

Next Ord: 1608-08

Next Res: 767-08

## MISSION STATEMENT

The mission of the Sedro-Woolley City government is to provide selected services that are not traditionally offered by the private sector. This will be achieved through providing the highest quality services we can within the resources with which we're provided; involving residents in all aspects of planning and operations; serving as a clearinghouse for public information; and operating facilities which meet the legitimate, identified concerns of the residents of and visitors to our community.

We believe in being community-centered, consistently contributing to the quality of life in our area and as fully deserving of the public's trust through the consistent expression of positive values and acceptance of accountability for producing meaningful results.

## CITY COUNCIL AGENDA

April 9, 2008

7:00 PM

Sedro-Woolley Municipal Building

Council Chambers

325 Metcalf Street

1. Call to Order
2. Pledge of Allegiance
3. Consent Calendar

NOTE: Agenda items on the Consent Calendar are considered routine in nature and may be adopted by the Council by a single motion, unless any Councilmember wishes an item to be removed. The Council on the regular agenda will consider any item so removed after the Consent Calendar.

- a. Minutes from Previous Meeting
  - b. Finance
    - Claim Vouchers #63018 to #63155 for \$788,004.07
    - Payroll Warrants #42268 to #42364 for \$227,816.52  
(Voided Warrants #42263-42267)
  - c. Supplemental Agreement 6 to David Evans & Associates, Inc.  
Local Agency Standard Consultant Agreement
4. Swearing in of Firefighters Andrew Vander Veen & David De Vries
  5. Public Comment (Please limit your comments to 3-5 minutes)

### PUBLIC HEARINGS

6. Sewer Rate & Fee Ordinance (*will be continued to April 23, 2008*)
7. Reenactment of Interim Zoning Control Ordinance

### UNFINISHED BUSINESS

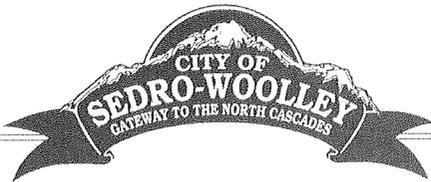
8. City Hall Update (*verbal report*)
9. Sign Ordinance Revision (*2<sup>nd</sup> Reading*)  
*To consider allowing white backlit signs*
10. Solid Waste Interlocal Agreement

### NEW BUSINESS

11. Refinancing of Sewer Revenue Bonds (*1<sup>st</sup> Reading*)

### COMMITTEE REPORTS AND REPORTS FROM OFFICERS

### EXECUTIVE SESSION/YES



DATE: April 9, 2008

TO: Mayor Anderson and City Council

FROM: Patsy Nelson, Finance Director

SUBJECT: 1) CALL TO ORDER; 2) PLEDGE OF ALLEGIANCE; 3) CONSENT CALENDAR

1. CALL TO ORDER - The Mayor will call the April 9, 2008 Regular Meeting to Order. The Finance Director will note those in attendance and those absent.  
  
\_\_\_\_ Ward 1 Councilmember Ted Meamber  
\_\_\_\_ Ward 2 Councilmember Tony Splane  
\_\_\_\_ Ward 3 Councilmember Louie Requa  
\_\_\_\_ Ward 4 Councilmember Pat Colgan  
\_\_\_\_ Ward 5 Councilmember Hugh Galbraith  
\_\_\_\_ Ward 6 Councilmember Rick Lemley  
\_\_\_\_ At-Large Councilmember Dennis London
2. PLEDGE OF ALLEGIANCE - The Mayor will lead the City Council and citizens in the Pledge of Allegiance to the United States of America.
3. CONSENT CALENDAR - Mayor will ask for Council approval of Consent Calendar items.

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CITY OF SEDRO-WOOLLEY  
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Regular Meeting of the City Council  
March 26, 2008 – 7:00 P.M. – City Hall Council Chambers

The Meeting was called to order at 7:00 P.M.

Mayor Anderson welcomed everyone to the brand new City Hall Building and Council Chambers and expressed his excitement for being in the new building.

ROLL CALL: Mayor Mike Anderson, Councilmembers: Ted Meamber, Tony Splane, Louis Requa, Pat Colgan, Hugh Galbraith and Dennis London. Staff: Finance Director Nelson, City Attorney/Supervisor Berg, Engineer Frieberger, Planner Moore, Police Chief Wood and Fire Chief Klinger.

Consent Calendar

- Minutes from Previous Meeting
- Finance
  - Claim Vouchers #62910 to #63017 for \$674,021.91
  - Payroll Warrants #42167 to #42262 for \$163,766.93

Councilmember Meamber moved to approve the consent calendar. Seconded by Councilmember Splane. Motion carried (6-0).

Special Presentation – Bus Jungquist

Mayor Anderson gave a certificate of appreciation to long time businessman, Bus Jungquist, upon his retirement. Anderson noted his pleasure to be able to make the presentation as the first in the New City Hall. The certificate is awarded to Jungquist for his steadfast and lifelong support of the Sedro-Woolley community and significant contributions to the vitality of the downtown business district.

Jungquist was welcomed with a large round of applause and briefly spoke of his time on the City Council and the encouragement he received from one of his mentor's, Bill Johnson. Jungquist also spoke of the "uniqueness" of Sedro-Woolley, the volunteer efforts of the citizens and the warmth of the community upon his retirement. He wished the City and citizens the best for the future.

Public Comment

Mike Janicki – 810 Talcott St., addressed the Council regarding the appeal filed by his mother regarding the Deluxe Recycling proposal. Janicki stated he was before the Council to speak in his capacity as a School Board representative. He noted the High School is within the district that he represents and has received over 29 comments via e-

mail or phone calls from citizens within his area and felt it his responsibility to express concerns on their behalf. He noted there were three areas of concern: 1) Health concerns, home values and the characteristics of a small town; 2) if facility is built, who to call regarding odors or health concerns; and 3) procedures for the code enforcement process. Janicki also expressed his personal concerns with a lack of proper ordinances on file for enforcement capabilities without involvement of the Northwest Air Pollution Authority, the trash truck route, temporary odors and response time for temporary odor complaints, the effects of the odors on students with health problems (i.e. asthma) and an indirect affect to the School District with complaints. Janicki stated he supported a review of the SEPA process appeal with considerations for standards to be set for noise, hours of operation and monitoring of the smell level. He also believes incoming trucks should be required to be permitted and inspected for leakage of garbage and the storage of trash be monitored. He encouraged the Council to look at the proposal microscopically for the public and students to feel safe.

## **UNFINISHED BUSINESS**

### City Hall Update

Chuck Mell, Skagit County I.T. Specialist gave a pictorial presentation set to music on the building of the New City Hall from start to finish.

City Attorney/Supervisor Berg reviewed a proposed resolution declaring certain property surplus. Berg noted these were left over items from the move with very little or no value as well as outdated computer and phone equipment.

Councilmember Galbraith moved to adopt Resolution No. 766-08 A Resolution of the City of Sedro-Woolley Declaring Certain Property as Surplus and Authorizing It's Disposition. Seconded by Councilmember Colgan. Motion carried (6-0).

## **NEW BUSINESS**

### Possible Bid Award – McGarigle CIPP Sewer Project

Engineer Frieberger reviewed the bid process and results for the McGarigle CIPP Sewer Project. He noted the apparent low bid was approximately 3% higher than the engineer's estimate but after some research it is due to the escalating oil prices with the materials being heavily oil dependent. Staff recommends that Council award the bid to the apparent low bidder. Frieberger noted the funding is within the budget.

Councilmember Requa moved to award the McGarigle CIPP Sewer Project to Michels Corporation of Salem, OR in the amount of \$842,720.76, subject to authorization to award by the Washington State Department of General Administration. Councilmember Galbraith seconded. Motion carried (6-0).

### Possible Agreement for Construction Services – McGarigle CIPP Sewer Project

Engineer Frieberger reviewed the background information for an agreement for construction services for the McGarigle CIPP Sewer Project to Reichhardt & Ebe Engineering. He noted Reichhardt & Ebe was the design engineer for the project and is very familiar with the project. He also noted that staff currently does not have the resources to provide construction engineering support beyond contract administration and oversight.

Councilmember Requa moved to authorize the Mayor to enter into agreement with Reichhardt & Ebe Engineering, Inc. to provide construction engineering services for the McGarigle CIPP Sewer Project in the amount of \$47,501.88, subject to approval by the Washington State Department of General Administration. Councilmember Splane seconded. Motion carried (6-0).

### Metcalfe Nursery Lease – Request for Extension and Swedelius Nursery Lease – Renewal

City Attorney/Supervisor Berg reviewed a request for an extension of the lease for property known as the Lemley property being leased by Metcalfe Nursery. Berg reviewed background information regarding the lease, the need for the extension and their efforts for plant removal in order to vacate the property.

Councilmember Colgan moved to authorize the Mayor to exercise the lease extension and donation agreement to the nursery. Seconded by Councilmember London.

Councilmember Requa questioned the amount of rent the City collects for this property and the any payment of the fees for consulting services.

Attorney/Supervisor Berg indicated the rental fee was approximately \$150 and there has not been any discussion regarding fees for consulting. It is anticipated the consulting would be on a gratuitous basis.

Motion carried (6-0).

### **COMMITTEE REPORTS AND REPORTS FROM OFFICERS**

Police Chief Wood – announced the promotion of Dan McIlrath to Sergeant upon the retirement of Sergeant Doug Salyer. He also stated the recruit officer is doing well at the academy and has approximately 7 weeks left before graduation. He said they are enjoying the new building and are working on getting all the bugs worked out. He also reported that the department is working in conjunction with the Liquor Board on the increased activity in the downtown bars and will continue to work together in order to mitigate some of the past problems.

Fire Chief Klinger – reported their new vehicle is scheduled to be ready at the end of the month. Klinger also introduced Firefighter Andy VanderVeen who was in the audience and noted he will be at the next meeting to be sworn in along with Firefighter David DeVries. Chief Klinger also happily announced his son Josh is now home from Iraq. Welcome Home Josh!

Engineer Frieberger – pointed out his report in the Council packet and announced the upcoming bid for the Metcalf Street Sewer Project. He also stated the SR20/F&S Grade Road Upgrade is ready to progress to the next stage which is design of the intersection report for review by WSDOT. Frieberger reported that the SR20 Sewer Project is going well. The contractor is running about 2 weeks behind their schedule but is still well ahead of the contracted schedule with completion anticipated the 1<sup>st</sup> or 2<sup>nd</sup> week in May.

City Attorney/Supervisor Berg – reported on the progress of the SR20/F&S Grade Road Project noting originally the proposal was for two round-a-bouts but after initial design and traffic studies it has been concluded that the planned round-a-bouts do not aid traffic mobility but reduces the level of service. The project is moving forward with a larger round-a-bout at the Skagit Plant and more mountable curbing. He noted regarding the F&S component the ultimate solution to the F&S Grade Road may be to find another route for F&S traffic to get onto SR20. Other options are currently being explored but the project appears to still be on track.

Berg also reported on the Police Evidence building which is currently ahead of schedule and noted the New City Hall building is working well with some minor bugs to be worked out. The Old City Hall building sale will close on Friday. Berg reported it has taken the efforts of ALL the City departments to implement the move to the New City Hall and the clean up of the Old City Hall and thanked all staff for their cooperation and efforts with the move. He noted some of the surplus items were transported to storage in a dumpster for the convenience of transporting.

Finance Director Nelson – reported staff is really starting to enjoy the new building and the transition has been smooth. She also reported on the progress of the refunding of the sewer bonds and announced there will be no worksession packet for the upcoming worksession.

Councilmember Meamber – expressed his thanks for the New City Hall. He noted it will be a great home for citizens and thanked former Mayor and current County Commissioner Dillon for her vision.

Councilmember Splane – stated he had numerous comments from citizens regarding the planting strip in the parking area in front of City Hall.

Berg noted there will be some stepping stones yet to come to alleviate some of the problem. The problem was due to the building being built to the grade of the Public Safety Building. Berg also noted the parking spaces will be restriped and handicapped

parking is available on the Munro Street side. Ornamental lighting is also still in the future.

Councilmember Requa – expressed his excitement on the new building and thanked the vision of Then Mayor and current County Commissioner Dillon and Former Councilmember Tom Storrs.

Councilmember Colgan – concurred with the other Councilor’s regarding the new building. He also thanked Bob Parks for his efforts in the graffiti control.

Councilmember Galbraith – thanked the community and the efforts for the new building. He noted he was extremely excited and one of his goals in being a Councilmember was to campaign for a New City Hall. He also indicated he is interested in seeing the sewer projects go forward and is excited about the emphasis of the recreation aspect being incorporated in the Parks Department. Galbraith also announced the upcoming Spud Walley Appreciation Day and entertained the Councilmembers with a coaching story.

Councilmember London – commented on the great acoustics of the Council chambers and the beautiful new building. He also told a story of Bus Jungquist during his grocery store days.

Mayor Anderson thanked everyone for their attendance at the meeting and acknowledged former Councilmembers in the audience: Bus Jungquist, Ed Blanton, Mike Janicki, Tom Storrs and Sharon Dillon.

Sharon Dilllon – stated she is speechless on the new building. She noted this was a vision she had for twelve years and the most amazing thing about it was sitting in the audience and actually being able to hear every word that was said. She thanked the Council for moving forward with the vision.

## **EXECUTIVE SESSION**

The meeting was adjourned to Executive Session at 8:03 P.M. for the purpose of personnel and real estate for approximately 20 minutes with no decision anticipated.

The meeting reconvened at 8:29 P.M.

Councilmember Splane moved to adjourn. Seconded by Councilmember Colgan. Motion carried (6-0).

The meeting adjourned at 8:30 P.M.

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CITY OF SEDRO-WOOLLEY  
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Work Session of the City Council  
April 1, 2008 – 7:00 P.M. – City Hall Council Chambers

The worksession was called to order at 7:00 P.M.

ROLL CALL: Present: Mayor Mike Anderson, Councilmembers Ted Meamber, Tony Splane, Pat Colgan, and Dennis London. Staff: Finance Director Nelson, Sewer Department Personnel: Debbie Allen, Steve Huizinga, Rob MacReady, Stu Earnst and Dave Schorno.

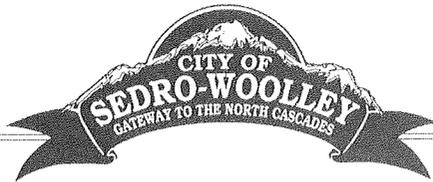
**Fats, Oils & Grease**

- The Sewer Department staff presented an informational and educational program on Fats, Oils & Grease. They presented a power point display of fats, oils and grease within the collection system, lift stations and at the Treatment plant. Fats, oils and grease are responsible for the majority of odors. They reviewed steps taken since the May 23, 2007 ordinance passed and the results of the 2007 Industrial Survey. Improvements in lift station cleaning techniques and disposal were also discussed. Oil captured before the sewer line is reusable (i.e. biodiesel) however is contaminated and unusable after entering the sewer line. Future department plans are to meet with fat, oil and grease producers, provide education and conduct inspections.

Staff requested direction from the Council on enforcement for people who refuse to cooperate. The general consensus of the Council present was to use a progressive enforcement policy and to enforce the current ordinance. The Waste Water Treatment Plant is working on efficiency and streamlining in order to use time saved to meet with fat, oil and grease producers. They will keep Council informed of their progress.

Councilmember London moved to adjourn. Seconded by Councilmember Splane.  
Motion carried (4-0).

The Meeting adjourned at 8:10 P.M.



DATE: April 9, 2008  
TO: Mayor Anderson and City Council  
FROM: Patsy Nelson, Finance Director  
SUBJECT: FINANCE - VOUCHERS

Attached you will find the Claim Vouchers proposed for payment for the period ending April 9, 2008.

Motion to approve Claim Vouchers #63018 to #63155 in the amount of \$788,004.07.

Motion to approve Payroll Warrants #42268 to #42364 in the amount of \$227,816.52. (Voided Warrants #42263-42267)

If you have any comments, questions or concerns, please contact me for information during the working day at 855-1661. This will allow me to look up the invoices that are stored in our office.

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
63018	SEDRO-WOLLEY POSTMASTER	POSTAGE	SWR	233.21
		POSTAGE	SAN	233.21
		OPERATING SUPPLIES	SWTR	233.20
		WARRANT TOTAL		699.62
63019	ADVANTAGE BUSINESS &	SUPPLIES	FIN	128.19
		OFFICE/OPERATING SUPPLIES	PD	82.04
		OFFICE SUPPLIES	SWR	30.77
		OFFICE SUPPLIES	SAN	15.38
		WARRANT TOTAL		256.38
63020	ALLELUJAH BUSINESS SYSTEMS	OFFICE SUPPLIES	LGL	19.98
		PROFES. SVCS. REIMBURSE	ENG	30.78
		ENGINEERING FRUITDALE LIGHT A		4.86
		ENGINEERING-TOWNSHIP LINE	PWT	1.62
		WARRANT TOTAL		57.24
63021	ALL-PHASE ELECTRIC	MAINT OF GENERAL EQUIP	SWR	54.04
		MAINT OF GENERAL EQUIP	SWR	196.70
		MAINT OF GENERAL EQUIP	SWR	355.31
		WARRANT TOTAL		606.05
63022	ALPINE FIRE & SAFETY	OPERATING SUPPLIES	CEM	29.54
		OPERATING SUPPLIES	SAN	122.85
		OPERATING SUPPLIES	SAN	51.79
		OPERATING SUPPLIES	SAN	365.58
		OPERATING SUPPLIES	SAN	290.25
		WARRANT TOTAL		860.01
63023	AMSTERDAM PRINTING & LITH	SUPPLIES	FIN	67.19
		WARRANT TOTAL		67.19
63024	APPLIED INDUSTRIAL TECH	MAINTENANCE OF VEHICLES	SWR	80.38
		WARRANT TOTAL		80.38
63025	ARAMARK UNIFORM SERVICES	LAUNDRY	CS	35.52
		LAUNDRY	PK	55.38
		LAUNDRY	PK	18.35
		LAUNDRY	PK	55.38
		LAUNDRY	PK	18.35
		MISC-LAUNDRY	CEM	21.20
		MISC-LAUNDRY	ST	23.65
		MISC-LAUNDRY	ST	24.81
		MISC-LAUNDRY	ST	21.22
		LAUNDRY	SWR	24.09
		LAUNDRY	SWR	42.00
		LAUNDRY	SWR	24.09
		WARRANT TOTAL		364.04
63026	ASI	PROFESSIONAL SERVICES	SWR	135.00
		PROFESSIONAL SERVICES	SWR	70.00
		WARRANT TOTAL		205.00

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
63027	ASSOC PETROLEUM PRODUCTS	AUTO FUEL	CS	102.27
		AUTO FUEL	PD	1,347.57
		AUTO FUEL/DIESEL	FD	522.33
		AUTO FUEL/DIESEL	ST	279.97
		MAINT OF GENERAL EQUIP	SWR	68.66
		AUTO FUEL/DIESEL	SWR	233.39
		AUTO FUEL/DIESEL	SWR	972.64
		AUTO FUEL/DIESEL	SAN	300.34
		AUTO FUEL/DIESEL	SAN	216.09
			WARRANT TOTAL	
63028	BANK OF AMERICA	TRAVEL	PD	313.15
		TRAVEL/MEALS	INSP	711.07
		MEALS/TRAVEL	CEM	38.81
		TRAVEL	ST	38.81
			WARRANT TOTAL	
63029	BARNETT IMPLEMENT CO. INC	REPAIR/MT-SMALL TOOLS EQUIP PK		113.66
			WARRANT TOTAL	113.66
63030	BANK OF AMERICA	OFFICE/OPERATING SUPPLIES	PD	326.96
			WARRANT TOTAL	326.96
63031	BANK OF AMERICA	REPAIRS/MAINT-EQUIP	SAN	178.90
		REPAIRS/MAINT-EQUIP	SAN	59.79
		OPERATING SUPPLIES	SAN	93.59
			WARRANT TOTAL	332.28
63032	BANK OF AMERICA	SUPPLIES	LIB	58.50
		EARLY LITERACY	LIB	316.40
		BOOKS, PERIOD, RECORDS	LIB	112.78
			WARRANT TOTAL	487.68
63033	BANK OF AMERICA	REPAIR/MAINT-GARAGE	FD	64.32
			WARRANT TOTAL	64.32
63034	BAY CITY SUPPLY	OFFICE/OPERATING SUPPLIES	PD	56.91
		OPERATING SUPPLIES	FD	56.91
		OPERATING SUPPLIES	FD	60.89
		REPAIRS/MAINT-DORM	FD	133.65
		OPERATING SUP - SENIOR CTR	PK	113.82
		OPERATING SUP - CITY HALL	PK	471.30
		OPERATING SUP - CITY HALL	PK	2,355.98
		OPERATING SUP - CITY HALL	PK	584.38
		OPERATING SUP - LIBRARY	PK	37.91
		OPERATING SUP - LIBRARY	PK	71.83
		OPERATING SUP - HAMMER SQ	PK	11.92
		OPERATING SUP - HAMMER SQ	PK	37.91
		OPERATING SUP - HAMMER SQ	PK	80.18
		OPERATING SUP - HAMMER SQ	PK	37.91
		OPERATING SUPPLIES	SWR	26.37
		OPERATING SUPPLIES	SAN	74.37

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
		WARRANT TOTAL		4,212.24
63035	BIGGAR, ROB	PROFESSIONAL SERVICES	SWR	770.00
		WARRANT TOTAL		770.00
63036	BLUMENTHAL UNIFORM & EQUIP	UNIFORMS/ACCESSORIES	PD	28.21
		UNIFORMS/ACCESSORIES	PD	32.62
		WARRANT TOTAL		60.83
63037	BOULDER PARK, INC	SOLIDS HANDLING	SWR	3,692.86
		WARRANT TOTAL		3,692.86
63038	BROWN & COLE STORES	SUPPLIES & BOOKS	FD	5.02
		WARRANT TOTAL		5.02
63039	B.N. & S.F. RY. CO. (THE)	CONSTRUCTION-TOWNSHIP LINE PWT		2,500.00
		CONSTRUCTION-TOWNSHIP LINE PWT		1,000.00
		WARRANT TOTAL		3,500.00
63040	CARLETTI ARCHITECTS P.S.	ARCHITECT & ENGINEERING	CH	3,033.65
		WARRANT TOTAL		3,033.65
63041	CASCADE NATURAL GAS CORP.	PUBLIC UTILITIES	CS	384.69
		WARRANT TOTAL		384.69
63042	CENTRAL WELDING SUPPLY	OPERATING SUPPLIES	SAN	17.60
		WARRANT TOTAL		17.60
63043	CH2MHILL	ENGINEERING - SR20 LINE	PWT	34,961.34
		WARRANT TOTAL		34,961.34
63044	CHIEF SUPPLY CORPORATION	OPERATING SUPPLIES	SWR	104.93
		WARRANT TOTAL		104.93
63045	CITY OF ANACORTES	COMPUTER NETWORK	CS	55.03
		WARRANT TOTAL		55.03
63046	CITY OF VANCOUVER	TUITION/REGISTRATION	PD	500.00
		WARRANT TOTAL		500.00
63047	COLLINS OFFICE SUPPLY, INC	SUPPLIES	LGS	40.92
		SUPPLIES	JUD	156.20
		SUPPLIES	JUD	15.65-
		SUPPLIES	JUD	43.19-
		SUPPLIES	FIN	363.16
		SUPPLIES	FIN	19.39
		SUPPLIES/BOOKS	PLN	21.91
		SUPPLIES/BOOKS	PLN	8.87
		SUPPLIES/BOOKS	PLN	48.10
		SUPPLIES	ENG	48.11
		OFFICE/OPERATING SUPPLIES	PD	520.02
		OFF/OPER SUPPS & BOOKS	INSP	48.10

WARRANT	VENDOR NAME	DESCRIPTION	AMOUNT
		WARRANT TOTAL	1,215.94
63048	COLACURCIO BROTHERS, INC.	BINGHAM PARK BLDG PK	34,942.34
		EVIDENCE/STORAGE BUILDING CH	75,855.20
		WARRANT TOTAL	110,797.54
63049	COMMEMORATIVE PUBLICATIONS	BOOKS, PERIOD, RECORDS LIB	69.50
		WARRANT TOTAL	69.50
63050	COMCAST	COMPUTER NETWORK CS	71.46
		TELEPHONE PD	13.90
		TELEPHONE FD	13.90
		WARRANT TOTAL	99.26
63051	CONCRETE NOR'WEST, INC.	CONSTRUCTION CH	119.72
		MAINTENANCE OF LINES SWR	147.51
		WARRANT TOTAL	267.23
63052	COOK PAGING (WA)	TELEPHONE FD	6.26
		WARRANT TOTAL	6.26
63053	CORRECTIONAL INDUSTRIES	PROFES. SVCS. REIMBURSE ENG	49.71
		PROFES. SVCS. REIMBURSE ENG	5.53
		WARRANT TOTAL	55.24
63054	HSBC BUSINESS SOLUTIONS	MEALS/TRAVEL EXE	83.58
		MEALS/TRAVEL EXE	10.75
		OFFICE/OPERATING SUPPLIES PD	256.76
		EQUIPMENT CH	615.27
		WARRANT TOTAL	966.36
63055	COUNTRYSIDE CHEVROLET	REPAIR & MAINTENANCE CS	108.00
		REPAIR & MAINT - AUTO PD	445.66
		REPAIR & MAINT - AUTO PD	96.64
		REPAIR & MAINT - AUTO PD	33.65
		WARRANT TOTAL	683.95
63056	SKAGIT WEEKLY NEWS GROUP	SUPPLIES FIN	394.20
		OPERATING SUPPLIES SWR	240.30
		WARRANT TOTAL	634.50
63057	CRYSTAL SPRINGS	OPERATING SUPPLIES SAN	34.05
		WARRANT TOTAL	34.05
63058	CUES	MAINTENANCE OF LINES SWR	129.73
		MAINTENANCE OF LINES SWR	165.36
		MAINTENANCE OF LINES SWR	129.73
		WARRANT TOTAL	165.36
63059	DAY CREEK SAND & GRAVEL	MAINTENANCE OF LINES SWR	157.95
		WARRANT TOTAL	157.95

WARRANT	VENDOR NAME	DESCRIPTION	AMOUNT
63060	DEBT RECOVERY SPECIALISTS	UNAPPLIED CASH - SUSPENSE	359.61
		WARRANT TOTAL	359.61
63061	DESTINATION WIRELESS	TELEPHONE PK	21.59
		TELEPHONE CEM	21.59
		TELEPHONE CEM	43.19
		OPERATING SUPPLIES SWR	118.74
		WARRANT TOTAL	205.11
63062	DMH INDUSTRIAL ELEC INC.	MAINT OF PUMPING EQUIP SWR	1,885.30
		WARRANT TOTAL	1,885.30
63063	DRAIN DOCTOR (THE	PORTABLE EQUIPMENT SWR	306.18
		WARRANT TOTAL	306.18
63064	EMERALD RECYCLING	RECYCLING FEE - YARD WASTE SAN	77.70
		WARRANT TOTAL	77.70
63065	E & E LUMBER	REPAIRS & MAINTENANCE PD	21.05
		OPERATING SUPPLIES FD	27.99
		REPAIR/MAINT-GARAGE FD	32.35
		OFF/OPER SUPPS & BOOKS INSP	47.09
		OPERATING SUP - RIVERFRONT PK	68.64
		SMALL TOOLS & MINOR EQUIP PK	4.05
		REPAIR/MT-MEMORIAL PARK PK	6.37
		OPERATING SUPPLIES ST	28.04
		SAFETY EQUIPMENT ST	37.80
		OPERATING SUPPLIES ST	96.88
		OPERATING SUPPLIES SWR	27.39
		OPERATING SUPPLIES SWR	10.14
		OPERATING SUPPLIES SWR	.89
		OPERATING SUPPLIES SWR	1.99
		OPERATING SUPPLIES SWR	15.60
		OPERATING SUPPLIES SWR	23.74
		OPERATING SUPPLIES SWR	8.63
		OPERATING SUPPLIES SWR	7.70
		REPAIRS/MAINT-BUILDING SAN	84.88
		OPERATING SUPPLIES SAN	52.90
		WARRANT TOTAL	604.12
63066	EMERGENCY REPORTING	PROFESSIONAL SERVICES FD	387.00
		WARRANT TOTAL	387.00
63067	EMERGENCY MEDICAL	OPERATING SUPPLIES FD	134.80
		WARRANT TOTAL	134.80
63068	FAIRHAVEN FAMILY MEDICINE	MISC-DUES/SUBSCRIPTIONS PK	105.00
		WARRANT TOTAL	105.00
63069	FEDERAL CERTIFIED HEARING	PROFESSIONAL SERVICES FD	40.00
		WARRANT TOTAL	40.00

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
63070	FERRELLGAS	SUPPLIES & BOOKS	FD	95.53
		WARRANT TOTAL		95.53
63071	FLOYD, WINNIE	OFFICE/OPERATING SUPPLIES	PD	5.99
		WARRANT TOTAL		5.99
63072	GARDNER ELECTRONICS	REPAIRS/MAINT-EQUIP	FD	97.20
		WARRANT TOTAL		97.20
63073	GUARDIAN SECURITY	OPERATING SUPPLIES	SWR	30.00
		WARRANT TOTAL		30.00
63074	HACH COMPANY	MAINT OF GENERAL EQUIP	SWR	440.10
		OPERATING SUPPLIES	SWR	25.92
		WARRANT TOTAL		466.02
63075	HEITMAN, CHARLES	RETIRED MEDICAL	PD	242.25
		WARRANT TOTAL		242.25
63076	HEWLETT PACKARD CO.	COMPUTER NETWORK	CS	548.64
		COMPUTER NETWORK	CS	548.64
		COMPUTER NETWORK	CS	3,265.92
		WARRANT TOTAL		3,265.92
63077	HONEY BUCKET	OPERATING SUP - MEMORIAL PARK		72.70
		OPERATING SUP - GOLF	PK	103.34
		WARRANT TOTAL		176.04
63078	HORIZON BANK	CONSTRUCTION - SR20 LINE	PWT	17,815.90
		WARRANT TOTAL		17,815.90
63079	HSCB BUSINESS SOLUTIONS	REPAIRS/MAINT-BUILDING	SAN	365.87
		SMALL TOOLS & MINOR EQUIP	SAN	680.75
		WARRANT TOTAL		1,046.62
63080	INGRAM LIBRARY SERVICES	BOOKS, PERIOD, RECORDS	LIB	69.74
		BOOKS, PERIOD, RECORDS	LIB	23.73
		BOOKS, PERIOD, RECORDS	LIB	23.10
		BOOKS, PERIOD, RECORDS	LIB	23.73
		BOOKS, PERIOD, RECORDS	LIB	38.20
		WARRANT TOTAL		178.50
63081	KAMB, THOMAS R	ASSOCIATE'S FEES	JUD	250.00
		WARRANT TOTAL		250.00
63082	KATY ISAKSEN ASSOCIATES	PROFESSIONAL SERVICES	SWR	1,803.20
		WARRANT TOTAL		1,803.20
63083	KCDA PURCHASING COOPERATIVE	BINGHAM PLAY EQUIP	PK	9,854.23
		WARRANT TOTAL		9,854.23
63084	KESSELRING'S	AMMUNITION	PD	2,549.34

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
		WARRANT TOTAL		2,549.34
63085	K&L/GATES	MISCELLANEOUS	CH	4,000.00
		WARRANT TOTAL		4,000.00
63086	L N CURTIS & SONS	OPERATING SUPPLIES	FD	1,182.94
		OPERATING SUPPLIES	FD	156.44
		WARRANT TOTAL		1,339.38
63087	LOGGERS AND CONTRACTORS	REPAIR/MAINTENANCE-EQUIP	ST	58.02
		REPAIR/MAINTENANCE-EQUIP	ST	108.00
		REPAIRS/MAINT-EQUIP	ST	33.56
		WARRANT TOTAL		199.58
63088	LUDTKE PACIFIC TRUCKING	REPAIRS/MAINT-EQUIP	FD	2,655.96
		WARRANT TOTAL		2,655.96
63089	LEXISNEXIS MATTHEW BENDER	CODE BOOK	LGS	40.83
		WARRANT TOTAL		40.83
63090	MARTIN MARIETTA MATERIALS	MAINTENANCE OF LINES	SWR	328.12
		WARRANT TOTAL		328.12
63091	MOORE MEDICAL	OPERATING SUPPLIES	FD	505.00
		WARRANT TOTAL		505.00
63092	MOTOR TRUCKS, INC.	REPAIRS/MAINT-EQUIP	SAN	428.79
		REPAIRS/MAINT-EQUIP	SAN	71.06
		WARRANT TOTAL		499.85
63093	MT. BAKER ROOFING, INC.	ROOF	LIB	14,650.20
		WARRANT TOTAL		14,650.20
63094	NEWMAN SIGNS INC	OPERATING SUPPLIES	ST	2,278.80
		WARRANT TOTAL		2,278.80
63095	NEXTEL COMMUNICATIONS	TELEPHONE	FIN	121.19
		TELEPHONE	LGL	29.60
		PUBLIC UTILITIES	CS	29.60
		TELEPHONE	PLN	29.61
		NEXTEL CELL PHONES		59.20
		TELEPHONE	PD	578.96
		TELEPHONE	FD	207.20
		TELEPHONE	INSP	29.60
		TELEPHONE	PK	266.40
		TELEPHONE	CEM	91.59
		TELEPHONE	ST	177.60
		NEXTEL CELL PHONES		296.00
		NEXTEL CELL PHONES	SAN	242.38
		WARRANT TOTAL		2,158.93
63096	OFFICE DEPOT	SUPPLIES	FIN	124.54

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
		SUPPLIES	FIN	87.59
		SUPPLIES	FIN	207.68
		OPERATING SUPPLIES	CS	238.12
		OPERATING SUPPLIES	CS	150.56
		COMPUTER NETWORK	CS	194.39
		OFFICE/OPERATING SUPPLIES	PD	112.97
		OFFICE/OPERATING SUPPLIES	PD	55.41
		OFFICE/OPERATING SUPPLIES	PD	109.54
		OFFICE SUPPLIES	FD	32.17
		OFFICE SUPPLIES	FD	23.30
		OFFICE EQUIPMENT	PK	34.28
		SUPPLIES	LIB	423.10
		EQUIPMENT	CH	440.88
		EQUIPMENT	CH	88.18
		OFFICE SUPPLIES	SWR	313.03
		OFFICE SUPPLIES	SWR	17.84
		OFFICE SUPPLIES	SAN	5.22
		OFFICE SUPPLIES	SAN	127.76
		WARRANT TOTAL		2,786.56
63097	OLIVER-HAMMER CLOTHES	CLOTHING	PK	75.47
		SAFETY EQUIPMENT	ST	194.12
		WARRANT TOTAL		269.59
63098	OTAK	PROFESSIONAL SERVICES	ENG	5,137.00
		WARRANT TOTAL		5,137.00
63099	OUTWEST UNLIMITED	PROFESSIONAL SERVICES	PK	210.00
		WARRANT TOTAL		210.00
63100	PARKSON CORPORATION	MAINT OF GENERAL EQUIP	SWR	6,262.04
		WARRANT TOTAL		6,262.04
63101	PAT RIMMER TIRE CTR, INC	REPAIR/MT-SMALL TOOLS EQUIP	PK	13.82
		REPAIRS/MAINT-EQUIP	SAN	45.51
		WARRANT TOTAL		59.33
63102	PETROCARD	AUTO FUEL/DIESEL	ST	260.56
		AUTO FUEL/DIESEL	SWR	209.47
		AUTO FUEL/DIESEL	SAN	40.88
		WARRANT TOTAL		510.91
63103	PETTY CASH-DEBRA PETERSON	SUPPLIES	LIB	24.36
		POSTAGE	LIB	41.00
		BOOKS, PERIOD, RECORDS	LIB	5.35
		WARRANT TOTAL		70.71
63104	PLATT	MAINT OF GENERAL EQUIP	SWR	1,045.68
		MAINT OF GENERAL EQUIP	SWR	296.91
		WARRANT TOTAL		1,342.59
63105	PRAIRIE CONSTRUCTION	OFFICE EQUIPMENT	FD	2,484.00

WARRANT	VENDOR NAME	DESCRIPTION	AMOUNT
		WARRANT TOTAL	2,484.00
63106	PRINTWISE, INC.	SUPPLIES JUD	123.12
		SUPPLIES JUD	267.84
		SUPPLIES JUD	72.36
		SUPPLIES JUD	203.04
		WARRANT TOTAL	666.36
63107	PUBLIC UTILITY DIS. NO.1	PUBLIC UTILITIES CS	259.05
		UTILITIES-RIVERFRONT PK	163.78
		UTILITIES-TRAIN PK	16.40
		UTILITIES-HAMMER SQUARE PK	163.72
		UTILITIES-BINGHAM & MEMORIAL P	27.40
		UTILITIES - OTHER PK	30.24
		PUBLIC UTILITIES CEM	47.64
		PUBLIC UTILITIES ST	38.76
		PUBLIC UTILITIES LIB	22.08
		PUBLIC UTILITIES SWR	117.70
		PUBLIC UTILITIES SAN	38.76
		WARRANT TOTAL	925.53
63108	PUBLIC SAFETY CENTER, INC.	MACHINERY & EQUIPMENT PD	66.59
		WARRANT TOTAL	66.59
63109	PUGET SOUND ENERGY	PUBLIC UTILITIES CS	3,308.79
		PUB UTILITIES-MALL CS	67.43
		PUB UTILITIES-MALL CS	7.23
		PS - Stormwater	156.08
		REPAIRS & MAINTENANCE PD	7.23
		UTILITIES-GOLF PK	52.70
		UTILITIES-RIVERFRONT PK	868.30
		UTILITIES-COMMUNITY CTR PK	126.85
		UTILITIES-SENIOR CENTER PK	320.42
		UTILITIES-TRAIN PK	108.56
		UTILITIES-HAMMER SQUARE PK	334.35
		UTILITIES-BINGHAM & MEMORIAL P	7.23
		UTILITIES - SHOP PK	80.07
		UTILITIES - OTHER PK	7.23
		PUBLIC UTILITIES CEM	81.06
		PUBLIC UTILITIES ST	131.98
		PUBLIC UTILITIES ST	50.61
		PUBLIC UTILITIES ST	203.56
		PUBLIC UTILITIES ST	77.24
		PUBLIC UTILITIES LIB	244.73
		ADVERTISING HOT	31.33
		PUBLIC UTILITIES SWR	153.39
		PUBLIC UTILITIES SWR	8,926.54
		PUBLIC UTILITIES SAN	152.42
		WARRANT TOTAL	15,505.33
63110	PUGET SOUND LEASING CO. INC	PUBLIC UTILITIES RV	8.70
		UTILITIES-RIVERFRONT PK	16.63

WARRANT	VENDOR NAME	DESCRIPTION		AMOUNT
		UTILITIES-COMMUNITY CTR	PK	32.75
		UTILITIES-SENIOR CENTER	PK	136.24
		PUBLIC UTILITIES	SWR	150.76
		WARRANT TOTAL		345.08
63111	PULIDO, GEORGE	CONSTRUCTION	CH	600.00
		WARRANT TOTAL		600.00
63112	QUIRING MONUMENTS, INC.	LINERS	CEM	75.00
		WARRANT TOTAL		75.00
63113	R & D SUPPLY, INC.	MAINTENANCE OF LINES	SWR	1,421.15
		WARRANT TOTAL		1,421.15
63114	READY! FOR KINDERGARTEN	EARLY LITERACY	LIB	3,878.88
		WARRANT TOTAL		3,878.88
63115	RELIABLE (OFFICE SUPPLY)	OFFICE/OPERATING SUPPLIES	PD	54.96-
		OFFICE/OPERATING SUPPLIES	PD	190.66
		OFFICE/OPERATING SUPPLIES	PD	77.19
		OFFICE/OPERATING SUPPLIES	PD	8.70
		OFFICE/OPERATING SUPPLIES	PD	77.19
		WARRANT TOTAL		298.78
63116	SALSEINA, CHRISTINE	EQUIPMENT	CH	215.99
		WARRANT TOTAL		215.99
63117	SCADA & CONTROLS ENGINEERING INC	MACHINERY/EQUIPMENT	SWR	18,731.52
		WARRANT TOTAL		18,731.52
63118	SEAHURST ELECTRIC	MAINT OF GENERAL EQUIP	SWR	410.40
		WARRANT TOTAL		410.40
63119	SEAWESTERN FIRE FIGHTING EQUIP.	REPAIRS/MAINT-EQUIP	FD	100.28
		WARRANT TOTAL		100.28
63120	SEDRO-WOOLLEY AUTO PARTS	REPAIR/MT-SMALL TOOLS EQUIP	PK	39.10
		OPERATING SUPPLIES	ST	35.58-
		SMALL TOOLS/MINOR EQUIP	ST	16.92
		MAINTENANCE OF VEHICLES	SWR	44.25
		OPERATING SUPPLIES	SWR	11.86
		REPAIRS/MAINT-EQUIP	SAN	14.16
		WARRANT TOTAL		90.71
63121	SEDRO-WOOLLEY POSTMASTER	POSTAGE	LIB	41.00
		WARRANT TOTAL		41.00
63122	SEDRO-WOOLLEY VOLUNTEER	SALARIES-VOLUNTEERS	FD	11,322.00
		WARRANT TOTAL		11,322.00
63123	SIGNMAKERS	MISCELLANEOUS	CH	1,341.36
		WARRANT TOTAL		1,341.36

WARRANT	VENDOR NAME	DESCRIPTION	AMOUNT
63124	SKAGIT 911	CONTRACTED ENHANCED 911 PD	11,842.04
		CONTRACT SVS-CNTRL DISPATCH FD	1,018.06
		CONTRACT SVS-CNTRL DISPATCH FD	2,853.96
		WARRANT TOTAL	15,714.06
63125	SKAGIT COUNTY AUDITOR	ELECTION COSTS LGS	1,570.84
		WARRANT TOTAL	1,570.84
63126	SKAGIT CO. PUBLIC WORKS	SKAGIT CO SOLID WASTE SWR	144.00
		SOLID WASTE DISPOSAL SAN	33,646.53
		WARRANT TOTAL	33,790.53
63127	SKAGIT COUNTY TREASURER	CRIME VCTM & WITNSS PROG LGL	120.09
		WARRANT TOTAL	120.09
63128	SKAGIT COUNTY TREASURER	TAXES AND ASSESSMENTS CS	57.36
		TAXES AND ASSESSMENTS PK	45.09
		TAXES AND ASSESSMENTS ST	32.24
		TAXES AND ASSESSMENTS SWR	25.30
		TAXES & ASSESSMENTS SAN	32.96
		TAXES & ASSESSMENTS	29.54
		WARRANT TOTAL	222.49
63129	SKAGIT FARMERS SUPPLY	OPERATING SUPPLIES PD	14.64
		OPERATING SUP - GOLF PK	61.54
		OPERATING SUPPLIES-PROPANE ST	12.50
		CONSTRUCTION CH	30.22
		WARRANT TOTAL	118.90
63130	SKAGIT SOILS	OTHER IMPROVEMENTS PK	150.66
		RECYCLING FEE - YARD WASTE SAN	359.60
		WARRANT TOTAL	510.26
63131	SKAGIT VALLEY PUBLISHING	LEGAL PUBLICATIONS LGS	31.68
		LEGAL PUBLICATIONS LGS	31.68
		ADVERTISING PLN	41.18
		ADVERTISING PLN	41.18
		ADVERTISING/LEGAL PUBLIC PLN	117.20
		ADVERTISING/LEGAL PUBLIC PLN	329.42
		WARRANT TOTAL	592.34
63132	SPARKLE SHOP LAUNDRIES	MISC-LAUNDRY FD	44.07
		WARRANT TOTAL	44.07
63133	SPACESAVER NORTHWEST	EQUIPMENT CH	29,104.32
		WARRANT TOTAL	29,104.32
63134	SPRINT	TELEPHONE FD	60.69
		WARRANT TOTAL	60.69
63135	STENDAL, HEIDI	SUPPLIES JUD	92.29
		SUPPLIES JUD	28.59

WARRANT	VENDOR NAME	DESCRIPTION	AMOUNT
		WARRANT TOTAL	120.88
63136	STRIDER CONST. CO INC.	CONSTRUCTION - SR20 LINE PWT	367,007.54
		WARRANT TOTAL	367,007.54
63137	S & W ROCK PRODUCTS, INC.	CONSTRUCTION CH	849.86
		CONSTRUCTION CH	212.46
		WARRANT TOTAL	1,062.32
63138	TIGERDIRECT.COM	COMPUTER NETWORK CS	551.18
		WARRANT TOTAL	551.18
63139	TRAIL ROAD EXPRESS LUBE	REPAIR/MT-SMALL TOOLS EQUIP PK	35.05
		REPAIR/MT-SMALL TOOLS EQUIP PK	29.65
		WARRANT TOTAL	64.70
63140	TRUE VALUE	OFFICE/OPERATING SUPPLIES PD	33.64
		OPERATING SUPPLIES FD	4.09
		SMALL TOOLS & MINOR EQUIP FD	21.59
		REPAIRS/MAINT-DORM FD	27.58
		REPAIRS/MAINT-DORM FD	51.19
		OPERATING SUP - PARKS SHOP PK	24.69
		OPERATING SUP - CITY HALL PK	26.99
		OPERATING SUP - DRIVING RANGE	24.95
		SMALL TOOLS & MINOR EQUIP PK	14.03
		REPAIR/MT-HAMMER SQUARE PK	79.88
		OPERATING SUPPLIES SWR	24.83
		OPERATING SUPPLIES SWR	25.11
		OPERATING SUPPLIES SWR	3.87
		OPERATING SUPPLIES SWR	12.48
		OPERATING SUPPLIES SAN	73.41
		OPERATING SUPPLIES SAN	14.02
		WARRANT TOTAL	462.35
63141	UNITED LABORATORIES	OPERATING SUPPLIES SAN	962.29
		WARRANT TOTAL	962.29
63142	USA BLUE BOOK	MAINTENANCE OF LINES SWR	197.43
		MAINT OF PUMPING EQUIP SWR	248.99
		OPERATING SUPPLIES SWR	423.21
		OPERATING SUPPLIES SWR	49.54
		WARRANT TOTAL	919.17
63143	VALLEY AUTO SUPPLY	REPAIR & MAINTENANCE CS	135.87
		REPAIR & MAINTENANCE CS	24.47
		MAINTENANCE OF VEHICLES SWR	76.12
		OPERATING SUPPLIES SWR	59.34
		REPAIRS/MAINT-EQUIP SAN	6.31
		SMALL TOOLS & MINOR EQUIP SAN	117.31
		WARRANT TOTAL	419.42
63144	VERIZON NORTHWEST	TELEPHONE JUD	67.51

WARRANT	VENDOR NAME	DESCRIPTION	AMOUNT
		TELEPHONE FIN	60.58
		TELEPHONE PD	254.48
		TELEPHONE INSP	107.86
		TELEPHONE - RIVERFRONT	120.88
		TELEPHONE PK	90.69
		TELEPHONE PK	104.02
		TELEPHONE CEM	62.57
		TELEPHONE ST	60.52
		TELEPHONE LIB	189.43
		TELEPHONE SWR	524.95
		TELEPHONE SAN	196.10
		WARRANT TOTAL	1,839.59
63145	VISTEN, LESLIE	RETIRED MEDICAL PD	180.00
		WARRANT TOTAL	180.00
63146	WALKERS CARPET ONE, INC.	REPAIRS & MAINTENANCE PD	1,176.68
		BUILDINGS & STRUCTURES FD	1,176.68
		WARRANT TOTAL	2,353.36
63147	WA ASSOC OF BUILDING OFF	OFF/OPER SUPPS & BOOKS INSP	208.67
		OFF/OPER SUPPS & BOOKS INSP	157.18
		WARRANT TOTAL	365.85
63148	WA ST DEPT OF TRANS	TUITION/REGISTRATION ENG	75.00
		WARRANT TOTAL	75.00
63149	WA ST HISTORICAL SOCIETY	BOOKS, PERIOD, RECORDS LIB	35.00
		WARRANT TOTAL	35.00
63150	WA STATE PATROL	RENTAL TELETYPE PD	660.00
		WARRANT TOTAL	660.00
63151	WA ST OFF OF TREASURER	STATE REMITTANCES-COURT	6,235.96
		WARRANT TOTAL	6,235.96
63152	WOOD'S LOGGING SUPPLY INC	POSTAGE FD	7.80
		REPAIR/MAINT-EQUIP & BLDG CEM	38.33
		SAFETY EQUIPMENT ST	3.78
		MAINTENANCE OF LINES SWR	296.44
		OPERATING SUPPLIES SWR	6.90
		OPERATING SUPPLIES SWR	6.23
		REPAIRS/MAINT-EQUIP SAN	14.04
		OPERATING SUPPLIES SAN	58.21
		OPERATING SUPPLIES SAN	129.03
		POSTAGE SAN	66.99
		WARRANT TOTAL	627.75
63153	WORLD BOOK DIRECT MARKET	BOOKS, PERIOD, RECORDS LIB	40.40
		WARRANT TOTAL	40.40
63154	NORTON, BETH	DUMPSTER DEPOSIT	148.58

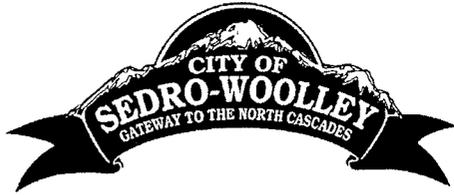
WARRANT	VENDOR NAME	DESCRIPTION	AMOUNT
		WARRANT TOTAL	148.58
63155	OTT, JOHN	SPACE/FACILITY RENT-RIVERFRONT	100.00
		WARRANT TOTAL	100.00
		RUN TOTAL	788,004.07

FUND	TITLE	AMOUNT
001	CURRENT EXPENSE FUND	75,423.95
101	PARK FUND	53,291.28
102	CEMETERY FUND	550.52
103	STREET FUND	4,254.37
104	ARTERIAL STREET FUND	4.86
105	LIBRARY FUND	20,331.21
108	STADIUM FUND	31.33
331	CITY HALL CONST FUND	116,507.11
332	PWTF SEWER CONSTRUCTION FUND	423,286.40
401	SEWER FUND	53,392.48
412	SOLID WASTE FUND	40,308.21
425	STORMWATER	262.74
621	SUSPENSE FUND	359.61
TOTAL		788,004.07

DEPARTMENT	AMOUNT
001 000 000	6,235.96
001 000 011	1,715.95
001 000 012	1,202.11
001 000 013	94.33
001 000 014	1,573.71
001 000 015	169.67
001 000 018	9,046.94
001 000 019	637.47
001 000 020	5,561.41
001 000 021	22,263.68
001 000 022	25,613.15
001 000 024	1,309.57
FUND CURRENT EXPENSE FUND	75,423.95
101 000 000	100.00
101 000 042	52.70
101 000 076	53,138.58
FUND PARK FUND	53,291.28
102 000 036	550.52
FUND CEMETERY FUND	550.52
103 000 042	4,254.37
FUND STREET FUND	4,254.37
104 000 042	4.86
FUND ARTERIAL STREET FUND	4.86
105 000 072	20,331.21
FUND LIBRARY FUND	20,331.21
108 000 019	31.33
FUND STADIUM FUND	31.33
331 000 012	116,507.11
FUND CITY HALL CONST FUND	116,507.11
332 000 082	423,286.40
FUND PWTF SEWER CONSTRUCTION FUND	423,286.40
401 000 035	53,392.48
FUND SEWER FUND	53,392.48
412 000 000	148.58
412 000 037	40,159.63
FUND SOLID WASTE FUND	40,308.21
425 000 039	262.74
FUND STORMWATER	262.74
621 000 000	359.61
FUND SUSPENSE FUND	359.61

VENDOR	VENDOR NAME	INVOICE NUMBER	REFERENCE	INVOICE DATE	DUE DATE	COMMENTS
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	TOTAL		788,004.07			
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**CITY OF SEDRO-WOOLLEY**  
Sedro-Woolley Municipal Building  
720 Murdock Street  
Sedro-Woolley, WA 98284  
Phone (360) 855-0771  
Fax (360) 855-0733

Mark A. Freiberger, PE  
Director of Public Works/City Engineer

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MEMO TO: City Council and Mayor Mike Anderson  
FROM: Mark A. Freiberger, PE  
RE: **Supplemental Agreement 6 to the David Evans & Associates, Inc.  
Local Agency Standard Consultant Agreement**  
SR20/F&S Grade Road/Skagit Industrial Park Intersection Improvements  
DATE: April 4, 2008 (for Council review April 9, 2008)

#### **ISSUE**

Should Mayor Anderson execute the attached Supplemental Agreement 6 to the Standard Agreement for Professional Services with David Evans & Associates (DEA) to add additional design phase services for the SR20/F&S Grade Road and Skagit Industrial Park Intersection Improvement Project, and concept level design for the SR20/Cook Road/Ferry Street Intersection?

#### **BACKGROUND/DISCUSSION**

As discussed at the March 26, 2008 council session, staff and our consultant have been exploring alternatives for intersection improvements at SR20/F&S Grade Road and at SR20/Cook Road/Ferry Street intersection. Staff recommends that additional modeling of the corridor from SR9 south to SR9 North be done to verify the concept of a roundabout at the SR20/Cook Road intersection, and to provide a conceptual layout and cost estimate for the project. This will provide information needed to seek funding for the project, and also provide verification of the choice of intersection improvements at SR20/F&S Grade Road.

David Evans & Associates, Inc. has provided the attached Supplemental Agreement 6 to perform this work.

The supplement also includes right of way mapping work for the North Skagit intersection. This work was not included in the original scope of work or previous supplements, but is necessary to conclude the donations and approach modifications needed for the North Skagit intersection.

This Supplement requires WSDOT approval.

#### **FINANCIAL**

SR20/Cook Road concept work – Fund 101 Professional Services	\$25,851
Right of Way work – SR20 Project Funds – Fund 104	\$ 7,184
<b>Total</b>	<b>\$33,035</b>

## **ANALYSIS**

The Cook Road concept work would be funded from Fund 020 Engineering Professional Services. \$80,000 is included in the 2008 budget, of which \$78,311 remains uncommitted.

The Project funds include an allowance of \$260,000 for design and right of way services, of which \$238,326 was previously authorized through Supplemental Agreement 5. This leaves a budget of \$21,674 available for the proposed ROW work and other additional work.

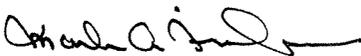
## **RECOMMENDATION**

It is Staff's recommendation that Council authorize Mayor Anderson execute the attached Supplemental Agreement 6 to the Standard Agreement for Professional Services with David Evans & Associates (DEA) to add additional design phase services for the SR20/F&S Grade Road and Skagit Industrial Park Intersection Improvement Project, and concept level design for the SR20/Cook Road/Ferry Street Intersection

## **MOTION:**

***Move to authorize Mayor Anderson to execute the attached Supplemental Agreement 6 to the Standard Agreement for Professional Services with David Evans & Associates (DEA) to add additional design phase services for the SR20/F&S Grade Road and Skagit Industrial Park Intersection Improvement Project, and concept level design for the SR20/Cook Road/Ferry Street Intersection in the amount of \$33,035.***

Respectfully submitted,



---

Mark A. Freiburger, PE  
Director of Public Works/City Engineer



<b>Supplemental Agreement Number 6</b>		Organization and Address David Evans and Associates, Inc. 415 118th Avenue SE Bellevue, WA 98005 Attn: Scott Soiseth	
Original Agreement Number		Phone: 425-519-6590	
Project Number 93-066-1195	Execution Date 1/9/2008	Completion Date 12/31/2008	
Project Title SR 20, F&S Grade Road and Skagit Industrial Park - Intersection Improvements Project (formerly Skagit Manufacturing Access and Signalization Feasibility Study)	New Maximum Amount Payable <b>\$ 577,185.00</b>		
Description of Work Vissim model of corridor from SR 9 to Township Street; Conceptual Design and preliminary cost estimate for roundabout at SR 20/SR 9/Cook Road. Land Descriptions and Exhibits for Rimmer and Sea Land properties.			

The Local Agency of City of Sedro Woolley  
 desires to supplement the agreement entered into with David Evans and Associates, Inc.  
 and executed on 7/9/2001 and identified as Agreement No. \_\_\_\_\_  
 All provisions in the basic agreement remain in effect except as expressly modified by this supplement.  
 The changes to the agreement are described as follows:

I

Section 1, SCOPE OF WORK, is hereby changed to read:  
Additional work as described in Exhibit A-1.

II

Section IV, TIME FOR BEGINNING AND COMPLETION, is amended to change the number of calendar days for completion of the work to read: 12/31/08

III

Section V, PAYMENT, shall be amended as follows:  
The contract total shall be increased by the amount of \$33,035 (see Exhibit D-3).

as set forth in the attached Exhibit A, and by this reference made a part of this supplement.

If you concur with this supplement and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: David Evans and Associates, Inc. By: City of Sedro Woolley By: Washington State Department of Transportation

Scott B. Soiseth, Associate \_\_\_\_\_  
 Consultant Signature Approving Authority Signature Certifying Authority Signature  
3/31/08 \_\_\_\_\_  
 Date Date Date





DAVID EVANS  
AND ASSOCIATES, INC.

## **Exhibit A-1 SCOPE OF WORK**

### **City of Sedro Woolley SR 20, F&S GRADE ROAD AND SKAGIT INDUSTRIAL PARK INTERSECTION IMPROVEMENTS PROJECT Phase 2 PS&E Supplement #6**

#### **INTRODUCTION**

David Evans and Associates, Inc. (DEA) has prepared Supplement #6 for the SR 20, F&S Grade Road and Skagit Industrial Park project. This supplemental scope of work includes the following additional tasks:

- VISSIM Model of the SR 20 corridor from SR 9 to Township Street
- Draft and Final VISSIM Model Technical Memorandum
- Conceptual Design of SR 20/SR 9/Cook Road Roundabout
- Land Descriptions and Exhibits for property acquisition

#### **WORK ITEM 6.00 – ROUNDABOUT CONCEPTUAL DESIGN**

##### **6.02 Traffic Analysis**

Work Item 6.02 is supplemented with the following:

The CONSULTANT shall develop a VISSIM simulation model for the SR 20 corridor from SR 9 to Township Street in order to provide more detailed analysis and a visual simulation based on roundabouts being located at the SR 9/SR 20/Cook Road and SR 20/North Access intersections. The simulation model will include the proposed roundabouts at SR 9/SR 20/Cook Road and SR 20/North Access along with the SR 20/Township Street signalized intersection and the SR 20/F&S Grade Road unsignalized intersection. The model will not include driveways. This model will be developed for 2009 (the opening year) and 2029 (the design year) PM Peak period. The CONSULTANT shall coordinate with WSDOT's upcoming Pre-Design Corridor Analysis project that is scheduled to begin in the fall of 2008.

Work performed under this element shall be documented by the CONSULTANT in the form of a technical memorandum with maps and tables documenting the methodology and results. This memorandum shall be prepared in draft form and submitted to the CITY's Project Manager for review. The City's Project Manager shall forward the draft technical memorandum to WSDOT for their review. The CONSULTANT shall incorporate minor revisions to the draft technical memorandum based on comments by the CITY and WSDOT. Any major revisions or additional analysis shall be considered extra services.

##### **6.05 Conceptual Meetings with WSDOT/CITY**

Work Item 6.05 is supplemented with the following:

The CONSULTANT shall participate in two (2) meetings with WSDOT and the CITY to discuss the results of the VISSIM simulation model and to coordinate with WSDOT's Pre-Design Corridor Analysis project. Information obtained from the meetings will be documented and included in the Conceptual Design Approval package. The CITY shall be responsible for scheduling the meetings and locations.



- Meetings: Two (2) Coordination Meetings

**Deliverables:**

- Draft and Final VISSIM Modeling Technical Memorandums
- Simulation Video in .avi format

**6.06 Conceptual Design of SR 20/SR 9/Cook Road Roundabout (New Task)**

The CONSULTANT shall develop a conceptual level design for a two-lane roundabout that will combine the intersections of SR 20/SR 9 and SR 20/Cook Road. The conceptual level design will be limited to the horizontal layout with channelization. No vertical profile design will be conducted. AutoTurn movements for a WB-67 design vehicle shall be used to assist in the horizontal layout of the roundabout. The conceptual level design shall be developed off of an aerial image provided by the CITY. Railroad crossing protection alternatives will be identified. A draft and final conceptual level design will be submitted to the CITY for their review. One coordination meeting with WSDOT and the CITY shall be conducted to discuss the conceptual level design. The CITY shall be responsible for scheduling the meeting and location.

The CONSULTANT shall prepare a preliminary construction cost estimate for the proposed SR 20/SR 9/Cook Road roundabout.

- Meeting: One (1) Coordination Meeting

**Deliverables:**

- One set of Draft and Final Conceptual Level plan sheets in electronic PDF format, and in AutoCAD format if requested.
- Preliminary construction cost estimate.

**WORK ITEM 7.00 – ROUNDABOUT GEOMETRIC DESIGN**

**7.01 Channelization Plans**

Work Item 7.01 is revised to read as follows:

The CONSULTANT shall prepare channelization plans for the proposed SR 20/F&S Grade Road intersection improvements and SR 20/North Access roundabout per the WSDOT Northwest Region's requirements for channelization plan submittals.

**WORK ITEM 9.00 – PROPERTY OWNER COORDINATION**

**9.02 Right-of-Way Exhibits and Descriptions**

Work Item 9.02 is revised to read as follows:

The CONSULTANT shall calculate property boundaries for Skagit County Parcel Numbers P76817 (Morgan), P76818 (Patrick A. Rimmer Family LP), and P37350 (Sea Land Development Corp.) based on the title reports of the above mentioned parcels. The CITY shall provide the CONSULTANT with the title reports.



The CONSULTANT shall determine any additional right-of-way required by the project. The CONSULTANT shall prepare two (2) right-of-way exhibits and land descriptions showing the right-of-way required for the construction of the SR 20/North Access roundabout from Parcels P37350 and P76818. Said descriptions will be prepared based upon the acquisition's existing land description of record. It is anticipated that a draft and final exhibit and description for each parcel will be prepared between the 70% and 90% design phases. The final land descriptions and exhibits shall be stamped by a professional land surveyor in the state of Washington. The CITY shall provide real estate acquisition and appraisal services to acquire the additional right-of-way.

**Deliverables:**

- Draft and Final Land Descriptions (two [2] total on 8-1/2" by 11" paper).
- Draft and Final Parcel Exhibits (two [2] total on 11" by 17" paper).

**Exhibit D-3**  
**CITY OF SEDRO WOOLLEY**  
**SR 20, F&S GRADE ROAD AND SKAGIT INDUSTRIAL PARK**  
**INTERSECTION IMPROVEMENTS PROJECT**  
**Phase 2 PS&E**  
**Supplement #6**

**David Evans and Associates, Inc.**

	<b>Classification</b>	<b>Hrs.</b>	<b>x</b>	<b>Rate</b>	<b>=</b>	<b>Cost</b>
1	Engineering Mgr (ENGM)	8		\$ 201.82	\$	1,615
2	Project Manager (PMGR)	24		\$ 159.01	\$	3,816
3	QA/QC Manager (MGPE)	8		\$ 149.84	\$	1,199
4	Professional Engineer (PFEN)	132		\$ 116.96	\$	15,439
5	Design Engineer (DEEN)	40		\$ 84.09	\$	3,364
6	CADD Technician (CADD)	8		\$ 87.15	\$	697
7	Senior Professional Land Surveyor (SPLS)	2		\$ 134.55	\$	269
8	Professional Land Surveyor (PLSU)	22		\$ 116.20	\$	2,556
9	Survey Technician (SVTE)	36		\$ 84.09	\$	3,027
10	Senior Graphic Specialist (SGRP)	4		\$ 90.21	\$	361
11	Administrative Assistant (ADMA)	4		\$ 79.51	\$	318
12	Project Administrator (PADM)	2		\$ 73.39	\$	147

Total Hrs. 290

**Salary Cost** **\$ 32,808**

<b>Direct Expenses</b>	<b>No.</b>	<b>Unit</b>	<b>Each</b>	<b>Cost</b>
Reproduction Costs				
Reports	0		\$70.00 est.	\$ -
Plans	0	sets @	\$10 /set	\$ -
Mail/Deliveries/Fed Ex	0		\$30 est.	\$ -
Intersection Traffic Counts	0	each	\$200 /each	\$ -
Mileage	450	miles @	\$0.505 /mile	\$ 227

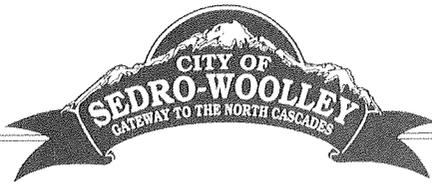
**Subtotal** **\$ 227**

**David Evans and Associates Total** **\$ 33,035**



**Exhibit E-2**  
**Consultant Fee Determination - Summary Sheet**  
**(Specific Rates of Pay)**  
**Fee Schedule**

Discipline or Job Title	Hourly Rate	Overhead @ 1.7579 %	Profit @ .30 %	Rate Per Hour
Engineering Manager (ENGM)	66.00	116.02	19.80	201.82
Project Manager (PMGR)	52.00	91.41	15.60	159.01
QA/QC Manager (MGPE)	49.00	86.14	14.70	149.84
Professional Engineer (PFEN)	38.25	67.24	11.48	116.96
Design Engineer (DEEN)	27.50	48.34	8.25	84.09
CADD Technician (CADD)	28.50	50.10	8.55	87.15
Senior Prof. Land Surveyor (SPLS)	44.00	77.35	13.20	134.55
Prof. Land Surveyor (PLSU)	38.00	66.80	11.40	116.20
Survey Technician (SVTE)	27.50	48.34	8.25	84.09
Senior Graphic Specialist (SGRP)	29.50	51.86	8.85	90.21
Administrative Assistant (ADMA)	26.00	45.71	7.80	79.51
Project Administrator (PADM)	24.00	42.19	7.20	73.39
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00



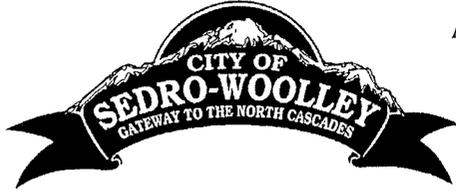
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SUBJECT: PUBLIC COMMENT

Name:  
Address:  
Narrative:

PUBLIC  
HEARING(S)

CITY COUNCIL AGENDA  
REGULAR MEETING  
APR. 9, 2008  
7:00 PM COUNCIL  
CHAMBERS  
AGENDA ITEM NO. 6



**CITY OF SEDRO-WOOLLEY**  
Sedro-Woolley Municipal Building  
720 Murdock Street  
Sedro-Woolley, WA 98284  
Phone (360) 855-1661  
Fax (360) 855-0707

Eron M. Berg  
City Supervisor/Attorney

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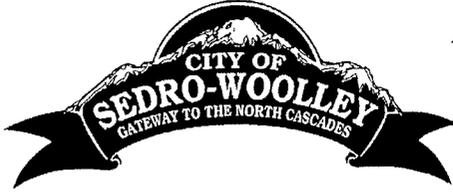
MEMO TO: City Council  
FROM: Eron Berg  
RE: Sewer Rate & Fee Ordinance  
DATE: April 9, 2008

ISSUE: This item is on the agenda for a public hearing tonight; we are not quite ready with a final ordinance.

BACKGROUND: This item will be ready for action on April 23<sup>rd</sup>.

RECOMMENDATION: After opening the public hearing, MOTION to continue the public hearing to April 23<sup>rd</sup>.

CITY COUNCIL AGENDA  
REGULAR MEETING  
APR. 9, 2008  
7:00 PM COUNCIL  
CHAMBERS  
AGENDA ITEM NO. 7



**CITY OF SEDRO-WOOLLEY**  
Sedro-Woolley Municipal Building  
720 Murdock Street  
Sedro-Woolley, WA 98284  
Phone (360) 855-1661  
Fax (360) 855-0707

Eron M. Berg  
City Supervisor/City Attorney

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MEMO TO: City Council  
FROM: Eron Berg  
RE: Reenactment of Interim Zoning Control Ordinance  
DATE: April 9, 2008

ISSUE: Should the Council reenact the proposed interim zoning control ordinance after holding a public hearing?

BACKGROUND: Ordinance 1585-07 was adopted in October of 2007 and imposes a moratorium for a period of six months on most new development requiring connection to the Metcalf Street and Township Street sewer lines. The system has not yet been improved to allow this moratorium to expire.

RECOMMENDATION: Following a public hearing, a motion to adopt the proposed ordinance.

## Ordinance No.

### AN INTERIM ORDINANCE OF THE CITY OF SEDRO-WOOLLEY AMENDING AND EXTENDING A MORATORIUM ON SUBDIVISIONS IN CERTAIN AREAS SERVED BY THE TOWNSHIP STREET AND METCALF STREET SEWER MAINS FOR A PERIOD OF SIX MONTHS AND REQUIRING NEW APPLICATIONS TO BE ACCOMPANIED BY CONFIRMATION FROM THE PUBLIC WORKS DIRECTOR THAT LINE CAPACITY IS AVAILABLE.

WHEREAS, the City Council of the City of Sedro-Woolley finds that the Metcalf Street and Township Street sewer mains are surcharging, based on the study by Pace Engineering, and that residential subdivisions which use these mains has occurred or is expected to occur at a very fast rate, and

WHEREAS, the City Council of the City of Sedro-Woolley finds that if no action is taken the residential expansion resulting from new subdivisions will occur before the capacity in the Metcalf Street and Township Street lines is increased to the level needed to service these new subdivisions, and

WHEREAS, the City Council of the City of Sedro-Woolley finds that failure to require these lines to be improved concurrent with new development will result in increased costs to the citizens of Sedro-Woolley, an increased risk of health problems, and a decrease in the quality of the sewer system, and

WHEREAS, the City Council of the City of Sedro-Woolley finds that a continuation of the moratorium, with modifications, enacted Ordinance No. 1474-04, Ordinance No. 1476-04, Ordinance No. 1492-04, Ordinance No. 1507-05, Ordinance 1528-05, Ordinance 1545-06, Ordinance 1551-06, Ordinance 1559-06, Ordinance 1574-07 and Ordinance 1585-07 is in the interests of the health, safety and welfare of the City, and

WHEREAS, the City Council of the City of Sedro-Woolley should continue as a temporary measure as authorized by RCW 36.70A.390, on an emergency basis, a limited moratorium on new subdivisions served by the Township Street and Metcalf Street lines; now, therefore,

THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, DO HEREBY ORDAIN AS FOLLOWS:

**Section 1. Purpose.** The purpose of renewing this interim ordinance imposing a temporary moratorium on new subdivisions and other developments served by the Metcalf Street sewer main outside the City limits and the Township Street sewer mains is to allow the City adequate time to determine the scope and cost of upgrading the lines, determine whether the City's existing funds are adequate to pay for the cost of these upgrades, and determine whether new development is paying or should pay for its fair share of the cost of these upgrades, and to hold a public hearing for any amendments to these ordinances.

**Section 2. Moratorium Inside City Limits.** A moratorium is imposed on new subdivisions, short plats, planned residential development, boundary line adjustments which make new lots available for construction, binding site plans which create new lots, multi-family structures, schools, dormitories, and mobile/manufactured home parks, which are served by sanitary sewer lines using the Township Street sewer main, North of Polte Road, but not including the area served by the John Liner Pump Station identified as "Basin E" on the map attached to Ordinance 1559-06.

**Section 3. Moratorium in Unincorporated UGA.** A moratorium is imposed on new connections to sanitary sewer in the unincorporated UGA for which is serviced by the Township Street and Metcalf Street sewer mains for new subdivisions, short plats, planned residential development, boundary line adjustments which make new lots available for construction, binding site plans which create new lots,

multi-family structures, schools, dormitories, and mobile/manufactured home parks, which are served by sanitary sewer lines using the Metcalf Street and Township Street sewer mains.

**Section 4. Exceptions.** The division of land into legal lots of record, each lot having previously existing structures connected to the sanitary sewer prior to June 9, 2004, is not subject to this moratorium. This exception shall not apply to permit land to be subdivided into new lots not containing structures previously connected to the sanitary sewer.

**Section 5. Limitation on Moratorium.** Nothing in this ordinance shall prohibit issuance of a building permit for single family homes on existing legal lots of record or on lots created by applications which have received preliminary approval or vested prior to the effective date of this moratorium, which is June 9, 2004.

**Section 6. Written Approval Required.** Written confirmation from the Public Works Director that sanitary sewer main capacity which is not subject to surcharge is available shall accompany any new connections application for a subdivision, short plat, planned residential development, boundary line adjustment which makes new lots available for construction, binding site plan which creates new lots, multi-family structure, school, dormitories, and mobile/manufactured home park. Any application for the foregoing shall not be deemed complete, and shall not vest unless accompanied by written confirmation of line capacity.

**Section 7. Authority to Determine Effected Properties.** The Public Works Director shall determine which sewer basin, main lines, and point of connection shall be utilized by new developments, and which developments are effected by the Township Street and Metcalf Street sewer mains.

**Section 8. Duration of Ordinance.** This ordinance shall be in effect for a period of six months, unless extended by the City Council. It is anticipated that this ordinance will be lifted when the cost of the new line is determined, a construction schedule is established, and a mechanism is in place to require new development to pay its fair share of the cost of the line improvements.

**Section 9. Public Hearing on Ordinance.** Pursuant to RCW 36.70A.390 and RCW 35.63.200, the City Council has held a public hearing on this ordinance prior to its adoption to consider and adopt findings of fact justifying its action. The City Council of the City of Sedro-Woolley finds as follows:

- a. that the Metcalf Street sewer main has been repaired in a manner adequate to handle sewage from potential development within the City limits, but not from outside the City limits without surcharging, and
- b. Township Street sewer main is surcharging, based on the study by Pace Engineering and the report of city staff, and
- c. that land use subdivisions which use these mains are occurring or are expected to occur at an very fast rate, and
- d. that if no action is taken the expansion resulting from new subdivisions will occur before the capacity in the Metcalf Street and Township Street lines is increased to the level needed to service these new subdivisions, and
- e. that failure to require these lines to be improved concurrent with new development will result in increased costs to the citizens of Sedro-Woolley, an increased risk of health problems, and a decrease in the quality of the sewer system, and
- f. that a temporary provision of a moratorium on new subdivisions served by these lines and other requirements is in the interests of the health, safety and welfare of the City, and

- g. that the City has a plan for making the necessary repairs, and is in the process of borrowing approximately six million Dollars in addition to the seven and three-quarters of a million Dollars already committed from the PWTF to make these repairs, and
- h. recent upgrades in the sewer system have increased capacity on the Township line South of Polte Road,
- i. that the area served by the John Liner Sanitary Sewer Pump Station, identified as "Basin E" in the City's Comprehensive Plan and shown on the attached map, now has capacity,
- j. that the City continues to work in sewer projects that will increase capacity to the system, but that those projects are not yet complete, and
- k. that City Council of the City of Sedro-Woolley should affirm as a temporary measure as authorized by RCW 36.70A.390, on an emergency basis, a limited moratorium on new subdivisions served by the Township Street and Metcalf Street lines as enacted and extended by Ordinance No. 1474-04, Ordinance No. 1476-04, Ordinance No. 1492-04, Ordinance No. 1507-05, Ordinance 1528-05, Ordinance 1545-06, Ordinance 1551-06, Ordinance 1559-06, Ordinance 1574-07 and Ordinance 1585-07.

**Section 10. Severability.** If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

**Section 11. Declaration of Emergency.** The City Council hereby declares that an emergency exists necessitating that this ordinance takes effect immediately upon passage. This ordinance shall be published as required by law.

**Section 12. Effective Date.** This ordinance shall be effective for six months beginning April 9, 2008 upon passage by the City Council and approval by the Mayor.

**ADOPTED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 9<sup>th</sup> DAY OF APRIL, 2008.**

**CITY OF SEDRO-WOOLLEY:**

BY: \_\_\_\_\_  
MIKE ANDERSON, Mayor

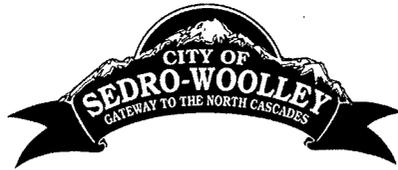
**ATTEST:**

\_\_\_\_\_  
Patsy Nelson, City Clerk-Treasurer

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Eron Berg, City Attorney

UNFINISHED  
BUSINESS



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## MEMO:

**To:** City Council  
Mayor Anderson

**From:** Jack Moore   
Planning Director & Building Official

**Date:** April 9, 2008

**Subject:** Sign ordinance revision (2<sup>nd</sup> read)

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## ISSUE

Should the Council approve the attached revisions to the city's sign ordinance to allow white backlit signs?

## PROJECT DESCRIPTION / HISTORY

The Planning Commission and City Council was asked to consider removing the requirement that only the letters of signs may be internally illuminated. This would allow for clear or white sign faces with internal illumination.

**Both the Planning Department and the Planning Commission recommend denial of this proposed revision.**

At the first hearing, the City Council instructed staff to provide "grandfather dates" for the city as a whole and for the Central Business district. In **October 2004**, both Chapter 17.40 SWMC (city-wide) and the *City of Sedro-Woolley Design Standards and Guidelines* (Central Business District) were revised to include the language allowing only the letters of internally illuminated signs to be illuminated. Prior to October 2004, the Design Standards did not include a specific section on signs, but referenced four published books and the photography of Darius Kinsey as guidance for reviewing projects.

Any sign legally installed prior to this date may remain and be maintained and repaired as necessary.

## EXHIBITS

Exhibit A: Planning Commission's *Findings of Fact, Conclusions and Decision*  
Exhibit B: Ordinance with proposed changes

## RECOMMENDED ACTION

Motion to accept the Planning Commission's recommendation for denial of the proposed sign ordinance amendment.

# **Exhibit A**

**CITY OF SEDRO-WOOLLEY PLANNING COMMISSION  
STATE OF WASHINGTON**

<p><b>In the Matter of:</b></p> <p>Revisions to Chapter 17.40 SWMC – Signs</p>	<p><b>FINDINGS OF FACT, CONCLUSIONS AND DECISION PROPOSED AMENDMENT TO CH. 17.40 SWMC – SIGNS</b></p>
--	---

This matter having come regularly before the City of Sedro-Woolley Planning Commission for a public hearing on **Tuesday, February 19, 2008** under a request by the Mayor of Sedro-Woolley for a public hearing and recommendation from the Planning Commission pursuant to SWMC 2.90.010(D)3 and as described by Planning Department Staff Report hereby attached and made a part of this recommendation.

<b>Recommendation:</b>	The Planning Commission recommends <b>DENIAL</b> of the request to modify Chapter 17.40 SWMC – Signs as shown in Exhibit A of these Findings of Fact, Conclusions and Decision
<b>Hearing Date:</b>	Tuesday, February 19, 2008
<b>Proponent:</b>	City of Sedro-Woolley

**Description of proposal**

The Mayor of Sedro-Woolley requested that the Planning Commission and City Council consider amending Section 17.40.010 of the Sedro-Woolley Municipal Code (SWMC) to remove the requirement that only the letters of internally illuminated signs may be illuminated. The proposed amendment would enable the use of “reader boards” and other internally illuminated signs with white backgrounds that have the potential to contribute to light pollution.

Exhibit A: Proposed code language to SWMC 17.40.010

Exhibit B: Staff Report

## FINDINGS OF FACT

1. Mike Anderson, the Mayor of Sedro-Woolley requested that the Planning Department process a proposed amendment to the Sedro-Woolley Sign Ordinance Chapter 17.40 SWMC that would remove the requirement that **only the letters** of signage be internally illuminated.
2. The proposed change would make reader boards and other signs with bright white backgrounds acceptable within city limits.
3. Changes to the development regulations are processed as a Type V process.
4. SWMC 2.90.010(C)5 describes the type of actions that are subject to the Type V legislative review process. SWMC 2.90.010(D)6 describes the legislative review process, requires an open record public hearing and describes the required procedures for Planning Commission review.
5. The proposed change is inconsistent with the *Sedro-Woolley Design Standards and Guidelines* standards for all signage (not only the Central Business District) which reads: "Internally illuminated signs with changeable letters and numbers (with the exception of gas price signs at service stations) and portable trailer signs with changeable text panels shall not be allowed."
6. The *Sedro-Woolley Design Standards and Guidelines* for signage in the Central Business District (CBD) specifically disallows internally illuminated signs, so the proposed amendment to the Sign Ordinance will not affect signage in the CBD. The manual reads: "Flashing, animated, rotating, or changing message signs or signs with internal illumination are specifically prohibited. Exposed neon illumination or shielded external illumination are accepted alternatives."
7. A Notice of Public Hearing for the proposed code amendment was published on February 6, 2008 in the Courier-Times. In the notice, a written comment deadline of February 19 at 4:30 PM was set. No written comments were received by the Planning Department.
8. On February 19, 2008 the Planning Commission held an open record public hearing to receive background information from City Staff and testimony from the public. Mayor Mike Anderson commented in favor of the proposed amendment during the public hearing.
9. At the hearing, the Planning Department recommended that the Planning Commission make a motion to recommend that the City Council DENY of the proposed code language, as shown in Exhibit A.
10. The Planning Commission made a motion to recommend that the City Council DENY an amendment to Chapter 17.40 SWMC. The motion carried unanimously.

11. Exhibit A includes the proposed code language for Chapter 17.40 SWMC which was not recommended by the Planning Commission.

## CONCLUSIONS

The Planning Commission, having reviewed the Planning Department Staff Report and public testimony, makes the following conclusions:

1. Public notice was property conducted pursuant to Chapter 2.90 SWMC.
2. The Planning Commission reviewed the proposed modification to the Sign Ordinance as outlined in the Staff Report and concludes that the existing regulations concerning internally illuminated signs best serves the interest of the citizens of the City of Sedro-Woolley by requiring more thoughtfully designed signage that does not contribute to light pollution.
3. The Planning Commission further concluded that the current sign ordinance is consistent with the *Sedro-Woolley Design Standards and Guidelines* standards for all signage and changing the sign ordinance would also require changes to the *Sedro-Woolley Design Standards and Guidelines*.
4. The proposed amendment will not better serve the interest of the community.

## DECISION

Based upon the foregoing, the Planning Commission recommends DENIAL of the suggested changes to SWMC 17.40.010, an amendment that would remove the requirement that only the letters of internally illuminated signs may be illuminated, found herein as Exhibit A.

## CERTIFICATION

The City of Sedro-Woolley Planning Commission hereby recommends to the City Council **DENIAL** of suggested changes to SWMC 17.40.010, at a **REGULAR** meeting of the City of Sedro-Woolley Planning Commission held on **Tuesday, February 19, 2008**, at which time a quorum was present. The Planning Commission made a motion to **DENY** the proposed amendment by a vote of **5 FOR, 0 AGAINST, and 0 ABSTENTIONS**.

  
\_\_\_\_\_  
Dan Lefeber, Planning Commission Chair

2 - 21 - 08  
Date

**EXHIBIT A –**  
REQUESTED CODE LANGUAGE CHANGES TO CHAPTER 17.40 SWMC

**17.40.010 General Provisions.**

The intent of the sign regulations is to provide businesses and organizations an opportunity to advertise while minimizing sign clutter along the city's roadways. Signs along the two state highways shall be designed in a manner that is consistent with the guidelines for state scenic highways, either existing or as subsequently developed.

- A. No sign shall be erected or employed that:
1. Impairs scenic views or the appearance of the surrounding area;
  2. Creates traffic hazards by blocking vision or causing excessive diversion of attention;
  3. Is structurally incapable of withstanding stresses to which it is likely to be subjected;
  4. Contains flashing or uncomfortably intense light;
  5. Is designed to attract attention through mechanical or wind-generated movement; or
  6. Is employed without consent of the property owner;
  7. Is a festoon, banner, or pennant type sign.
- B. Obsolete signs must be removed within ninety days of the change in business or offering. An "obsolete sign" is defined as any sign that advertises a business, product, or service that is no longer available or, for on-premises signs, no longer located on the same site on which the sign is posted.
- C. Size of signs includes the surface area, spaces and voids within a perimeter that connects the outermost points of the signs lettering or devices, measured on the plane(s) to which the sign is oriented. Both sides of double-faced signs, such as projecting, freestanding or sandwich board signs with information on both sides, shall be counted. Frames or supports containing information or constituting integral design elements shall also be included.
- D. Except in residential areas, where only external illumination is allowed, signage may be either externally illuminated or ~~have only letters internally illuminated~~. All lighting shall be directed so as not to shine onto adjacent residential properties or into the night sky.
- E. Exceptions. The following shall not be regulated by this chapter:
1. Signage at public athletic fields;
  2. Any vehicle or trailer that is road-ready, currently licensed and complies with all other ordinances and laws.

# **Exhibit B**

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

AN ORDINANCE AMENDING SWMC 17.40 REGARDING INTERNALLY ILLUMINATED SIGNS

**WHEREAS**, the Planning Commission considered amending SWMC 17.40.010(D) to remove the requirement that only the letters of internally illuminated signs may be illuminated.;

**WHEREAS**, the Planning Commission held a hearing on Tuesday, February 19, 2008 and recommended to the City Council that the current code provisions not be changed;

**WHEREAS**, the City Council discussed this proposal and the Planning Commission recommendations on March 12, 2008;

**WHEREAS**, the City Council discussed this proposal and the Planning Commission recommendations again on April 9, 2008;

**WHEREAS**, the City Council desires to modify Chapter 17.40 SWMC to remove the prohibition for internally illuminated signs which allow light passage through the background; and

**WHEREAS**, the City Council with this action does not intend to modify the existing requirement for residential areas or the Central Business District in which signs shall be externally illuminated only.

**NOW THEREFORE THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY DOES ORDAIN AS FOLLOWS:**

**Section 1.** Section 17.40.010(D) SWMC is amended to read as follows:

D. Except in residential areas and the Central Business District, where only external illumination is allowed, signage may be either externally illuminated or ~~have only letters~~ internally illuminated, provided that all lighting shall be designed or directed so as not to minimize shine onto adjacent residential properties or into the night sky.

**Section 2. EFFECTIVE DATE.** This ordinance shall take effect five (5) days after the approval by the City Council and publication as provided by law.

**Section 3. SEVERABILITY.** If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

**PASSED** by majority vote of the members of the Sedro-Woolley City Council this 9th day of April, 2008, and signed in authentication of its passage this \_\_\_\_ day of April, 2008.

\_\_\_\_\_  
Mike Anderson, Mayor

Attest:

\_\_\_\_\_  
Patsy Nelson, Clerk/Treasurer

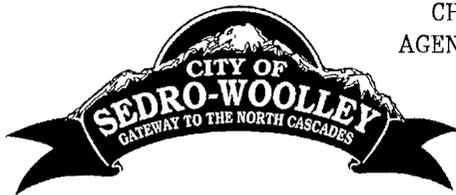
Approved as to form:

\_\_\_\_\_  
Eron Berg, City Attorney

Published \_\_\_\_\_

CITY COUNCIL AGENDA  
REGULAR MEETING  
APR. 9, 2008  
7:00 PM COUNCIL

CHAMBERS  
AGENDA ITEM NO. 10



**CITY OF SEDRO-WOOLLEY**  
Sedro-Woolley Municipal Building  
325 Metcalf Street  
Sedro-Woolley, WA 98284  
Phone (360) 855-9922  
Fax (360) 855-9923

Eron M. Berg  
City Supervisor/City Attorney

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MEMO TO: City Council  
FROM: Eron Berg  
RE: Solid Waste Interlocal  
DATE: April 9, 2008

ISSUE: Should the Council authorize the Mayor to sign the attached interlocal for the management of the solid waste system?

BACKGROUND: Attached is a revised interlocal for the management of a solid waste system. Included is a copy of an email cover letter from Gary Rowe. Although the City Council previously authorized approval of this agreement, a second vote it required because this draft does not include the four changes the Council previously approved. The changes that are included are as follows:

1. Voting structure is modified to allow the smaller entities to be involved in the process by allocating voting authority in part by entity and requiring a 60% majority for all actions. Also, the County corrected an error in the earlier drafts which increased its voting percentage;
2. Inclusion of the Comprehensive Solid Waste Management Plan (CSWMP) as an action item for the SWSGB. This is a critical addition requested by the cities; the County language is vague and ambiguous, but appears to be the only language the prosecutor's office is willing to approve;
3. Additional language in 13.1.6 to tie the budget to the level of service which would be established by the SWSGB. Also includes the authority for the SWSGB to commission rate studies, CSWMP update studies, etc. This is a compromise with the City's request, but one that I believe is functional;
4. Additional language in 13.7 to clarify the veto process. The County did not include the language sought by the cities and instead increased the number of justifications for a veto.

The following changes were initiated by the County:

1. Additional language in 2.6 to limit/define system costs;
2. Additional language in 9 to tie the system costs to a defined level of service;
3. Additional language in 13.1.2 to tie the site designation to the CSWMP.

Although all of the elected officials indicated support for the policy language you sought and approved, this language is not included in the revised County draft. The County Administrator

indicated that the County is not opposed to this language but he believes it should be part of the CSWMP, negotiated and adopted in that process.

**CONCLUSION:** This is not a particularly well drafted agreement and the negotiation process was less than ideal. However, the County's stated intent is very positive and Gary Rowe's efforts in the 11<sup>th</sup> hour were also positive and intended to bring the communities together for a shared purpose. As much as I would like to see the County's attorneys support a well-written document written to survive the test of time, it is my recommendation that you approve this agreement.

**RECOMMENDATION:** Motion to authorize the Mayor to sign the attached interlocal.

## Eron Berg

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**From:** Gary Rowe  
**Sent:** Thursday, March 27, 2008 7:18 PM  
**To:** Maxwell, Dean; mvmayor@ci.mount-vernon.wa.us; edb@ci.burlington.wa.us; Mike Anderson; 'Judd Wilson (townofconcrete@verizon.net)'; 'Ramon Hayes (mayor@townoflaconner.org)'; 'Debra Heinzman (mayor\_lyman@msn.com)'; townofhamilton@fidalgo.net  
**Cc:** DonMunks; KenDahlstedt; Sharon D. Dillon; gbensen@fidalgo.net; Aarstad, Jon; Eron Berg; Kevin Rogerson; Scott Thomas; John Doyle (Town of La Conner); Buckenmeyer, Fred; Will W. Honea; James E. Voetberg; KevinRenz; Stephen R. Fallquist  
**Subject:** Solid Waste Interlocal Agreement  
**Attachments:** SWInterlocal revised 03272008(2).doc; SWInterlocal revised 03272008(1).doc

Honorable Mayors,

Enclosed with this email is my final attempt to craft an interlocal agreement to address concerns over the agreement raised by Sedro-Woolley. I have included a clean version and a marked up version for you to review. As you recall, all of the cities and towns, with the exception of Sedro-Woolley, have approved the agreement. In order for the agreement to be effective, all eight cities and towns, as well as the county, need to approve the agreement. With Sedro-Woolley unwilling to approve the agreement, the county has been attempting to find a compromise.

After each of the County Commissioners met with Sedro-Woolley in early February, a meeting of the municipalities committee was held on February 27 to address the concerns. Subsequent to that meeting Tim Holloran and I met with mayors and staff on March 12 to outline some changes that would address Sedro-Woolley's concerns. It was reported in the Skagit Valley Herald on March 13 that Sedro-Woolley was happy with the proposed changes and would approve them subject to the final agreement language being drafted.

On March 13 I drafted changes to the agreement and sent them to the Anacortes public works director and city attorneys from Mount Vernon, Burlington, and Sedro-Woolley to review the language. I have received comments back and have incorporated many of the comments into the final draft enclosed.

The primary issue raised by Sedro-Woolley was the voting structure. The revised agreement has significantly increased the voting authority for the four towns, increasing their vote from an aggregate of 2.2% to an aggregate of 16.3%, while the county's vote has been reduced from 43.2% to 32.5%. In addition the county has given more authority to the new solid waste governance board to review and set the solid waste level of service and to adopt and make changes to the comprehensive solid waste management plan.

As is usual with crafting an agreement with several hands, there will always be a number of edits or tweaks that may be desired to make the final contract language perfect. While having a perfect agreement is laudable, I believe it's time to make a decision on the agreement so we can move on to the important decisions about solid waste management that we are all facing.

This process has been going on for several months now and I need to report to the Board of Commissioners on whether we are going to reach an agreement. I would like hear back from each of you as soon as possible, hopefully by tomorrow, on whether you are in support of the agreement and whether you will take it to your respective city and town councils for adoption. I appreciate your effort and support in finding a consensus agreement and I look forward to your positive reply.

Gary

-----  
 Gary A. Rowe  
 Skagit County Administrator  
 1800 Continental Place, Suite 100  
 Mount Vernon, WA 98273  
 ph. (360) 336-9300  
 fax (360) 336-9307  
 e-mail: garyr@co.skagit.wa.us

4/4/2008

After Recording Return to:

Skagit County  
Public Works Department  
Attn: Kevin Renz,  
Solid Waste Section Manager  
1800 Continental Place  
Mount Vernon, WA 98273

DOCUMENT TITLE: INTERLOCAL COOPERATIVE AGREEMENT BETWEEN SKAGIT COUNTY AND CITIES AND TOWNS IN SKAGIT COUNTY FOR SOLID WASTE MANAGEMENT.

DATE SIGNED: \_\_\_\_\_, 2008

GRANTOR: SKAGIT COUNTY, a Political Subdivision of the State of Washington,

GRANTEES: CITY OF MOUNT VERNON, a Washington Municipal Corporation;  
CITY OF ANACORTES, a Washington Municipal Corporation;  
CITY OF BURLINGTON, a Washington Municipal Corporation;  
CITY OF SEDRO-WOOLLEY, a Washington Municipal Corporation;  
TOWN OF LA CONNER, a Washington Municipal Corporation;  
TOWN OF CONCRETE, a Washington Municipal Corporation;  
TOWN OF LYMAN, a Washington Municipal Corporation; and  
TOWN OF HAMILTON, a Washington Municipal Corporation

INTERLOCAL COOPERATIVE AGREEMENT  
BETWEEN  
SKAGIT COUNTY  
AND CITIES AND TOWNS IN SKAGIT COUNTY  
FOR  
SOLID WASTE MANAGEMENT

THIS INTERLOCAL COOPERATIVE AGREEMENT ("Agreement"), made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 2008, by and between the CITY OF MOUNT VERNON, a Washington Municipal Corporation; the CITY OF ANACORTES, a Washington Municipal Corporation; the CITY OF BURLINGTON, a Washington Municipal Corporation; the CITY OF SEDRO-WOOLLEY, a Washington Municipal Corporation; the TOWN OF LA CONNER, a Washington Municipal Corporation; the TOWN OF CONCRETE, a Washington Municipal Corporation; the TOWN OF LYMAN, a Washington Municipal Corporation; and the TOWN OF HAMILTON, a Washington Municipal Corporation hereinafter collectively referred to as the "Municipalities", and SKAGIT COUNTY, a political subdivision of the State of Washington, hereinafter referred to as the "County", pursuant to the authority granted by Chapter 39.34 RCW, INTERLOCAL COOPERATION ACT. The Municipalities and the County may be individually referred to herein as a "Party", and may be collectively referred to herein as the "Parties."

WHEREAS, the County and each of the Municipalities executing this Agreement are authorized and directed by Chapter 70.95 RCW to prepare a Comprehensive Solid Waste Management Plan ("CSWMP") and are further authorized by Chapter 39.34 RCW to enter into an agreement for the administration and implementation of said CSWMP; and

WHEREAS, the County prepared a Comprehensive Solid Waste Management Plan for the County and Municipalities of the County in 1994, and updated the CSWMP with the active involvement of the Municipalities in 2004; and

WHEREAS, the 2004 Comprehensive Solid Waste Management Plan update calls for significant improvements to and replacements for existing waste facilities, and the County has entered into a waste export contract that expires in 2013, and in light of these factors long term financial planning is desirable; and

WHEREAS, providing the most effective and efficient system for managing solid waste generated in Skagit County, including its Municipalities, requires use of the solid waste disposal system established by the County and the Comprehensive Solid Waste Management Plan of the County to the fullest extent possible;

WHEREAS, in or about May of 2004, the County and the Municipalities entered into a previous interlocal agreement (Skagit County Contract # C20040228) regarding the administration and implementation of the CSWMP; and

WHEREAS, the County, in response to recent policy guidance provided by the Skagit County Board of County Commissioners (including, but not limited to, Skagit County Resolution # R20070141) is in the process of amending the CSWMP, and pursuant to these amendments, the Parties desire to mutually effectuate changes between the relationship of the Parties to provide for enhanced cooperation by and between the County and the Municipalities, and also to make additional changes to the terms of the previous interlocal agreement by and between the Parties (Skagit County Contract # C20040228); and

WHEREAS, the terms of this Agreement are intended to wholly replace and supersede the terms of the previous interlocal agreement by and between the Parties (Skagit County Contract # C20040228);

NOW THEREFORE, in consideration of the forgoing, and in consideration of the following terms and conditions, the Parties mutually agree as follows:

1. NEW AGREEMENT; EFFECTIVENESS. This Agreement entirely replaces and supersedes the previous interlocal agreement (herein the "previous interlocal agreement") for a Comprehensive Solid Waste Disposal System that the Parties entered into in 2004 (Skagit County Contract # C20040228). This Agreement shall not become effective until all Parties to the previous interlocal agreement have duly executed this Agreement. Unless and until all Parties to the previous interlocal agreement have duly executed this agreement, the previous interlocal agreement shall remain in full force and effect pursuant to the terms therein.

2. DEFINITIONS. For the purposes of this Agreement, the following definitions apply:

2.1 "Comprehensive Solid Waste Management Plan," or "CSWMP" means the comprehensive plan for solid waste management as required by Ch. 70.95 RCW.

2.2 "Party" or "Parties" shall mean any signatory or signatories to this Agreement.

2.3 "Solid Waste" means all putrescible and nonputrescible solid and semi-solid wastes including, but limited to, garbage, rubbish, ashes, industrial wastes, swill, sewage sludge, demolition and constructions wastes, abandoned vehicles or parts thereof, and recyclable materials, with the exception of wastes excluded by WAC 173-304-015.

2.4 "Solid waste handling" means the management, storage, collection, transportation, utilization, processing, and final disposal of Solid Waste, including the recovery and recycling of materials from Solid Waste, the recovery of energy resources from such wastes or the conversion of energy in such wastes to more useful forms or combinations thereof, and as such term may be modified by amendments to Chapter 70.95.030(23) RCW.

2.5 "System" means all facilities for Solid Waste handling owned or operated, or contracted for, by the County, and all administrative activities related thereto, and as further defined and provided within the County's Comprehensive Solid Waste Management Plan, as may be amended and/or updated.

2.6 "System Costs" means all costs arising from System operation, and maintenance, capital costs for new System facilities and equipment, past and future System liabilities, known or unknown, and shall include any municipal liability for disposal clean-up costs anywhere within the jurisdiction of Skagit County or the municipal Parties to this Agreement, provided, however, the System shall have no liability for the clean-up costs or other liabilities of any Party that terminates their participation in the System.

3. RESPONSIBILITIES FOR WASTE DISPOSAL SYSTEM. For the duration of this Agreement, the Parties shall have the following responsibilities:

3.1 The County shall continue to provide for the efficient disposal of all Solid Waste generated within the jurisdictions of each Party to this Agreement to the extent, in the manner, and by facilities as described in the Comprehensive Solid Waste Management Plan. The County shall not be responsible for disposal of nor claim that this Agreement extends to Solid Waste that has been eliminated through waste recycling activities in conformity with the Comprehensive Solid Waste Management Plan.

3.2 Subject to the governance structure established by other provisions of this Agreement, the County shall continue to provide a comprehensive Solid Waste management system, including educational programs, as defined by the Comprehensive Solid Waste Management Plan.

3.3 The County shall continue to operate the System in a financially prudent manner, minimize fee increases, and use System revenues only for System purposes. The County's operation of the System is subject to governance by the SWSGB, as further set forth in elsewhere in this Agreement.

4. COMPREHENSIVE SOLID WASTE MANAGEMENT PLAN. For the duration of their participation in this Agreement, each Party shall participate in the Comprehensive Solid Waste Management Plan prepared and periodically reviewed and revised pursuant to Chapter 70.95 RCW. For the duration of their participation in this Agreement, each Party authorizes the County to include in the Comprehensive Solid Waste Management Plan (CSWMP) provisions

for the management of solid waste generated in each Party's jurisdiction. Parties executing this Agreement hereby agree to respectively adopt any CSWMP updates properly adopted by the SWSGB within 30 days of approval by the Department of Ecology.. No Party may veto, reject, or fail to adopt any CSWMP Amendments or Revisions as recommended by the SWSGB pursuant to this agreement. Until such time as the CSWMP is updated by the SWSGB consistent with this Agreement, the Parties understand and agree that this Agreement shall control with respect to any inconsistency between the CSWMP and this Agreement. The Parties to this Agreement further understand and agree that the County shall promptly amend the CSWMP after execution of this Agreement solely as necessary to incorporate and reflect the terms of this Agreement in the CSWMP, which amendment shall be applicable to and deemed adopted by all Parties to this Agreement by virtue of their execution of this Agreement.

5. DESIGNATION OF COUNTY SYSTEM FOR SOLID WASTE DISPOSAL. Each Party shall designate the County System for disposal of all Solid Waste generated within the Party's jurisdictional limits, and within the scope of the Comprehensive Solid Waste Management Plan.

6. DESIGNATION OF DISPOSAL SITES. The SWSGB shall designate County System disposal site or sites for the disposal of such solid waste except for recyclable and other materials removed from solid waste by waste recycling activities in conformity with the Comprehensive Solid Waste Management Plan. Designation by the SWSGB of disposal site(s) pursuant to this Agreement shall not diminish any Party's power to regulate land use and establish land use criteria within the Party's jurisdiction. Furthermore, designation by the SWSGB of disposal site(s) pursuant to this Agreement shall not diminish the County's authority to regulate public health pursuant to Title 70 RCW and other applicable laws and regulations.

7. ENFORCEMENT. The County shall be primarily responsible for enforcement of laws and regulations requiring persons to dispose of solid waste at sites designated by the County. Each Party shall cooperate with the County in its enforcement efforts, and shall provide by ordinance that any person that disposes of Solid Waste generated within its boundaries at a site other than a site designated by the County will be guilty of a misdemeanor, except where such disposal may be otherwise permitted by state law. To the extent legally possible, the County shall be responsible for bringing enforcement actions against persons violating state statutes, or County ordinances relating to the disposal of Solid Waste at sites designated by the County. However, in instances in which the County lacks legal authority to bring an enforcement action and another Party possesses that authority, the County may request that the Party bring such enforcement action. The Party shall comply with this request, or in some other way ensure that Solid Waste generated with the Party is disposed of at those sites designated by the County. All reasonable costs incurred by the Party in taking such enforcement or other actions that are requested in writing by the County shall be paid as System costs.

8. LIABILITY AND INDEMNIFICATION. Each Party agrees to be responsible and assume liability for its own wrongful and/or negligent acts or omissions or those of their elected officials, officers, agents, or employees to the fullest extent required by law, and further agrees to save, indemnify, defend, and hold the other Party harmless from any such liability. It is further provided that no liability shall attach to any other Parties by reason of entering into this Agreement except as may be expressly provided herein.

9. SYSTEM COSTS AND RATES. The Parties agree that all System Costs shall be paid by the System through tipping fee rates and rate adjustments established in conformance with the Level of Service ("LOS") envisioned in paragraph 13.1.6 below. Rates set

by the SWSGB shall accommodate long-term System viability and a financially reasonable level of cash reserves.

10. DURATION; TERM OF AGREEMENT. The Parties agree to be bound by this Agreement until September 15, 2013, unless prior modified in accordance with paragraph 9. This Agreement shall not sunset or expire, but shall continue in full force and effect. Individual Parties to this Agreement may, after September 15, 2013, withdraw from this Agreement by giving sixty (60) days' notice to all other Parties to this Agreement.

11. REVISION, AMENDMENT, SUPPLEMENTATION, OR TERMINATION. This Agreement shall be reviewed by the Parties in conjunction with any review of the Comprehensive Solid Waste Management Plan. The terms of the Agreement may be revised, amended, or supplemented, or the Agreement as a whole may be terminated only upon the written agreement of all Parties executed with the same formalities as the original. No revision, amendment, supplementation or termination shall be adopted or put into effect if it impairs any other contractual obligation of the County. Waiver or breach of any term or condition of this Agreement shall not be considered a waiver of any prior or subsequent breach.

12. SOLID WASTE ADVISORY COMMITTEE.

12.1 Pursuant to Chapter 70.95.165(3) RCW and Chapter 39.34.030(4) RCW and Skagit County Code 12.18, a Solid Waste Advisory Committee shall continue operating for the purpose of rendering advice to Skagit County and the SWSGB regarding solid and moderate risk waste related issues generally, service levels, disposal rates, and short and long term planning, and especially the administration and implementation of the Comprehensive Solid Waste Management Plan.

12.2 Membership of the Solid Waste Advisory Committee shall be as follows:

(1) Regular members. The Solid Waste Advisory Committee shall consist of:

(a) One member from each Party to this Agreement, to be nominated by the legislative authority for that Municipality and appointed by the County Commissioners.

(b) One member from each Municipality in Skagit County which has its own Comprehensive Solid Waste Management Plan, to be nominated by the legislative authority for that Municipality and appointed by the County Commissioners.

(c) Three members, each representing the unincorporated area of one of the three County Commissioner districts. The three members shall be recommended by the County Commissioners. The County Commissioners shall recommend candidates representing a spectrum of citizens, public interest groups, and businesses. Candidates shall be residents of Skagit County or firms licensed to do business in Skagit County.

(d) Two members shall be selected, one to represent commercial solid waste collection firms; and one to represent commercial recycling firms. These members shall be recommended by the County Commissioners.

(e) One ex officio, non-voting representative from the Skagit County Public Works Solid Waste Section.

(f) One ex officio, non-voting representative from the State of Washington Department of Ecology.

(g) One ex officio, non-voting representative from the Skagit County Health Department.

(2) Auxiliary Members. The regular membership of the Solid Waste Advisory Committee may appoint auxiliary members for a specific time period to serve on the committee in a non-voting capacity, for the purpose of providing specific information, technical advice, and information of a general nature which is pertinent to the committee's activities or any other form of assistance which will aid the committee in carrying out its purposes.

12.3 Meetings. The Solid Waste Advisory Committee shall meet as required to carry-out the purposes of the Committee. Meetings may be held at various locations within the County with written notification to the membership and chairman designating the time and place of such meetings. Meetings shall be held not less than quarterly. A quorum shall consist of a simple majority of the members on the Committee, A majority of the total voting membership of the Committee is required to pass a motion.

12.4 Transfer Station Oversight Sub-Committee. Provides operational and customer-based input on Skagit County Transfer Station operations and serves as an advisory resource to the Solid Waste Advisory Committee.

(1) Regular Members. The Transfer Station Oversight Sub-Committee shall consist of one staff member each from Mount Vernon, Sedro-Woolley, Burlington, Anacortes, Regional Disposal Company, Waste Management, Inc., Skagit River Steel and Recycling, and Skagit County Public Works.

(2) Meetings. The Transfer Station Oversight Sub-Committee shall meet every year, or as needed, to carry out the purposes of the Committee including making recommendations to the Solid Waste Advisory Committee.

### 13. SOLID WASTE SYSTEM GOVERNANCE BOARD.

13.1 Purpose. Any proposed changes or improvements significantly affecting the operation of the System or which may directly or indirectly impact tipping fees (including, but not limited to, tipping fee adjustments) or the siting of disposal facilities (herein collectively referred to as "Significant Solid Waste Decisions") shall be submitted to the Solid Waste System Governance Board (SWSGB) for final decision. Significant Solid Waste Decisions within the scope of the SWSGB's purview shall include timely review and approval by a 60% supermajority vote of the following matters, as recommended by the SWAC and/or the County in a manner consistent with this Agreement:

13.1.1 Major capital improvements to the System. "Major capital improvements" shall be defined as any capital expenditures in excess of Fifty Thousand Dollars (\$50,000) which modify the method or model of operation of the System.

13.1.2 Designation of site(s) for inclusion within the System, provided that such designation shall be consistent with the other provisions of this Agreement and the Comprehensive Solid Waste Management Plan as approved by the Parties and adopted as set forth in this Agreement;

13.1.3 Long-range plans for System expansion and construction. By December 31, 2011 the SWSGB shall produce a long-range plan for the System that encompasses the ensuing twenty (20) year period (the "Long Range Plan"), in accordance with RCW 70.95.090(2). If the SWSGB fails to produce a Long Range Plan by December 31, 2011, the Skagit County Board of Commissioners may adopt a Long Range Plan.

13.1.4 Requests for Proposals for privatization of all or any part of the System, including approval of any System/Operator Agreement (or similar agreement) for private parties (and/or third parties who are not signatories to this Agreement) seeking to become a part of the System;

13.1.5 Changes to tipping rates, which shall be done in a manner consistent with the other terms and conditions of this Agreement;

13.1.6 The annual operating and capital budget (Annual Budget) for the following year. Provided, however, the SWSGB's approval shall be limited to approval of the overall budget based on the adopted level of service ("LOS"), and shall not include the right to disapprove individual line-item budget expenditures. The LOS shall be initially established as the current LOS and may be amended from time to time by the SWSGB. Changes to the LOS shall be made at least 180 days prior to the scheduled adoption of the Annual Budget. The Annual Budget shall be prepared in conformance with the rate structure and LOS established by the SWSBG.

The SWSGB may direct the County to perform and/or commission studies including, but not limited to, rate studies, capital improvement studies, and comprehensive plan update studies as are necessary toward making reasoned and informed Significant Solid Waste Decisions, all costs of which shall be paid as System costs.

13.2 Powers Not Enumerated. Any powers not enumerated herein and assigned to the SWSGB shall be retained by the Skagit County Department of Public Works.

13.3 Regular Members. The SWSGB shall consist of at least one representative of each Party executing this Agreement.

13.4 Meetings. The SWSGB shall meet a minimum of at twice each calendar year, or as often as otherwise needed to adequately deliberate upon and decide Significant Solid Waste Decisions (as defined in Section 13.1, above), or for other purposes (such other purposes including, but not limited to, review of the status of the solid waste disposal system, and review of any recommendations from the Solid Waste Advisory Committee).

13.5 Decisions of SWSGB Initiated by County. The County shall retain responsibility for day-to-day operations of the System. Without diminishing the power afforded the SWSGB pursuant to ¶13.1, supra, the County may request a decision as to a Significant Solid Waste Decision from the SWSGB. After submitting any Significant Solid Waste Decision to the SWSGB that is within the scope set forth in Section 13.1 (above), the SWSGB shall render a

decision within sixty (60) days. Upon a finding by the SWSGB that additional time is needed in which to render a decision, the SWSGB may extend the decision timeline for an additional 60 days. In addition to the foregoing, upon a finding by the County Public Works Director that any Significant Solid Waste Decision constitutes an emergency that threatens the operation of the System, the SWSGB may be convened on an emergency basis three (3) days after notice to each Party to this Agreement. The County shall submit requests for decisions from the SWSGB regarding Significant Solid Waste Decisions in writing. In the event that the County does not receive a final written decision from the SWSGB within sixty (60) days (or 120 days if properly extended as set forth above), the County may take action consistent with the best interests of the System within the scope of the Significant Solid Waste Decision initially sought.

13.6 SWSGB Voting. All decisions of the SWSGB envisioned herein shall be done by majority vote, and immediately reduced to writing and provided to the County. A quorum shall consist of a simple majority of the Municipal members of the SWSGB. Counting of Municipal members present for the purposes of a quorum shall be based on the presence of one Municipal representative. A transcript shall be made of each SWSGB meeting. Each Party shall have one vote weighted as outlined in Section 13.6.1 below.

13.6.1 Based on the 2000 U.S. Census establishing a total County population of 102,979 (and subject to modification after each new census), each Party's vote shall be determined as follows:

The voting structure shall be based two-thirds on the population of each participating municipality with the County's portion equal to the unincorporated population, and one-third equally distributed to each entity. The following table summarizes the overall allocation of votes expressed as percentages.

Anacortes	14,557	13.1	
Burlington	6,757	8.1	
Sedro-Woolley	8,658	9.3	
Mount Vernon	26,232	20.7	
La Conner	761	4.2	
Hamilton	309	3.9	
Lyman	409	4.0	
Concrete	790	4.2	
County	44506	32.5	

Any decision of the SWSGB under this Agreement must obtain a 60% majority.

13.7 Extraordinary Veto by Board of Commissioners. The Skagit County Board of Commissioners (by action of the Skagit County Board of Commissioners) may veto any final decision of the SWSGB within thirty (30) days of any final decision by the SWSGB on the sole grounds that a final decision of the SWSGB will: (a) jeopardize the long-term viability of the System; (b),.impair the ability of the county to meet current solid waste contractual obligations (c) be out of compliance with the adopted CSWMP, and adopted LOS, and/or (d) be contrary to State law governing operation of the System. Any final decision of the SWSGB vetoed by the Skagit County Board of Commissioners pursuant to this paragraph shall be returned to the SWSGB for further deliberation. In the event the SWSGB and the Skagit County Board of County Commissioners cannot agree after veto and remand of any final decision within twenty

(20) days, the matter shall be submitted to final, binding arbitration before a single arbitrator to be selected within thirty (30) days by the Presiding Judge, Skagit County Superior Court. The arbitration shall be held at a mutually convenient time and location with Skagit County, not less than forty-five (45) days after the selection of the arbitrator. Any arbitration shall apply the laws of the State of Washington. Each Party shall bear its own costs and fees in the event of any such arbitration. The Parties must each submit a concise statement setting forth a proposed resolution to the dispute, from which the arbitrator shall choose on the basis of its consistency with this Agreement. The arbitrator's decision shall be final and binding on the Parties. All matters arising under this agreement shall be deemed arbitrable including questions of procedural arbitrability. The arbitrator may award the prevailing Party their reasonable attorney fees and costs, including expert and consultant fees. Any arbitrated dispute shall be maintained by individual Parties to this Agreement and not the System, and attorney fees and costs fixed by the arbitrator shall not be assessed as System costs. The arbitrator's decision may be entered by any Party in Skagit County Superior Court.

14. NO THIRD PARTY BENEFICIARIES: This Agreement is not entered into with the intent that it shall benefit any Municipality not signing this Agreement and no other person or entity shall be entitled to be treated as a third party beneficiary of this Agreement. This Agreement is not intended to nor does it create any third party beneficiary or other rights in any third person or party, including, but not limited to, any agent, contractor, subcontractor, consultant, volunteer, or other representative of either party. No agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of the Parties shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of any other party.

15. SEVERABILITY: In the event any term or condition of this Agreement or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications of this Agreement which can be given effect without the invalid term, condition, or application. To this extent and end the terms and conditions of this Agreement are declared severable.

16. ENTIRE AGREEMENT: This Agreement contains all the terms and conditions agreed upon by the Parties. All items incorporated herein by reference are attached. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the Parties hereto.

17. COMPLIANCE WITH LAWS: The Parties to this Agreement shall comply with all applicable federal, state, and local laws, rules, and regulations in carrying out the terms and conditions of this Agreement. The Parties shall obtain and comply with any and all necessary permits and approvals from all applicable jurisdictions prior to commencing any work related to this Agreement.

18. VENUE AND CHOICE OF LAW: In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement including the enforcement of the arbitrator's judgment, the venue of such action of litigation shall be in the Superior Court of the State of Washington in and for the County of Skagit. This Agreement shall be governed by the laws of the State of Washington.

19. CAPTIONS & COUNTERPARTS: The captions in this Agreement are for convenience and reference only and do not define, limit, or describe the scope or intent of this Agreement. This Agreement may be executed in any number of counterparts, and each such

counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

20. TIME OF PERFORMANCE: Time is specifically declared to be of the essence of this Agreement and of all acts required to be done and performed by the Parties hereto.

21. NO SEPARATE ENTITY: It is not the intention that a separate legal entity be established to conduct this cooperative undertaking, and no separate legal entity is established by this Agreement.

22. NEUTRAL AUTHORSHIP: Each of the terms and provisions of this Agreement have been reviewed and negotiated, and represents the combined work product of the Parties hereto. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the Party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement. The Parties represent that they have had a full and fair opportunity to seek legal advice with respect to the terms of this Agreement and have either done so, or have voluntarily chosen not to do so. The Parties represent and warrant that they have fully read this Agreement, that they understand its meaning and effect, and that they enter into this Agreement with full knowledge of its terms. The Parties have entered into this Agreement without duress or undue influence.

IN WITNESS WHEREOF, the Parties have executed this Agreement this \_\_\_\_day of \_\_\_\_\_, 2008.

APPROVED:

**BOARD OF COUNTY COMMISSIONERS  
SKAGIT COUNTY, WASHINGTON**

\_\_\_\_\_  
DON MUNKS, Chairman

\_\_\_\_\_  
KENNETH A. DAHLSTEDT, Commissioner

\_\_\_\_\_  
SHARON D. DILLON, Commissioner

Recommended:

By: \_\_\_\_\_  
Department Head

By: \_\_\_\_\_  
Budget & Finance Administrator

Approved as to Indemnification:

By: \_\_\_\_\_  
Risk Manager

Approved as to Form:

By: \_\_\_\_\_  
Deputy Prosecuting Attorney

Attest:

\_\_\_\_\_  
Clerk of the Board

STATE OF WASHINGTON }  
COUNTY OF SKAGIT } ss.

I certify that I know or have satisfactory evidence that Sharon Dillon, Don Munks, and/or Kenneth A. Dahlstedt is/are the person(s) who appeared before me, and said person(s) acknowledged that she/he/they signed this instrument, on oath stated that she/he/they was/were authorized execute the instrument and acknowledged it as Commissioner(s) of Skagit County, to be the free and voluntary act of such Party for the uses and purposes herein mentioned.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

(SEAL)

\_\_\_\_\_  
Notary Public  
print name: \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

**CITY OF MOUNT VERNON:**

\_\_\_\_\_  
BUD NORRIS, Mayor  
(Date \_\_\_\_\_)

Mailing Address:  
City of Mount Vernon  
910 Cleveland Avenue  
P.O. Box 809  
Mount Vernon WA, 98273

STATE OF WASHINGTON    )  
  ) SS  
COUNTY OF SKAGIT        )

I certify that I know or have satisfactory evidence that Bud Norris is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was duly authorized execute the instrument and acknowledged it as Mayor of the City of Mount Vernon, to be the free and voluntary act of such Party for the uses and purposes herein mentioned.



City of Anacortes, to be the free and voluntary act of such party for the uses and purposes herein mentioned.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

(SEAL)

\_\_\_\_\_  
Notary Public  
print name: \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

**CITY OF BURLINGTON:**

\_\_\_\_\_  
ED BRUNZ, Mayor  
(Date \_\_\_\_\_)

Mailing Address:  
City of Burlington  
900 East Fairhaven Avenue  
Burlington, WA 98233

STATE OF WASHINGTON    )  
  ) SS  
COUNTY OF SKAGIT        )

I certify that I know or have satisfactory evidence that Ed Brunz is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was duly authorized execute the instrument and acknowledged it as Mayor of the City of Burlington, to be the free and voluntary act of such party for the uses and purposes herein mentioned.





Town of La Conner, to be the free and voluntary act of such party for the uses and purposes herein mentioned.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

(SEAL)

\_\_\_\_\_  
Notary Public  
print name: \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

**TOWN OF CONCRETE:**

\_\_\_\_\_  
Judd Wilson, Jr., Mayor  
(Date \_\_\_\_\_)

Mailing Address:  
Town of Concrete  
P.O. Box 39  
Concrete, WA 98237

STATE OF WASHINGTON    )  
  ) SS  
COUNTY OF SKAGIT        )

I certify that I know or have satisfactory evidence that Judd Wilson, Jr. is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was duly authorized execute the instrument and acknowledged it as Mayor of the





I certify that I know or have satisfactory evidence that Timothy Bates is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was duly authorized execute the instrument and acknowledged it as Mayor of the Town of Hamilton, to be the free and voluntary act of such party for the uses and purposes herein mentioned.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2008.

(SEAL)

\_\_\_\_\_  
Notary Public  
print name: \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

NEW  
BUSINESS

# Memorandum

**To:** Mayor Anderson and City Council

**From:** Patsy Nelson *Patsy*

**Date:** 4/2/2008

**Re:** Refinancing of Sewer Revenue Bonds (*first reading*)

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**Issue:** Should the City refund its current sewer revenue bonds?

**Background:** As interest rates have declined, staff have researched the feasibility of the City refinance the existing sewer revenue bonds on the Waste Water Treatment Plant. A refinancing is estimated to save the City ratepayers approximately \$25,000 - \$35,000 per year. As Seattle-Northwest Securities and K & L Preston Gates Ellis handled the original bonds we consulted with them.

The attached ordinance was drafted by Nancy Neraas of KL Gates in accordance with the information presented by and discussed with Lindsay Sovde of Seattle-Northwest Securities. Lindsay will meet with the Council Finance Committee as needed and Nancy will be present at the next Council meeting to answer any questions you may have.

The attached ordinance is in draft format and will be presented in final format at the April 23, 2008 meeting of the Council. Council requests will be forwarded to Nancy Neraas for inclusion in the final ordinance.

**Recommendation for April 23 Council Meeting:** Staff recommends that the City Council pass Ordinance No. \_\_\_ entitled: "An Ordinance of the City of Sedro-Woolley, Washington, authorizing the issuance of sewer revenue refunding bonds of the City in the principal amount of \$3,915,000, for the purpose of refunding certain outstanding sewer revenue bonds of the City; fixing the terms and covenant of the bonds; and authorizing the sale of the bonds."

CITY OF SEDRO-WOOLLEY, WASHINGTON

SEWER REVENUE REFUNDING BONDS, 2008

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

AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY,  
WASHINGTON, AUTHORIZING THE ISSUANCE OF  
SEWER REVENUE REFUNDING BONDS OF THE CITY  
IN THE PRINCIPAL AMOUNT OF \$[~~3,900,000~~3,915,000],  
FOR THE PURPOSE OF REFUNDING CERTAIN  
OUTSTANDING SEWER REVENUE BONDS OF THE  
CITY; FIXING THE TERMS AND COVENANTS OF THE  
BONDS; AND AUTHORIZING THE SALE OF THE  
BONDS.

PASSED: [APRIL 23], 2008

PREPARED BY:

K&L PRESTON GATES ELLIS LLP  
Seattle, Washington

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

TABLE OF CONTENTS\*

	<u>Page</u>
Section 1. Definitions .....	2
Section 2. Purpose; Compliance with Parity Bonds .....	7
Section 3. Authorization of Bonds .....	8
Section 4. Registration, Exchange and Payments.....	8
Section 5. No Optional Redemption; Open Market Purchase .....	13
Section 6. Revenue Fund .....	13
Section 7. Bond Fund; Reserve Fund .....	14
Section 8. Defeasance.....	17
Section 9. Adequacy of Revenues .....	17
Section 10. Pledge; Lien Position of Bondowners .....	18
Section 11. General Covenants.....	18
Section 12. Tax Covenants; Special Designation.....	21
Section 13. Future Parity Bonds .....	22
Section 14. Lost or Destroyed Bonds .....	26
Section 15. Form of the Bonds .....	26
Section 16. Execution and Authentication of Bonds.....	29
Section 17. Refunding Account.....	30
Section 18. Redemption of Refunded Bonds.....	31
Section 19. Sale of Bonds; Official Statement .....	33
Section 20. Undertaking to Provide Ongoing Disclosure.....	34
Section 21. Authorization to City Officials .....	36
Section 22. Additional or Supplemental Ordinances.....	36
Section 23. Bond Insurance. ....	38
Section 24. Severability .....	38
Section 25. Effective Date .....	39

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\* This Table of Contents is provided for reference only and does not constitute a part of the Ordinance for which it is provided.

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

AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, AUTHORIZING THE ISSUANCE OF SEWER REVENUE REFUNDING BONDS OF THE CITY IN THE PRINCIPAL AMOUNT OF \$[~~3,900,000~~3,915,000], FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING SEWER REVENUE BONDS OF THE CITY; FIXING THE TERMS AND COVENANTS OF THE BONDS; AND AUTHORIZING THE SALE OF THE BONDS.

WHEREAS, the City Council of the City of Sedro-Woolley, Washington (the "City") owns and operates a sewer collection and disposal system for the City (the "System"); and

WHEREAS, the City has issued its Sewer Revenue and Refunding Bonds, 1998 (the "1998 Bonds"), of which the principal amount of \$4,050,000 is currently outstanding; and

WHEREAS, Ordinance No. 1304-98 authorizing the 1998 Bonds (the "1998 Ordinance") provides that the 1998 Bonds maturing on and after June 1, 2009 (the "Refunded Bonds") may be refunded prior to their stated maturities at the option of the City on and after June 1, 2008 at a price of par; and

WHEREAS, Section 15 of the 1998 Ordinance provides that the City may issue additional bonds with a lien on the revenues of the System equal to the lien of the 1998 Bonds, upon compliance with specified conditions; and

WHEREAS, in order to refund the Refunded Bonds, it is hereby found necessary and advisable that the City issue its sewer revenue refunding bonds (the "Bonds") with a lien on the revenues of the System equal to the 1998 Bonds; and

WHEREAS, the Council has received an offer from Seattle-Northwest Securities Corporation, to purchase the Bonds and finds that it is in the best interests of the City that such offer be accepted;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, ORDAINS as follows:

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

“Acquired Obligations” means the obligations acquired pursuant to Section 17 hereof to refund the Refunded Bonds.

“Annual Debt Service” means the amount required to be paid in any calendar year for (1) interest on all Parity Bonds then outstanding (excluding interest paid from proceeds of such bonds); (2) principal of all Parity Bonds then outstanding; and (3) payments for the amortization of outstanding Parity Bonds that are Term Bonds.

“Assessment Income” means the principal of and interest on assessments levied in ULIDs and pledged to be paid into the Bond Fund. Assessment Income shall be allocated to the years in which it would be received if the unpaid balance of each assessment roll were paid in the remaining number of installments with interest on the declining balance at the times and at the rate provided in the ordinance confirming the assessment roll.

“Assessments” means all assessments levied in any ULID of the City created for the acquisition or construction of additions and improvements to and extensions of the System, including the Cook Road Utility Local Improvement District, if such assessments are pledged to be paid into the Bond Fund. “Assessments” include any installments of Assessments and any interest or penalties which may be due thereon.

“Bond Fund” means the City of Sedro-Woolley Sewer Revenue Bond Fund created by Section 8 of Ordinance No. 1304-98.

[“Bond Insurance Policy” means the municipal bond insurance policy issued by the Insurer insuring the payment when due of the principal of and interest on the Bonds as provided therein.]

“Bond Registrar” means the fiscal agency of the State of Washington in New York, New York, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

“Bonds” means the \$[~~3,900,000~~3,915,000] principal amount of sewer revenue refunding bonds of the City issued pursuant to this ordinance.

“City” means the City of Sedro-Woolley, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

“Code” means Section 103 of the Internal Revenue Code of 1986 and applicable regulations thereunder.

“Commission” means the Securities and Exchange Commission.

“Cost of Maintenance and Operation” means all necessary operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs and insurance and administrative expenses, but excludes depreciation, payments for debt service or into reserve funds, costs of capital additions to or replacements of the System, municipal taxes or payments to the City in lieu of taxes.

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

“DTC” means The Depository Trust Company, New York, New York.

“Escrow Agent” means U.S. Bank National Association.

“Federal Tax Certificate” means the certificate executed by the Finance Director pertaining to the calculation of any Rebate Amount with respect to the Bonds.

“Future Parity Bonds” means any revenue bonds, notes or warrants which may be issued by the City in the future as Parity Bonds.

“Government Obligations” has the meaning given to such term in chapter 39.53 RCW, as the same may be amended from time to time.

[“Insurer” means \_\_\_\_\_.]

“Letter of Representation” means the agreement between the City and DTC.

“Maximum Annual Debt Service” means as of the date of calculation the maximum amount of Annual Debt Service required to be paid in any calendar year thereafter for the then outstanding Parity Bonds.

“MSRB” means the Municipal Securities Rulemaking Board or any successors to its functions.

“Net Revenue” means the Revenue of the System less the Cost of Maintenance and Operation.

“1998 Bonds” means the \$6,410,000 principal amount of Sewer Revenue and Refunding Bonds, 1998 issued pursuant to Ordinance No. 1304-98.

“1998 Ordinance” means Ordinance No. 1304-98 of the City passed on June 10, 1998 authorizing the issuance of the 1998 Bonds.

“NRMSIR” means a nationally-recognized municipal securities information repository.

“Parity Bonds” means the 1998 Bonds, the Bonds and any revenue bonds, notes, warrants or other obligations hereafter issued by the City which have a lien upon the Revenue of the System for the payment of the principal thereof and interest thereon equal to the lien created upon the Revenue of the System for the payment of the principal of and interest on the Bonds.

“Permitted Investments” means any legal investments for funds of the City.

“Qualified Insurance” means any unconditional municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States or by a service corporation acting on behalf of one or more such insurance companies, which insurance company or service corporation, at the time of issuance of such policy or surety bond, is rated in one of the two highest rating categories by either Moody’s Investors Service or Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, Inc.

“Qualified Letter of Credit” means any irrevocable letter of credit issued by a bank for the account of the City and for the benefit of the owners of the Parity Bonds, provided that such bank maintains an office, agency or branch in the United States, and provided further that, as of the time of issuance of such letter of credit, such bank is currently rated in one of the two highest rating categories by either Moody’s Investors Service or Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, Inc.

“Rebate Amount” means the amount, if any, determined to be payable with respect to the Bonds by the City to the United States of America in accordance with Section 148(f) of the Code.

“Refunded Bonds” means the 1998 Bonds maturing on and after June 1, 2009 in the amount of \$3,735,000.

“Refunding Account” means the account authorized to be created in the Bond Fund to be drawn upon for the purpose of paying the principal of and interest on the Refunded Bonds until their date of redemption.

“Reserve Fund” means the Sewer Revenue Bond Reserve Fund created by Section 8 of Ordinance No. 1304-98.

“Revenue of the System” means all earnings, revenue and moneys, except Assessments, received by the City from or on account of the operation of the System, including general facility charges or hook-up fees, the income from the investment of money in the Revenue Fund and Bond Fund, or from any other investment thereof, except the income from investments irrevocably pledged to the payment of revenue bonds pursuant to a plan of retirement or refunding. “Revenue of the System” shall also include federal or state reimbursements of operating expenses to the extent such expenses are included as a Cost of Maintenance and Operation of the System.

“Revenue Fund” means the City of Sedro-Woolley Sewer Revenue Fund.

“Rule” means the Commission’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time-to-time.

“SID” means the state information depository for the State of Washington (if one is created).

“System” means the sewer collection and disposal system as it now exists, any water, storm water drainage and/or any garbage and refuse collection and disposal system which may hereafter be combined with the sewer system in the manner permitted by law, together with any additions, extensions and improvements made thereto, for so long as any Parity Bonds remain outstanding.

“Term Bonds” means any Parity Bonds designated by the Council as “Term Bonds” pursuant to an ordinance which authorizes the issuance of Parity Bonds and provides for mandatory payments into the Bond Fund and provides for mandatory redemption of such Term Bonds.

“ULID” means a utility local improvement district in which Assessments have been or will be levied for improvements financed in whole or in part from proceeds of any Parity Bonds.

Section 2. Purpose; Compliance with Parity Bonds. The Council hereby finds and determines that it is in the best interest of the City and the users of the System that the City issue the Bonds to refund the Refunded Bonds and to pay the costs incident to the issuance of the Bonds.

The Council hereby finds as required by Section 15 of the 1998 Ordinance as follows:

(a) The Bonds will be issued for the purpose of refunding Outstanding Parity Bonds of the System.

(b) At the time of the issuance of the Bonds there will be no deficiency in the Bond Fund or the Reserve Fund.

(c) Any Assessments pledged to the Refunded Bonds shall be paid into the Bond Fund.

(d) At the time of the issuance of the Bonds, the City will have on file a certificate from an independent engineer or certified public accountant showing that the Net Revenue received during any consecutive 12-month period for which financial statements are available within the 24 months, together with Assessment Income, shall be equal to at least the sum of (a) 125% of the amounts required in each year to be paid as Annual Debt Service on all Parity Bonds outstanding, including the Bonds, minus the amount of Assessments due in each

year and not delinquent and (b) 100% of the amount of Assessments due in each year and not delinquent (the “Coverage Requirement”).

Section 3. Authorization of Bonds. In order to refund a portion of the 1998 Bonds, and pay cost of issuance, the City shall issue its “Sewer Revenue Refunding Bonds, 2008” in the principal amount of \$[~~3,900,000~~3,915,000] (the “Bonds”). The Bonds shall be dated as of the date of their initial delivery, shall be in the denomination of \$5,000 each or any integral multiple of \$5,000 (provided that no Bond shall represent more than one maturity), shall be registered as to both principal and interest, shall bear interest from their date until the Bond bearing such interest has been paid or its payment duly provided for, payable December 1, 2008, and semiannually thereafter on the first days of each June and December. The Bonds shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification and shall mature on June 1 of the following years and in the following amounts and shall bear interest at the following rates:

<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>
2009	\$	%
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		

Section 4. Registration, Exchange and Payments.

(a) *Registrar/Bond Register.* The City hereby adopts the system of registration approved by the Washington State Finance Committee, which utilizes the fiscal

agency of the State of Washington in New York, New York, as registrar, authenticating agent, paying agent and transfer agent (collectively, the “Bond Registrar”). The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Bonds (the “Bond Register”), which shall be open to inspection by the City. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar’s powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) *Registered Ownership.* The City and the Bond Registrar may deem and treat the Registered Owner of each Bond as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary other than proper notice of assignment. Payment of any such Bond shall be made only as described in Section 4(h) hereof, but such registration may be transferred as herein provided. All such payments made as described in Section 4(h) shall be valid and shall satisfy the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Bonds shall initially be held in fully-immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the “Letter of Representations”).

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

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

(d) *Use of Depository.*

(i) The Bonds shall be registered initially in the name of CEDE & Co., as nominee of DTC, with a single Bond for each maturity in a denomination equal to the total principal amount of such maturity. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the City pursuant to subsection (ii) below or such substitute depository's successor; or (C) to any person as provided in subsection (iv) below.

(ii) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the City to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the City may appoint a substitute depository. Any such substitute

depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the City, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or substitute depository, or its nominee, all as specified in such written request of the City.

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

(e) *Transfer or Exchange of Registered Ownership; Change in Denominations.* The registered ownership of any Bond may be transferred or exchanged, but no transfer of any Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon

such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on such interest payment date, or, in the case of any proposed redemption of the Bonds, after the mailing of notice of the call of such Bonds for redemption.

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

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

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. For so long as all Bonds are in fully-immobilized form, payments of principal and interest shall be made as

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

Section 5.     No Optional Redemption; Open Market Purchase.

(a)     *No Optional Redemption.* The Bonds are not subject to redemption prior to their stated maturities.

(b)     *Open Market Purchases.* The City reserves the right to use at any time any available funds to purchase any of the Bonds for retirement at any price deemed reasonable by the City.

Section 6.     Revenue Fund. There has heretofore been established in the office of the Treasurer of the City a special fund of the City now designated as the “Sewer Fund” (the “Revenue Fund”). The Revenue of the System shall be deposited in the Revenue Fund as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the City and the Revenue of the System deposited therein shall be used only for the following purposes and in the following order of priority:

First, to pay the Cost of Maintenance and Operation of the System;

Second, to make all payments required to be made into the Bond Fund to pay the interest on any Parity Bonds;

Third, to make all payments required to be made into the Bond Fund to pay the principal of any Parity Bonds and to make all payments for sinking payments for Term Bonds;

Fourth, to make all payments required to be made into the Reserve Fund to secure the payment of any Parity Bonds;

Fifth, to make all payments required to be made into any other revenue obligation redemption fund and debt service account or reserve fund created to pay and secure the payment of the principal of and interest on any revenue obligations of the City having a lien upon the Revenue of the System and the money in the Revenue Fund junior to the lien thereon for the payment of the principal of and interest on Parity Bonds;

Sixth, to retire by redemption or purchase in the open market any outstanding obligations of the City or to make necessary additions, betterments, improvements and repairs to or extension and replacements of the System, or any other lawful City purposes.

The City may create a Rate Stabilization Account in the Revenue Fund. The City may, at any time, deposit in and withdraw from the Rate Stabilization Account Revenue of the System.

Section 7. Bond Fund; Reserve Fund.

(a) *Bond Fund.* A special fund of the City to be known as the “City of Sedro-Woolley Sewer Revenue Bond Fund” (the “Bond Fund”) has been created in the office of the Treasurer of the City for the purpose of paying and securing the payment of Parity Bonds. As long as any of the Bonds remain outstanding, the City obligates itself to set aside and pay from the Revenue Fund into the Bond Fund those amounts necessary, together with Assessments and

such other funds as are on hand and available, to pay the interest or principal, sinking fund installments and interest next coming due on the Bonds.

(b) *Reserve Fund.* A Sewer Revenue Bond Reserve Fund has been created for the purpose of securing the payment of the principal of and interest on Parity Bonds. The City covenants that upon the issuance of the Bonds it will have on deposit in the Reserve Fund a total amount which will be equal to the lesser of (i) 125% of average Annual Debt Service on the Bonds, (ii) 10% of the net proceeds of the Bonds, and (iii) Maximum Annual Debt Service (the “Reserve Fund Requirement”).

The City hereby further covenants and agrees that in the event it issues any Future Parity Bonds it will provide in the ordinance authorizing the issuance of the same that it will pay into the Reserve Fund out of Assessments and the Revenue of the System (or, at the option of the City, out of any other funds legally available for such purpose) not less than approximately equal additional annual future payments so that by five years from the date of such Future Parity Bonds there will have been paid into the Reserve Fund an amount which, with the money already on deposit therein, will be equal to the Reserve Fund Requirement, in any calendar year thereafter to pay the principal of and interest on all outstanding Parity Bonds.

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

outstanding Parity Bonds, as long as the money left remaining on deposit in the Reserve Fund is equal to the Reserve Fund Requirement. Investments in the Reserve Fund shall be valued at their market price at least annually.

In the event there shall be a deficiency in the Bond Fund to meet maturing installments of either interest on or principal of and interest on the outstanding Parity Bonds payable out of such Account, such deficiency shall be made up from the Reserve Fund by the withdrawal of moneys therefrom. Any deficiency created in the Reserve Fund by reason of any such withdrawal shall then be made up out of Assessments and Revenue of the System after making necessary provision for the payments required to be made by paragraphs First, Second, and Third of Section 6 of this ordinance.

The City may obtain Qualified Insurance or a Qualified Letter of Credit to fund all or a portion of the Reserve Fund. Such Qualified Insurance or Qualified Letter of Credit shall not be cancellable on less than five years' notice. In the event of any cancellation, the Reserve Fund shall be funded in not more than 18 approximately equal consecutive monthly installments (once the 1998 Bonds are no longer outstanding, in not more than five annual payments).

Money in the Bond Fund and Reserve Fund not needed to pay the interest on or principal of and interest on any outstanding Parity Bonds next coming due or to maintain required reserves therefor may be used to redeem and retire Parity Bonds.

Money in the Bond Fund and Reserve Fund may be invested in Permitted Investments. Investments in the Bond Fund shall mature prior to the date on which such money shall be needed for required interest or principal payments. Investments in the Reserve Fund shall mature not later than the last maturity of any then outstanding Parity Bonds. All interest earned and

income derived by virtue of such investments shall remain in the respective fund and be used to meet the required deposits into such fund.

Section 8. Defeasance. In the event that money and/or Government Obligations maturing or having guaranteed redemption prices at the option of the holder at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Bonds in accordance with their terms are irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall then cease to be entitled to any lien, benefit or security of this ordinance, except the right to receive the funds so set aside and pledged, and such Bonds shall no longer be deemed to be outstanding hereunder. Within 30 days of any defeasance of Bonds, the City shall provide notice of defeasance of Bonds to registered owners and to each NRMSIR and SID, if any, in accordance with Section 20.

[Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the City to the registered owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners.]

Section 9. Adequacy of Revenues. The Council hereby declares, in fixing the amounts to be paid into the Bond Fund and the Reserve Fund out of money in the Revenue Fund and out of the Revenue of the System, that it has exercised due regard for Cost of Maintenance

and Operation and charges necessary to pay the principal of and interest on the Bonds and the 1998 Bonds and has not obligated the City to set aside and pay into such funds a greater amount of the Revenue of the System and Assessments than in its judgment will be available over and above such Cost of Maintenance and Operation.

Section 10. Pledge; Lien Position of Bondowners. The Net Revenue, Assessments, and money in the Bond Fund and Reserve Fund are hereby pledged to the repayment of the Parity Bonds. The amounts so pledged to be paid by this ordinance out of the Revenue of the System and Assessments into the Bond Fund and Reserve Fund are hereby declared to be a prior lien and charge upon such Revenue of the System superior to all other charges of any kind or nature except for the Cost of Maintenance and Operation of the System, except that amounts so pledged are equal in rank to the lien and charge thereon heretofore made to pay and secure the payment of the principal of and interest on any Future Parity Bonds.

Section 11. General Covenants. The City hereby covenants and agrees with the owners of each of the Bonds for as long as any of the same remain outstanding as follows:

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

(b) *Collection and Application of Assessments.* All Assessments (other than prepayments) in the Cook Road ULID heretofore created and in any ULID created to secure the payment of Future Parity Bonds shall be paid into the Bond Fund and may be used only to pay the principal of and interest on the Parity Bonds. However, nothing in this ordinance shall be construed to prohibit the City from issuing sewer revenue bonds junior in lien to the Parity Bonds

and pledging as security for their payment assessments levied in any ULID which may have been specifically created to pay part or all of the cost of improvements to the System for which those junior lien bonds are issued.

(c) *Establishment and Collection of Rates and Charges; Coverage.* The City shall maintain and collect rates and charges for the use of the services and facilities and all commodities sold, furnished or supplied by the System, which shall be fair and nondiscriminatory and shall adjust such rates and charges from time to time so that:

(i) the Revenue of the System derived therefrom, together with Assessments collected, will at all times be sufficient (A) to pay all costs of and charges and expenses in connection with the proper operation and maintenance of the System, (B) to pay the principal of and interest on the outstanding Parity Bonds, as and when the same shall become due and payable, (C) to make when due all payments which the City is obligated to make into the Reserve Fund and all other payments which the City is obligated to make pursuant to this ordinance and (D) to pay all taxes, assessments or other governmental charges lawfully imposed on the System or the Revenue therefrom or payments in lieu thereof and any and all other amounts which the City may now and hereafter become obligated to pay from the Revenue of the System by law or contract; and

(ii) the Net Revenue together with Assessment Income will at least equal the sum of (A) 125% of the amounts required in such calendar year to be paid as Annual Debt Service on the Parity Bonds minus the amount of Assessments due in such year and not delinquent and (B) 100% of the amount of Assessments due in such year and not delinquent. In determining whether the rate covenant has been met, the City shall subtract from Net Revenue

deposits into the Rate Stabilization Account and add withdrawals from the Rate Stabilization Account in such year.

(d) *Sale or Disposition of System or Property.* The City will not sell or otherwise dispose of the System in its entirety unless simultaneously with such sale or other disposition, provision is made for the payment into the Bond Fund of cash or “government obligations” (as now or hereafter defined in RCW 39.53) sufficient to pay the principal of and interest on all then outstanding Parity Bonds, nor will it sell or otherwise dispose of any part of the useful operating properties of the System (in excess of 5% of the net utility plant of the System) unless provision is made for payment into the Bond Fund of the greatest of the following:

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

(ii) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (as defined above) that the depreciated cost value of the facilities sold or disposed of bears to the depreciated cost value of the entire System immediately prior to such sale or disposition.

(iii) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (as defined above) that the customers from the part of the System sold or disposed of bears to the total number of customers of the entire System immediately prior to such sale or disposition.

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

Notwithstanding the preceding paragraphs of this Subsection 11(d), the City may sell or otherwise dispose of any of the works, plant, properties and facilities of the System or any real or personal property comprising a part of the same which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or no longer necessary, material to or useful in such operation.

(e) *Insurance.* The City will keep the works, plants and facilities comprising the System insured, and will carry such other insurance with policies payable to the City, against risks, accidents or casualties, at least to the extent that insurance is usually carried by municipal corporations operating like properties or the City shall maintain a self-insurance program. In the event of any loss or damage, the City will promptly repair or replace the damaged portion of the insured property and apply the proceeds of any insurance policy for that purpose; or, in the event the City should determine not to repair or reconstruct such damaged portion of the properties of the System, the proceeds of such insurance shall be paid into the Reserve Fund to the extent that such transfer shall be necessary to make up any deficiency in the Reserve Fund and the balance, if any, shall at the option of the City, be used either for repairs, renewals, replacements or capital additions to the System or for the redemption of Parity Bonds.

(f) *No Free Service.* The City will not furnish or supply or permit the furnishing or supplying of any commodity, service or facility furnished by or in connection with the operation of the System, free of charge to any person, firm or corporation.

Section 12. Tax Covenants; Special Designation. The City shall comply with the provisions of this section unless, in the written opinion of Bond Counsel to the City, such

compliance is not required in order to maintain the exemption of the interest on the Bonds from federal income taxation.

The City hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the City which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code and the applicable regulations thereunder that will cause the Bonds to be “arbitrage bonds” within the meaning of said section and said regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) and the applicable regulations thereunder throughout the term of the Bonds.

The City further covenants that it will not take any action or permit any action to be taken that would cause the Bonds to constitute “private activity bonds” under Section 141 of the Code.

The City will pay any Rebate Amount to the United States of America at the times and in the amounts necessary to meet the requirements of the Code to maintain the federal income tax exemption of the interest payments on the Bonds, in accordance with the Federal Tax Certificate.

The City Council hereby designates the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code relating to financial institutions. The City does not expect to issue more than \$10,000,000 of qualified obligations (including the Bonds) in 2008.

Section 13. Future Parity Bonds. The City hereby covenants with the owners of each of the Bonds for as long as any of the same remain outstanding as follows:

(a) The City reserves the right to issue Future Parity Bonds for the purpose of:

First, providing funds to acquire, construct, reconstruct, install or replace any equipment, facilities, additions, betterments or other capital improvements to the System for which it is authorized by law to issue revenue bonds, or

Second, refunding at or prior to their maturity any revenue bond anticipation notes, or outstanding revenue bonds or other obligations payable out of the Revenue of the System, and to pledge that payments will be made out of the Revenue of the System and into the Bond Fund and the Reserve Fund therein to pay and secure the payment of the principal of and interest on such Future Parity Bonds on a parity with the payments required herein to be made out of such Revenue into such funds to pay and secure the payment of the principal of and interest on any Parity Bonds then outstanding, upon compliance with the following conditions:

(i) At the time of the issuance of any Future Parity Bonds there is no deficiency in the Bond Fund or the Reserve Fund.

(ii) If there are Assessments levied in any ULID in which additions and improvements to and extensions of the System will be constructed from the proceeds of such Future Parity Bonds, the ordinance authorizing such Future Parity Bonds requires that such Assessments shall be paid into the Bond Fund.

(iii) If there are Assessments pledged to be paid into a warrant or bond redemption fund for revenue bonds or warrants being refunded by Future Parity Bonds, the ordinance authorizing the Future Parity Bonds requires such Assessments shall be paid into the Bond Fund.

(iv) The principal of and interest on the Future Parity Bonds is payable out of the Bond Fund and the requirements for Reserve Fund payments in Section 7 of this ordinance are met.

(v) Prior to the delivery of any Parity Bonds the City shall have on file in the office of the Clerk a certificate of an independent engineer or certified public accountant showing that the Net Revenue determined and adjusted as hereafter provided for each calendar or

fiscal year after the issuance of such Parity Bonds (the “Adjusted Net Revenue”) together with Assessment Income shall be equal to at least the sum of (A) 125% of the amounts required in each year to be paid as Annual Debt Service on all Parity Bonds outstanding plus the Parity Bonds proposed to be issued minus the amount of Assessments due in each year and not delinquent and (B) 100% of the amount of Assessments due in each year and not delinquent (the “Coverage Requirement”).

The Adjusted Net Revenue shall be the Net Revenue (excluding amounts in the Rate Stabilization Account) for a period of any 12 consecutive months out of the 24 months immediately preceding the date of delivery of such proposed Future Parity Bonds as adjusted by such engineer or accountant to take into consideration changes in Net Revenue estimated to occur under the following conditions for each year after such delivery for so long as any Parity Bonds, including the Future Parity Bonds proposed to be issued, shall be outstanding:

(1) the additional Net Revenue which would have been received if any change in rates and charges adopted prior to the date of such certificate and subsequent to the beginning of such 24 month period, had been in force during the full 24 month period;

(2) the additional Net Revenue which would have been received if any facility of the System which became fully operational after the beginning of such 24 month period had been so operating for the entire period;

(3) the additional Net Revenue estimated by such engineer or accountant to be received as a result of any additions, betterments and improvements to and extensions of any facilities of the System which (a) are under construction at the time of such certificate or (b) will be constructed from the proceeds of the Future Parity Bonds to be issued;

(4) the additional Net Revenue which would have been received if any customers added to the System during such 24 month period were customers for the entire period.

Such engineer or accountant may rely upon, and his certificate shall have attached thereto, financial statements of the System, certified by the City Treasurer showing income and expenses for the period upon which the same is based.

The certificate of such engineer or accountant shall be conclusive and the only evidence required to show compliance with the provisions and requirements of this Subsection (a)(v).

In lieu of such certificate of an engineer or accountant, prior to the issuance of Future Parity Bonds, the City may have on file a certificate of an appropriate financial officer of the City stating that the Coverage Requirement will be met based on the Net Revenues for a period of any 12 consecutive months out of the 24 months preceding the delivery of such bonds for any future year on all outstanding Parity Bonds and the Future Parity Bonds to be issued.

Notwithstanding the foregoing requirement, if Future Parity Bonds are to be issued for the purpose of refunding at or prior to their maturity any part or all of the then outstanding Parity Bonds and the issuance of such refunding Future Parity Bonds results in a debt service savings and does not require an increase of more than \$5,000 in any fiscal or calendar year for principal and interest on such refunding Future Parity Bonds, the condition stated in Subsection (a)(v) of this section need not be met.

(b) Nothing herein contained shall prevent the City from issuing revenue bonds or other obligations which are a charge upon the Revenue of the System junior or inferior to the payments required by this ordinance to be made out of such Revenue into the Bond Fund and Reserve Fund to pay and secure the payment of any outstanding Parity Bonds.

(c) Nothing herein contained shall prevent the City from issuing revenue bonds to refund maturing Parity Bonds for the payment of which money is not otherwise available.

Section 14. Lost or Destroyed Bonds. In case any of the Bonds shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new bond or bonds of like amount, date, tenor and effect to the registered owner or nominee thereof upon payment to the City for the expenses and charges in connection therewith and upon his or her filing with the Bond Registrar evidence satisfactory to said Bond Registrar that such Bond or Bonds were actually lost, stolen or destroyed and of his ownership thereof, and upon furnishing the City with indemnity satisfactory to them both.

Section 15. Form of the Bonds. The Bonds shall be in substantially the following form:

[STATEMENT OF INSURANCE]

No. \_\_\_\_\_ \$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF WASHINGTON

CITY OF SEDRO-WOOLLEY

SEWER REVENUE REFUNDING BOND, 2008

INTEREST RATE:

MATURITY DATE:

CUSIP NO:

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Sedro-Woolley, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "City"), for value received, hereby promises to

pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from \_\_\_\_\_, 2008, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on December 1, 2008, and semiannually thereafter on the first days of each June and December and with full obligation on the part of the City to pay interest at the same rate from and after the maturity date until this bond with interest is paid in full, or funds are available in the "City of Sedro-Woolley Sewer Revenue Bond Fund" created by Ordinance No. \_\_\_\_\_ of the City (the "Bond Fund") for payment in full.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft (on the date such interest is due) to the Registered Owner or assigns at the address shown on the Bond Register as of the 15th day of the month preceding the interest payment date. Principal shall be paid to the Registered Owner or assign upon presentation and surrender of this bond at the office of the fiscal agency of the State of Washington in New York, New York.

Principal and interest are payable solely out of the Bond Fund. Reference is made to Ordinance No. \_\_\_\_\_ of the City (the "Bond Ordinance") for definitions of capitalized terms used herein.

This bond is one of a total issue of \$[~~3,900,000~~3,915,000] aggregate principal of bonds of like date, tenor and effect, except as to denomination, interest rate, maturity and redemption provisions, all payable from the Bond Fund and all issued by the City under and pursuant to the laws of the State of Washington and the Bond Ordinance for the purpose of refunding certain outstanding sewer revenue and refunding bonds as described in the Bond Ordinance.

The Bonds are not subject to redemption prior to their stated maturities.

The City hereby covenants and agrees with the owner of this bond that it will keep and perform all the covenants and meet all the obligations of the City as set forth herein and as in the Bond Ordinance, and reference is hereby made to the Bond Ordinance for a complete statement of such covenants.

The City does hereby pledge and bind itself to set aside from the Revenue Fund out of the Revenue of the System and pay into the Bond Fund and the Reserve Fund the various amounts required by the Bond Ordinance to be paid into and maintained in such funds, all within the times provided by said ordinance, and the amounts so pledged constitute a lien and charge upon the Revenue of the System superior to all other charges of any kind or nature whatsoever except the Cost of Maintenance and Operation of the System and except that said amounts are equal in rank to the lien and charge upon such Revenue of the amounts required to pay and secure the payment of any Future Parity Bonds which may be hereafter issued in accordance with the provisions of the Bond Ordinance.

Reference to the Bond Ordinance and any and all modifications and amendments thereof is made for a complete description of the nature and extent of the security for the bonds of this issue, the funds or revenues pledged, and the terms and conditions upon which such bonds are issued.

This bond is transferable only on the records maintained by the Bond Registrar for that purpose by surrender of this certificate to the Bond Registrar duly assigned and executed as indicated hereon. This bond is interchangeable for bonds of any denomination authorized by the Bond Ordinance of an equal aggregate principal amount and of the same interest rate and maturity. Portions of the principal amount of this bond in increments of \$5,000 may also be redeemed as set forth above, and if less than all of the principal amount hereof is to be redeemed, upon the surrender of this bond at the principal office of the Bond Registrar, there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed principal balance hereof a bond or bonds, at the option of the owner, of like maturity and interest rate in any of the denominations authorized by the Bond Ordinance. The Bond Registrar is not obligated to transfer or exchange this bond during the fifteen days preceding any interest payment date or the date on which notice of redemption of such bond is to be given nor after such notice has been given.

The City may deem the person in whose name this bond is registered to be the absolute owner hereof for the purpose of receiving payment of the principal of and interest on this bond and for any and all purposes whatsoever.

The City has designated the bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

It is hereby certified and declared that the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and ordinances of the City, and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed as required by law.

This bond shall not become valid or obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the certificate of authentication set forth hereon has been manually signed by the Bond Registrar.

IN WITNESS WHEREOF, the City has caused this bond to be signed by the manual or facsimile signature of the Mayor and to be attested by the manual or facsimile signature of the City Clerk and its corporate seal to be impressed or a facsimile thereof imprinted hereon this \_\_\_\_ day of \_\_\_\_\_, 2008.

CITY OF SEDRO-WOOLLEY,  
WASHINGTON

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

ATTEST:

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

Date of Authentication: \_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered Sewer Revenue Refunding Bonds, 2008 of the City of Sedro-Woolley, Washington, described in the within-mentioned Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY

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

Section 16. Execution and Authentication of Bonds. The Bonds shall be signed on behalf of the City with the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the City Clerk and shall have the corporate seal of the City impressed or a facsimile thereof imprinted thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited and manually executed by the Bond Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bonds shall cease to be such officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be

as binding upon the City as though those who signed the same had continued to be such officers of the City. Any bond may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

Section 17. Refunding Account. There is hereby authorized and established a special account of the City to be maintained with the Escrow Agent to be known as the “City of Sedro-Woolley Sewer Revenue Bond Refunding Account” (the “Refunding Account”), which account shall be drawn upon for the sole purpose of paying the principal of and interest on the Refunded Bonds and of paying costs related to refunding the Refunded Bonds. Money in the Refunding Account shall be used immediately upon receipt thereof to defease the Refunded Bonds, by providing for the payment of the principal of and interest on the Refunded Bonds as set forth below. The City shall defease such bonds and discharge such obligations by the use of money in the Refunding Account to purchase certain “Government Obligations,” as such obligations are defined in Chapter 39.53 RCW as now or hereafter amended (which obligations so purchased, are herein called “Acquired Obligations”), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of:

(a) the interest on the Refunded Bonds to and including due on June 6, 2008;

and

(b) the redemption price (100% of the principal amount) of the Refunded Bonds due on June 6, 2008.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

In order to carry out the advance refunding and defeasance of the Refunded Bonds, the Treasurer is hereby authorized to appoint a bank as escrow agent to perform the duties described herein (the "Escrow Agent"). Any beginning cash balance and the Acquired Obligations shall be irrevocably deposited with the Escrow Agent in an amount sufficient to defease and redeem the Refunded Bonds in accordance with Section 17 and Section 18 of this ordinance. Any amounts described in subparagraphs (a) and (b) of this section that are not provided for in full by such beginning cash balance and the purchase and deposit of the Acquired Obligations described in this section shall be provided for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the Bonds or any other money of the City legally available therefor with the Escrow Agent. The proceeds of the Bonds remaining in the Refunding Account after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and the costs of issuing the Bonds. The City may, from time to time, transfer, or cause to be transferred, from the Refunding Account any money not thereafter required for the purposes set forth in subparagraphs (a) and (b) above. The City reserves the right to substitute other securities for the Acquired Obligations in the event it may do so pursuant to Section 148 of the Code and applicable regulations thereunder, upon compliance with the conditions set forth in the Escrow Agreement.

Section 18. Redemption of Refunded Bonds. The City hereby irrevocably sets aside sufficient funds through the purchase of Acquired Obligations and an initial cash deposit to make

the payments specified in subparagraphs (a) and (b) of Section 17 above. The City hereby irrevocably calls for redemption on June ~~61~~, 2008, the Refunded Bonds in accordance with the provisions of the 1998 Ordinance. Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account and delivery of the Acquired Obligations and the requisite cash deposit, if any, to the Escrow Agent, except as provided herein relating to the substitution of securities.

The Escrow Agent is hereby authorized and directed to give notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 1998 Ordinance. The Treasurer is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of publication of such notice shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the Treasurer, sums sufficient to pay, when due, the payments specified in subparagraphs (a) through (b) of Section 17 above. All such sums shall be paid from the money and Acquired Obligations deposited with the Escrow Agent pursuant to Section 17 of this ordinance, and the income therefrom and proceeds thereof. All such sums so paid shall be credited to the Refunding Account. All money and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested and applied in accordance with the provisions of this ordinance and with the laws of the State of Washington for the benefit of the City and owners of the Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent shall be paid when due. The proper officers and agents of the City are directed to obtain from the Escrow Agent an agreement setting

forth the duties, obligations and responsibilities of the Escrow Agent in connection with the redemption and retirement of the Refunded Bonds as provided herein and making provision for payment of the fees, compensation and expenses of the Escrow Agent as may be satisfactory to it. Such agreement shall be in substantially the form on file with the City. The Treasurer is authorized to execute and deliver such agreement on behalf of the City.

Section 19. Sale of Bonds; Official Statement. The Council finds that the purchase contract dated the date of this ordinance that has been distributed to the Council by Seattle-Northwest Securities Corporation (the “Underwriter”) is reasonable and that it is in the best interest of the City that the Bonds shall be sold upon the conditions set forth in the purchase contract. The City accepts the purchase contract and authorizes the Mayor, Treasurer or other appropriate officer of the City to execute the purchase contract and deliver it to the Underwriter. The Bonds shall be issued and delivered to the Underwriter upon payment of the purchase price specified in the purchase contract.

The City approves the preliminary official statement presented to the Council and authorizes the Underwriter’s distribution of the preliminary official statement in connection with the offering of the Bonds. Pursuant to the Rule, the City deems the preliminary official statement as final as of its date except for the omission of information dependent upon the pricing of the Bonds and the completion of the purchase contract. The City agrees to cooperate with the Underwriter to deliver or cause to be delivered, within seven business days from the date of the sale of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, copies of a final official statement in sufficient quantity to comply with paragraph (b)(4) of the Rule and the rules of the MSRB. The City authorizes the Underwriter to use the official statement, substantially in the form of the preliminary official

statement, in connection with the sale of the Bonds. The Mayor and the Treasurer and other appropriate officers of the City are hereby authorized to review and approve on behalf of the City the final Official Statement relative to the Bonds with such additions and changes as may be deemed necessary or advisable to them.

Section 20. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the City's written undertaking for the benefit of the owners of the Bonds as required by Section (b)(5) of the Rule. The City is an obligated person with respect to less than \$10,000,000, of municipal securities, including the Bonds.

(b) *Financial Statements/Operating Data.* The City agrees to provide or cause to be provided to each person upon request or to the SID, if any, a copy of its latest publicly available annual financial statements prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute).

(c) *Material Events.* The City agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB and to the Insurer notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to the rights of Bondholders;
- (viii) Optional redemption of Bonds prior to their maturity;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds; and
- (xi) Rating changes.

Solely for purposes of disclosure, and not intending to modify this undertaking, the City advises that no property secures repayment of the Bonds.

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

(e) *Termination/Modification.* The City's obligations to provide annual financial statements and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. This section, or any provision hereof, shall be null and void if the City (i) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies

each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this section.

Notwithstanding any other provision of this ordinance, the City may amend this section, and any provision of this section may be waived, with an approving opinion of nationally recognized bond counsel in accordance with the Rule.

(f) *Bond Owner's Remedies Under This Section.* A Bond owner's or Beneficial Owner's right to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the City's obligations hereunder, and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds under this ordinance. For purposes of this section, Beneficial Owner means any person who has the power directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

Section 21. Authorization to City Officials. The proper City officials are hereby authorized to enter into such agreements, to execute such instruments, to print bonds, to approve an official statement, to provide certifications, and to take all actions they deem reasonable, necessary and proper to carry out the Project, refund the Refunded Bonds and issue the Bonds in conformance with the provisions of this ordinance.

Section 22. Additional or Supplemental Ordinances.

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

(i) To add to the covenants and agreements of the City contained in this ordinance other covenants and agreements thereafter to be observed which shall not

adversely affect the interests of the owners of any Parity Bonds or to surrender any right or power reserved to or conferred upon the City.

(ii) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this ordinance or any ordinance authorizing Parity Bonds in regard to matters or questions arising under such ordinances as the Council may deem necessary or desirable and not inconsistent with such ordinances and which shall not adversely affect the interest of the owners of the Parity Bonds. Any such supplemental ordinance of the City may be passed without the consent of the owners of any Parity Bonds at any time outstanding, notwithstanding any of the provisions of Subsection B of this section.

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

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

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

It shall not be necessary for the consent of Bondowners under this Subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

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

[Section 23. Bond Insurance.

(a) *Acceptance of Insurance.* In accordance with the offer of Seattle-Northwest Securities Corporation to purchase the Bonds, the Council hereby approves the commitment of the Insurer to provide a bond insurance policy guaranteeing the payment when due of principal of and interest on the Bonds (the “Bond Insurance Policy”). The Council further authorizes and directs all proper officers, agents, attorneys and employees of the City to cooperate with the Insurer in preparing such additional agreements, certificates, and other documentation on behalf of the City as shall be necessary or advisable in providing for the Bond Insurance Policy.

(b) *Payments Under the Bond Insurance Policy.* TO COME]

Section 24. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or

agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of other provisions of this ordinance or of any Parity Bonds.

Section 25. Effective Date. This ordinance shall be effective five days from and after its passage and publication as provided by law.

PASSED by the Council of the City of Sedro-Woolley at a regular meeting held this {23<sup>rd</sup>} day of April, 2008.

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

ATTEST:

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

CERTIFICATE

I, the undersigned, Clerk of the City of Sedro-Woolley, Washington, (the "City") and keeper of the records of the City Council (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. \_\_\_\_\_ of the Council (herein called the "Ordinance"), duly passed at a regular meeting thereof held on the {23<sup>rd</sup>} day of April, 2008.

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

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of April, 2008.

---

City Clerk

COMMITTEE  
REPORTS  
AND  
REPORTS  
FROM  
OFFICERS