) year term, upon the City providing the County written notice on or before April 30, 2021. The County shall in writing approve or reject the extension or renewal within thirty (30) days of receiving notice of intent to extend or renew; PROVIDED FURTHER, that each Party's obligations after December 31, 2018, are contingent upon local legislative appropriation of necessary funds for this specific purpose in accordance with applicable law. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of the last fiscal year for which funds are appropriated. The Party shall notify the other Party in writing of any non-allocation of funds at the earliest possible date.

3. 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 individuals:

County's Initial Administrator:

Jason Biermann, Director
Snohomish County Department of
Emergency Management
720 80th Street SW, Building A
Everett, Washington 98203

City's Initial Administrator:

Leonard Kelley, Mayor
City of Stanwood
10220 270th St NW
Stanwood, WA 98292

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

4. Emergency Management Services.

The County shall provide emergency management services, as described herein, to the City during the term of this Agreement in accordance with Chapter 38.52 RCW. The County will endeavor to provide the Services as described in its comprehensive emergency management plan and in Schedule A, attached hereto and incorporated herein. At its option, the City may elect to receive any or all of the additional services described in Schedule B, which is attached hereto and incorporated herein, upon at least 30 days' written notice provided to the County and subject to the availability of County resources. . All Services shall be provided without warranty of any kind, including but not limited to the sufficiency or adequacy of the actions of the Parties in response to an emergency or disaster or for support of search and rescue operations with regard to any person or property in distress. The City shall remain responsible for the provision of all those services

identified in Schedule C, attached hereto, as well as any other services the City is otherwise required by law to perform.

5. Advisory Board.

The City shall be entitled during the term of this Agreement to voting representation on the SCDEM Advisory Board established by SCC 2.36.100. The duties of the Advisory Board are set forth in SCC 2.36.130, as it now exists or is hereafter amended.

6. Independent Contractor.

The County will perform all Services under this Agreement as an independent contractor and not as an agent, employee, or servant of the City. The County shall be solely responsible for control, supervision, direction and discipline of its personnel, who shall be employees and agents of the County and not the City. The County has the express right to direct and control the County's activities in providing the Services in accordance with the specifications set out in this Agreement. The City shall only have the right to ensure performance.

7. Compensation.

7.1 Annual Service Charge. The City shall pay an Annual Service Charge to the County. Beginning January 1, 2020, and as adjusted annually each January 1 thereafter, the Annual Service Charge shall be a per capita rate based on: 1) SCDEM's proposed General Fund budget, minus funding for those positions predicated by SCDEM's status as a county department (specifically, the director and accounting analyst), and; 2) the City's population number from the annual Office of Financial Management (OFM) *Estimate for Population of Cities, Towns and Counties Used for Allocation of Selected State Revenues State of Washington*, the 2018 version of which attached hereto and incorporated herein at Schedule D. By July 15 of each year, the County shall issue a revision to Schedule D to reflect changes to the City's population number from the annual Office of Financial Management (OFM) *Estimate for Population of Cities, Towns and Counties Used for Allocation of Selected State Revenues State of Washington* and the resulting Annual Service Charge for the subsequent year. For 2019, the Annual Service Charge shall be set at the median between a rate of \$1.1X per capita and the per capita assessment based on the 2020 Annual Service Charge model.

7.2 Invoicing. The Annual Service Charge includes the services described in this Agreement's Schedule A, and reasonable operation and maintenance costs for which there will be no separate billing. The County shall invoice the City or its designee for the Annual Service Charge for all services performed by the County. The City shall be responsible for complete and timely payment of all amounts invoiced regardless of whether the City opts to participate in the invoiced services. Invoices will be sent quarterly or on any other schedule that is mutually convenient to the Parties. Payment of the Annual Service Charge is due and payable in quarterly installments on January 31, April 30, July 31, and October 31.

7.3 Additional Services. If a City elects to receive additional service(s) as described in Schedule B, one half of the cost of additional service(s) shall be added to the quarterly invoice after the City notifies SCDEM and the remaining half shall be added to the quarterly invoice that follows the delivery of the additional service(s).

7.4 Homeland Security and Emergency Management Performance Grants. The Parties acknowledge the importance of sustaining SCDEM staff currently funded by federal grants. In the event that SCDEM receives notice that cuts to such grants may jeopardize SCDEM's ability to fulfill the Services outlined in this agreement, the County agrees to notify the City within 15 days of being notified. Following such notification, the Parties agree to reassess the Services and Annual Service Charge. The City agrees that by entering into this Agreement, it will forego applying for Emergency Management Performance Grant (EMPG) monies.

8. Hold Harmless and Indemnification.

Except in those situations where the Parties have statutory or common law immunity for their actions and/or inactions and to the extent permitted by state law, and for the limited purposes set forth in this Agreement, each Party shall protect, defend, hold harmless and indemnify the other Party, its officers, elected officials, agents and employees, while acting within the scope of their employment as such, from and against any and all claims (including demands, suits, penalties, liabilities, damages, costs, expenses, or losses of any kind or nature whatsoever including attorney's fees) arising out of or in any way resulting from such Party's own negligent acts, errors, or omissions or willful misconduct related to such Party's participation and obligations under this Agreement. Each Party agrees that its obligations under this subsection extend to any claim, demand, and/or cause of action brought by or on behalf of any of its employees or agents. For this purpose, each Party, by mutual negotiation, hereby waives, with respect to the other Party only, any immunity that would otherwise be available against such claims under the industrial insurance act provisions of Title 51 RCW.

9. Privileges and Immunities.

Whenever the employees of the County or the City are rendering outside aid pursuant to the authority contained in RCW 38.52.070 and 38.52.080(1), such employees shall have the same powers, duties, privileges, and immunities as if they were performing their duties in the County or the City in which they are normally employed. Nothing in this Agreement shall affect any other power, duty, right, privilege, or immunity afforded the County or the City in Chapter 38.52 RCW.

10. Liability Related to City Ordinances, Policies, Rules and Regulations.

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.

11. Compliance with Laws.

In the performance of its obligations under this Agreement, each Party shall comply with all applicable federal, state, and local laws, rules and regulations.

12. Early Termination.

Either Party may terminate this Agreement, with or without cause, upon written notice to the other Party by no later than March 30 of the year of termination. Termination pursuant to this Section 12 will become effective on December 31 of the calendar year in which the termination notice is given.

13. Dispute Resolution.

In the event differences between the parties should arise over the terms and conditions or the performance of this Agreement, the parties shall use their best efforts to resolve those differences on an informal basis. If those differences cannot be resolved informally, the matter shall be referred for mediation to a mediator mutually selected by the parties. If mediation is not successful, either of the parties may institute legal action for specific performance of this Agreement or for damages.

14. Notices.

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 the 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 their designee, at the addresses set forth in Section 3 of this Agreement. Notice delivered by email shall be deemed given as of the date and time received by the recipient.

15. Performance.

Time is of the essence of the Agreement in each and all of the provisions and scope of services in which performance is a factor.

16. Entire Agreement; Amendment.

This Agreement constitutes the entire agreement between 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 not be modified or amended

in any manner except by a written document executed with the same formalities as required for this Agreement and signed by the Party against whom such modification is sought to be enforced.

17. 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.

18. Governing Law and Venue.

This Agreement shall be governed by and enforced in accordance with the laws of the State of Washington. The venue of any action arising out of this Agreement shall be in the Superior Court of the State of Washington, in and for Snohomish County. 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.

19. 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.

20. 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.

21. No Waiver.

Failure by either Party at any time to require performance by the other Party under this Agreement or to claim a breach of any provision of this Agreement shall not be construed as affecting any subsequent breach hereof or the right to require performance or affect the ability to claim a breach with respect hereto.

22. 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 Agreement in violation of the preceding sentence shall be null and void and shall constitute a default under this Agreement.

23. Warranty of Authority.

Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign this Agreement.

24. No Joint Venture.

Nothing contained in this Agreement shall be construed as creating any type or manner of partnership, joint venture or other joint enterprise between the Parties.

25. No Separate Entity Necessary.

The Parties agree that no separate legal or administrative entities are necessary to carry out this Agreement.

26. Ownership of Property.

Except as expressly provided to the contrary in this Agreement, any real or personal property used or acquired by either Party in connection with its performance under this Agreement will remain the sole property of such Party, and the other Party shall have no interest therein.

27. No Third Party Beneficiaries.

This Agreement and each and every provision hereof is for the sole benefit of the City and the County. No other persons or Parties shall be deemed to have any rights in, under or to this Agreement.

28. 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.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

COUNTY:

Snohomish County, a political subdivision
of the State of Washington

CITY:

City of Stanwood, a Washington
municipal corporation

By _____

Name:

Title:

By _____

Name: Leonard Kelley

Title: Mayor

**Approved as to insurance
and indemnification provisions:**

Risk Management

Approved as to Form:

Grant Weed, City Attorney

Approved as to Form:

Deputy Prosecuting Attorney

Schedule A

Description of Emergency Management Services

The County shall provide Emergency Management Services (the “Services”) through its Department of Emergency Management (“SCDEM”) to Cities, Towns, and Tribes (individually “Participating Jurisdiction”, and collectively “Participating Jurisdictions”). These Services shall include the following.

1. General: SCDEM will maintain an emergency management organization that complies with state law and federal guidelines. This organization will implement the concepts of the National Incident Management System (NIMS) and incorporate best practices of emergency management into its operations. These best practices include a focus on developing disaster management relationships within geographic sectors within the county, sectors defined by expected damages to critical transportation and communications infrastructure during a catastrophic incident.

2. Planning: SCDEM will assist Participating Jurisdictions in the development of executable disaster-related plans. SCDEM will maintain emergency management plans in accordance with applicable state and federal laws, regulations, and guidance. SCDEM will use, and encourage the use of, systematic planning processes that engage the whole community.

a. SCDEM will maintain the Snohomish County Comprehensive Emergency Management Plan (SCCEMP) and provide technical assistance (templates, meeting facilitation, and plan review) to Participating Jurisdictions in order for them to maintain a CEMP, as either a standalone plan or as an annex to the County’s CEMP, which meets the requirements set forth in RCW 38.52.030 and WAC 118-30-060. CEMPs shall include an analysis of the natural, technological, or human caused hazards that could affect the County or jurisdiction, respectively. CEMPs will also describe a NIMS-compliant incident management structure for use during multiagency/multijurisdictional operations and include the procedures to be used during emergencies for coordinating local resources, as necessary, and the resources of County agencies, departments, commissions, and boards.

b. SCDEM will maintain the Snohomish County Hazard Mitigation Plan, a FEMA-approved multi-jurisdictional hazard mitigation plan that complies with the Disaster Mitigation Act of 2000 (DMA2K) and 44 CFR §201.6, and, upon request, provide technical assistance (templates, meeting facilitation, and plan review) to Participating Jurisdictions in order for them to maintain an annex to the County’s FEMA-approved hazard mitigation plan that meets the requirements set forth in 44 CFR §201.6.

c. SCDEM will maintain the Snohomish County Disaster Recovery Framework and, upon request, provide technical assistance (templates, meeting facilitation, and plan review) to Participating Jurisdictions desiring to develop a jurisdictional Disaster Recovery Framework.

d. SCDEM will maintain standard procedures for its Emergency Coordination Center and provide technical assistance (templates, meeting facilitation, and

document review) to Participating Jurisdictions in order to develop complementary procedures for their respective Emergency Operations Centers.

e. SCDem will participate in regional- and state-level planning efforts, representing Snohomish County and, unless otherwise specified, the Participating Jurisdictions within Snohomish County. Examples of such efforts include the Mount Baker/Glacier Peak Response Plan and the Statewide Catastrophic Incident Planning Team.

3. Training and Exercise: SCDem will assist Participating Jurisdictions to develop, maintain, or expand their emergency management capabilities. The prioritized capabilities to train and exercise are operational coordination, operational communications, situational assessment, logistics, public information, and planning.

a. SCDem will conduct an annual training and exercise planning workshop (TEPW) in order to develop a coordinated training and exercise calendar. SCDem will also send representatives on behalf of Snohomish County and the Participating Jurisdictions to the State's annual TEPW.

b. SCDem will maintain a Training and Exercise Plan (TEP) that describes the outcomes of the TEPW. SCDem will produce and electronically distribute a training and exercise calendar each month to the Participating Jurisdictions.

c. SCDem will maintain a training program that adheres to state and federal guidance, including the National Incident Management System (NIMS) Training Plan and FEMA's Core Capability Development Sheets. This training program includes:

i. SCDem will assist each Participating Jurisdiction in the development of a jurisdiction-specific NIMS compliance plan. This includes providing assistance in determining applicable courses and identifying online and in-person resources that can provide compliance-related courses. Participating Jurisdictions retain the responsibility to track individual training of their staff members and, per the State's policy, submit NIMS compliance reports.

ii. Countywide, SCDem will facilitate the delivery of one ICS-300 (Intermediate ICS for Expanding Incidents) course and one ICS-400 (Advanced ICS for Complex Incidents) course each year.

iii. Countywide, SCDem will facilitate the delivery of four G191 (Emergency Operations Center/Incident Command System Interface) workshops each year.

iv. Countywide, SCDem will facilitate the delivery of four community points of distribution (CPOD) courses each year.

v. Countywide, SCDem will facilitate the delivery of four initial damage assessment courses each year.

vi. Upon request, SCDem will deliver ICS-402 (ICS Overview for Executives/Senior Officials) or its equivalent to each requesting Participating Jurisdiction in order to educate the Participating Jurisdiction's policy makers and

to help them meet the requirements of the National Incident Management System (NIMS).

vii. Annually, SCDEM will host at least two local deliveries of courses from FEMA's Emergency Management Institute and/or the National Disaster Preparedness Consortium.

viii. On behalf of each Participating Jurisdiction, SCDEM will process applications to host training opportunities available through FEMA's Emergency Management Institute and/or the National Disaster Preparedness Consortium. The Participating Jurisdiction requesting such courses will be responsible for identifying a location and any costs associated with the course delivery, e.g. refreshments.

ix. Countywide, SCDEM will deliver two offerings of an ARRL-approved HAM radio technician class each year.

x. Countywide, SCDEM will facilitate the delivery of two Community Emergency Response Team (CERT) trainings each year. Facilitation includes assisting in the provision of instructors and course materials needed to successfully conduct the course. In order to build CERT capability within the Participating Jurisdictions, SCDEM will request and host CERT Train-the-Trainer courses when there are an adequate number of students.

xi. SCDEM will deliver, or facilitate the delivery of, two trainings per year on SCDEM's incident management software, WebEOC.

xii. SCDEM will deliver at least two offerings of ComVan operator training per year.

d. SCDEM will maintain an exercise program that adheres to state and federal guidance, including the Homeland Security Exercise and Evaluation Program (HSEEP) and applicable grant requirements. Unless otherwise specified, the intent of SCDEM's exercise program is to evaluate established plans and/or procedures, and identify ways to improve those plans and/or procedures. The exercise program includes:

i. Every three years SCDEM will conduct a countywide functional exercise that evaluates Snohomish County's CEMP, the procedures used in the Snohomish County Emergency Coordination Center, and our ability to coordinate with jurisdictions throughout Snohomish County. SCDEM strongly encourages all Participating Jurisdictions to participate in that exercise and will provide technical assistance in the development of their exercise plan.

ii. Countywide, SCDEM will facilitate four tabletop exercises (TTXs) per year. These TTXs will evaluate Participating Jurisdictions' response plans and capabilities against various hazards that threaten Snohomish County.

iii. Countywide, SCDEM will facilitate four CPOD exercises per year in conjunction with the CPOD training.

iv. Countywide, SCDEM will facilitate one damage assessment exercise per quarter in conjunction with damage assessment training.

v. SCDEM will facilitate one EOC workshop each month. These workshops will be used to develop or update the scheduled Participating Jurisdiction's EOC procedures.

- vi. SCDEM will facilitate one EOC drill each month. These drills will be used to validate the scheduled Participating Jurisdiction's EOC procedures.
- vii. Countywide, SCDEM will conduct monthly communications drills with Participating Jurisdictions to ensure the viability of various means of communications.

4. Coordinating Disaster Response Activities: SCDEM and Participating Jurisdictions will coordinate their emergency response activities in order to endeavor to minimize death, injury, and damages to property, the economy, and the environment during natural, technological or human-caused disasters.

a. SCDEM will maintain a 24 hour per day Duty Officer, who will serve as the primary point of contact to address emergency management-related requests on behalf of Participating Jurisdictions. The Duty Officer will be available via Snohomish County 911.

b. As resources allow, SCDEM will utilize multiple means of communication to notify, warn, and/or provide information and instruction to the general public regarding impending or occurring disasters.

c. SCDEM will maintain and, when necessary, activate the Snohomish County Emergency Coordination Center (SCECC) and implement the Snohomish County CEMP and applicable procedures. The SCECC may activate in anticipation of, or immediately after, disasters as defined by RCW 38.52.010(6). The SCECC may also activate to provide support during pre-planned events or at the approved request of a Participating Jurisdiction. Requests to activate the SCECC will be made via the Duty Officer to the SCDEM Director. The decision to activate the SCECC, and at what level, is made by the SCDEM Director or the appropriate designee in the SCDEM line of succession.

d. SCDEM will maintain and, when necessary, activate the Snohomish County Joint Information Center (SCJIC) and applicable procedures. The SCJIC may activate in anticipation of, or immediately after, disasters as defined by RCW 38.52.010(6). The SCJIC may also activate to provide support during pre-planned events or at the request of a Participating Jurisdiction. Requests to activate the SCJIC will be made via the Duty Officer to the SCDEM Director. The decision to activate the SCJIC, and at what level, is made by the SCDEM Director or the appropriate designee in the SCDEM line of succession

e. When activated, the SCECC will coordinate resource requests among affected jurisdictions within Snohomish County. The SCECC will also make available the County's emergency resources not required for use elsewhere during emergencies, the use of which shall be determined and prioritized by SCECC. When necessary, SCDEM will request state and federal resources on behalf of the Participating Jurisdictions through Washington's established emergency management protocols, i.e. from the SCECC to the Washington State Emergency Operations Center. The Participating Jurisdictions agree that the County shall remain harmless in the event of non-availability or non-performance of requested resources.

f. When activated, the SCECC will coordinate situational awareness among affected jurisdictions within Snohomish County, and with regional and state partners.

g. When activated, the SCJIC shall coordinate public information and messaging about critical lifesaving and life-sustaining information by all means necessary to expedite the delivery of emergency services and aid the public to take protective actions. Participating Jurisdictions will identify appropriate points of contact with whom the JIC will communicate to form the information network commonly referred to as the Joint Information System (JIS).

h. When requested, and at the discretion of the SCDEM Director or the appropriate designee in the SCDEM line of succession, SCDEM will deploy a liaison to the participating jurisdiction to directly assist with incident management, technical support and assistance, and/or use of mobile assets. During activation of the SCECC, SCDEM may request that Participating Jurisdictions deploy liaisons to the Snohomish County ECC to enhance communication between the SCECC and the incident site(s).

i. Upon determining that a disaster as defined by RCW 38.52.010(6) has happened or is imminent, SCDEM will, under the provisions of SCC Chapter 2.36, initiate through the County Executive a Proclamation of Emergency for Snohomish County. Upon determining that a disaster as defined by RCW 38.52.010(6) has happened or is imminent, Participating Jurisdictions will, under the provisions of applicable code, initiate through the Participating Jurisdiction's appropriate authority a Proclamation of Emergency for their jurisdiction. Participating Jurisdictions will notify SCDEM as soon as practicable of their intent to proclaim a disaster and provide SCDEM with a copy of the proclamation as soon as practicable.

5. Coordinating Disaster Recovery Activities. SCDEM and Participating Jurisdictions will coordinate their disaster recovery activities in order to endeavor to restore critical services and establish a new normal for the affected area(s) as quickly as possible.

a. SCDEM, in conjunction with the State's Emergency Management Division (EMD) and the Federal Emergency Management Agency (FEMA), will coordinate the formal post-disaster preliminary damage assessment (PDA) process. Participating Jurisdictions will be responsible for tracking and reporting activities potentially reimbursable by federal and/or state disaster assistance programs. Each participating jurisdiction remains responsible for the costs it incurs.

b. In the aftermath of a disaster as defined by RCW 38.52.010(6), SCDEM will initiate the transition of disaster response to disaster recovery. This includes implementing the Snohomish County Disaster Recovery Framework and establishing the Recovery Support Functions found therein. When requested, Participating Jurisdictions will identify points of contact to be integrated into this process.

6. Volunteer / Emergency Worker Management: SCDEM will work in collaboration with participating jurisdictions to develop volunteer capabilities that augment participating jurisdictions' local disaster response efforts; specifically, Community Emergency

Response Teams (CERT) and/or the Snohomish County Auxiliary Communications Service (ACS)

a. Participating Jurisdictions will identify potential CERT and/or SERV volunteers. SCDEM will facilitate their registration as emergency workers in accordance with the Washington State Emergency Workers' Program and maintain a central database of these volunteers. Annually, SCDEM will provide to the participating jurisdictions a list of the volunteers living within each jurisdiction's respective boundaries.

b. SCDEM will provide oversight for a countywide CERT capability based on self-organized and governed CERT teams. In this construct, SCDEM will facilitate initial CERT training and support volunteer team coordinators that will be responsible for coordinating with SCDEM for ongoing training, recruiting, and meeting place logistics.

i. As described in section 3.c.x. of this Schedule, SCDEM will facilitate initial training for CERT volunteers. Initial training will consist of the CERT program as outlined by FEMA's Emergency Management Institute (EMI) and damage assessment (i.e. windshield survey) training.

ii. SCDEM will meet with the team coordinators annually to establish a yearly training calendar for each CERT team. Each team's coordinator, with the support of SCDEM, will be responsible for additional meetings and trainings.

iii. SCDEM, in collaboration with the team coordinators, will develop and maintain countywide CERT policies that ensure consistency and are applicable to all of the regional teams.

c. SCDEM will provide oversight to the Snohomish County Auxiliary Communications Service (ACS) function, which provides redundant emergency communications services to SCDEM, its Participating Jurisdictions, as well as hospitals and the Snohomish County Regional Chapter of the American Red Cross. SCDEM will assign trained ACS volunteers to augment Participating Jurisdictions' EOCs.

d. Using volunteers (as groups or individuals) for activities outside of the scope of their intended purpose and/or training places them outside of the scope of RCW 38.52.180, Chapter 118-04 WAC, and this Agreement. These volunteers cannot be afforded protection under the Washington State Emergency Workers Program; therefore Participating Jurisdictions desiring to expand the use of volunteers beyond the scope established by SCDEM are required to provide coverage in accordance with L&I Industrial Insurance regulations.

7. Outreach and Education: SCDEM will work in conjunction with participating jurisdictions to provide disaster-related outreach and education in order to improve overall community resilience.

a. SCDEM will develop, promote, and make available to Participating Jurisdictions preparedness materials related to its "Individually Prepared, Together Resilient"

campaign, and procure and make available FEMA-produced preparedness materials. The amount of preparedness materials provided will be made on a case-by-case basis and based upon available supply.

b. SCDEM will develop and promote individual preparedness messages to be delivered via its affiliation with local radio stations.

c. Upon request, and when practicable, SCDEM will facilitate the delivery of the Map Your Neighborhood program on behalf of a Participating Jurisdiction. Such requests should be made at least 30 days prior to the presentation.

d. Upon request, and when practicable, SCDEM will deliver preparedness presentations on behalf of a Participating Jurisdiction. Such requests should be made at least 30 days prior to the presentation. Participating Jurisdictions are responsible for providing an adequate facility and incurs any extraordinary costs associated with such events, e.g. refreshments, room rental costs, etc.

e. Annually, SCDEM will produce an annual report that summarizes its major activities for the previous year. The annual report will be distributed to the Participating Jurisdictions and the Director will be available to present it to each Participating Jurisdiction's elected officials.

8. SCDEM Resources: SCDEM maintains a number of resources that, when practicable, will be made available to Participating Jurisdictions. Requests for their deployment shall be made to the SCDEM Duty Officer or, when activated, the Snohomish County ECC. These resources include:

a. Command vehicle, commonly referred to as a "ComVan." A command vehicle provides a motorized, self-contained, climate-controlled capability to augment incident management. SCDEM provides operator training, but does not typically provide an operator. Requests for an operator will be considered on a case-by-case basis, but it is the primary responsibility of the requesting Jurisdiction to identify, maintain, and provide qualified operators.

b. Communications vehicle, commonly referred to as "DEM 10." The communications vehicle provides a motorized, self-contained, climate-controlled capability to augment communications.

c. Mobile emergency response trailer. This trailer provides a towed capability that can be used to augment community points of distribution, volunteer reception centers, or emergency operations centers.

d. Traffic signs. Two towed, programmable traffic signs provide visual and limited AM band radio warning about emergency conditions.

e. Alert and Warning. SCDEM will maintain a system that provides alert and warning to county residents. Access to this system will be through the SCDEM Duty Officer or, when activated, the Snohomish County ECC.

Schedule B
Description of Additional Emergency Management Services

The County offers additional services that the Participating Jurisdiction may choose from in addition to the basic emergency management services described in Schedule A. If, during the course of this Agreement, a Participating Jurisdiction desires additional service(s) as described below, the City shall notify SCDEM in writing as early as practicable prior to the delivery of the desired additional service(s). The cost and timing of the delivery of any Additional Service(s) shall be agreed upon by the Administrators of this Agreement. One half of the cost of additional service(s) shall be added to the quarterly invoice after the Participating Jurisdiction notifies SCDEM and the remaining half shall be added to the quarterly invoice that follows the delivery of the additional service(s)

1. Planning:

a. SCDEM will provide technical assistance in order to develop a functional emergency management plan or procedure. Examples of a functional plan include mass fatality plans and disaster debris management plans.

Participating Jurisdiction elects this service: _____
(initial)

2. Training and Exercise:

a. SCDEM will provide one jurisdiction-specific training opportunity.

Participating Jurisdiction elects this service: _____
(initial)

b. SCDEM will provide one jurisdiction-specific exercise opportunity. Scheduling these exercise shall occur at the annual TEPW.

Participating Jurisdiction elects this service: _____
(initial)

c. SCDEM will process Participating Jurisdiction's application for FEMA's Integrated Emergency Management Course.

Participating Jurisdiction elects this service: _____
(initial)

3. Coordinating Disaster Response Activities

a. On behalf of the Participating Jurisdiction, SCDEM will maintain membership with the Northwest Incident Management Team and request its deployment on behalf of the Participating Jurisdiction.

Participating Jurisdiction elects this service: _____
(initial)

4. Outreach and Education:

a. SCDEM will develop and promote a jurisdiction-specific outreach campaign.

Participating Jurisdiction elects this service: _____
(initial)

5. Communications Support:

a. SCDEM's Communications Officer will provide technical support to ensure interoperable radio communications; specifically, procure and install compatible communications hardware.

Participating Jurisdiction elects this service: _____
(initial)

Schedule C

Expectations of Participating Jurisdiction

As stated in Section 4 of the Agreement, the services provided by SCDEM augment the participating jurisdictions. This schedule outlines some, but not all, of the areas for which the Participating Jurisdictions retain responsibility.

1. General:

a. In accordance with RCW 38.52.070, each Participating Jurisdiction will establish a local emergency management organization and appoint a director who will serve as the point of contact for SCDEM.

b. In accordance with SCC 2.36, each Participating Jurisdiction will designate representatives to the DEM Advisory Board and attend the quarterly meetings. The Advisory Board shall advise the director of emergency management in recommending to the executive actions on emergency management plans; the department's budget; rate schedules for emergency management service charges paid by contracting agencies; grant applications and utilization of awarded grant funds; and other matters as requested by the county executive or the director.

2. Planning:

a. Participating Jurisdictions will maintain a CEMP that meets the requirements set forth in RCW 38.52.030 and WAC 118-30-060. CEMPs shall include an analysis of the natural, technological, or human caused hazards that could affect the jurisdiction; will describe a NIMS-compliant incident management structure for use during multiagency/multijurisdictional operations; and include the procedures to be used during emergencies for coordinating local resources.

b. Participating Jurisdictions will identify a primary and alternate point of contact for each planning effort. Participating Jurisdictions will convene work groups and provide meeting space as necessary to facilitate the development of plans including the jurisdiction's comprehensive emergency management plan, hazard mitigation plan, functional emergency management plans, etc., as applicable.

3. Training and Exercise:

a. With SCDEM's assistance, Participating Jurisdictions will develop jurisdiction-level NIMS compliance plans. Participating Jurisdictions retain the responsibility to track individual training of their staff members.

b. Participating Jurisdictions desiring to schedule specific training and exercise opportunities should do so by sending a representative the annual Training and Exercise Planning Workshop (TEPW). Facilitating training and exercise opportunities not scheduled at the TEPW shall be at the discretion of the SCDEM Director.

4. Coordinating Disaster Response Activities: Participating Jurisdictions will coordinate their emergency response activities with and through SCDEM in order to endeavor to minimize death, injury, and damages to property, the economy, and the environment during natural, technological or human-caused disasters.

a. During, or in anticipation of disasters as defined by RCW 38.52.010(6), affected Participating Jurisdictions will activate their incident management structure and Comprehensive Emergency Management Plan, and notify SCDEM as soon as practicable.

b. When activated, Participating Jurisdictions will request County, state and/or federal resources through established emergency management protocols, i.e. from the SCECC to the Washington State Emergency Operations Center. The Participating Jurisdictions agree that the County shall remain harmless in the event of non-availability or non-performance of requested resources.

c. Participating Jurisdictions shall submit incident-related information to the SCECC and the SCECC shall develop and provide comprehensive situation reports to the Participating Jurisdictions, as well as to regional and state partners.

d. Participating Jurisdictions will identify appropriate points of contact with whom the SCJIC will communicate to form the information network commonly referred to as the Joint Information System (JIS).

e. When requested and practicable, Participating Jurisdictions will deploy liaisons to the Snohomish County ECC to enhance communication between the SCECC and the incident site(s).

f. Upon determining that a disaster as defined by RCW 38.52.010(6) has happened or is imminent, Participating Jurisdictions will, under the provisions of applicable code, initiate through the jurisdiction's appropriate authority a Proclamation of Emergency for their jurisdiction. Participating Jurisdictions will notify SCDEM as soon as practicable of their intent to proclaim a disaster and provide SCDEM with a copy of the proclamation as soon as practicable.

5. Coordinating Disaster Recovery Activities. SCDEM and Participating Jurisdictions will coordinate their disaster recovery activities in order to endeavor to restore critical services and establish a new normal for the affected area(s) as quickly as possible.

a. Participating Jurisdictions will be responsible for tracking and reporting activities potentially reimbursable by federal and/or state disaster assistance programs. Each participating jurisdiction remains responsible for the costs it incurs.

b. In the aftermath of a disaster as defined by RCW 38.52.010(6), SCDEM will initiate the transition of disaster response to disaster recovery. This includes implementing the Snohomish County Disaster Recovery Framework and establishing the Recovery Support Functions found therein. When requested, Participating Jurisdictions will identify points of contact to be integrated into this process.

6. Volunteer / Emergency Worker Management: SCDEM will work in collaboration with participating jurisdictions to develop volunteer capabilities that augment participating jurisdictions' local disaster response efforts; specifically, Community Emergency Response Teams (CERT) and/or the Snohomish County Auxiliary Communications Service (ACS)

a. Participating Jurisdictions will identify potential volunteers to affiliate with CERT and/or ACS.

b. Participating Jurisdictions acknowledge that using volunteers (as groups or individuals) for activities outside of the scope of their intended purpose and/or training places them outside of the scope of RCW 38.52.180, Chapter 118-04 WAC, and this Agreement. These volunteers cannot be afforded protection under the Washington State Emergency Workers Program; therefore Participating Jurisdictions desiring to expand the use of volunteers beyond the scope established by SCDEM are required to provide coverage in accordance with L&I Industrial Insurance regulations.

7. Outreach and Education: SCDEM will work in conjunction with participating jurisdictions to provide disaster-related outreach and education in order to improve overall community resilience. Participating Jurisdictions desiring presentations will make such requests made at least 60 days prior to the presentation.

8. SCDEM Resources: SCDEM maintains a number of resources that, when practicable, will be made available to Participating Jurisdictions. Requests for their deployment shall be made as early as possible to the SCDEM Duty Officer or, when activated, the Snohomish County ECC. When requesting a ComVan, the Participating Jurisdiction bears the primary responsibility for providing a qualified driver and should not expect SCDEM to provide an operator.

Schedule D
Estimated 2019 Service Fees by Jurisdiction Using New Model⁶

Jurisdiction	April 1, 2017 Population Est.¹	2019 Per Capita Rate²	2019 Fees³
Arlington	18,690	\$1.285	\$24,017.00
Brier	6,560	\$1.285	\$8,430.00
Darrington	1,400	\$1.285	\$1,799.00
Edmonds	41,260	\$1.285	\$53,019.00
Gold Bar	2,125	\$1.285	\$2,731.00
Granite Falls	3,485	\$1.285	\$4,478.00
Index	175	\$1.285	\$225.00
Lake Stevens	31,740	\$1.285	\$40,786.00
Lynnwood	36,950	\$1.285	\$47,481.00
Mill Creek	19,960	\$1.285	\$25,649.00
Monroe	18,350	\$1.285	\$23,580.00
Mountlake Terrace	21,290	\$1.285	\$27,358.00
Mukilteo	21,240	\$1.285	\$27,293.00
Snohomish	10,010	\$1.285	\$12,863.00
Stanwood	6,785	\$1.285	\$8,719.00
Sultan	5,030	\$1.285	\$6,464.00
Woodway	1,340	\$1.285	\$1,722.00
Tulalip Tribes ⁴	4,517	\$1.285	\$5,804.00
Stillaguamish Tribe ⁵	280	\$1.285	\$360.00
TOTALS	251,187		\$322,775

¹Source: State of Washington, Office of Financial Management, April 1, 2017 Estimates;
<http://www.ofm.wa.gov/pop/april1/default.asp>

²A per capita breakdown of DEM's 2018 General Fund budget, minus salary and benefits of the Director and Accounting Analyst II.

³The 2018 fees are based on the April 1, 2017 population estimate and the 2018 per capita rate (\$1.2203).

⁴The Tulalip Tribes population numbers will be obtained from the Tulalip Tribes Enrollment Department once every year.

⁵The Stillaguamish Tribe population numbers will be obtained from the Stillaguamish Tribe Enrollment Officer once every year.

⁶Based on 2018 population estimates and budget.