McCleary City Council

AGENDA

March 09, 2014

7:00 City Council Meeting

Flag Salute
Roll Call
Public Hearings:
Public Comment:

Minutes: (Tab A)
Mayor's Report/Comments:

Staff Reports: Dan Glenn, City Attorney: MRSC Resolution Clarification, Comcast FCC Requirement (Tab B)
Todd Baun, Director of Public Works (Tab C)
Staff Reports (Tab D)

Old Business: BPA REP Settlement (Tab E)

New Business: Landlord Utility Billing Issue (Tab F)
L&P Pole & Transformer Bid Result (Tab G)
Energy Conservation Program Funding (Tab H)
Fire District #5 Agreement (Tab I)

Ordinances:

Resolutions:

Vouchers
Mayor/Council Comments
Public Comment
Executive Session
Adjournment

Americans with Disabilities Act (ADA)
Accommodation is Provided Upon Request

Please Turn Off Cell Phones – Thank You

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La ciudad de McCleary es un proveedor de igualdad de oportunidades y el empleador.

CITY OF MCCLEARY
Regular City Council Meeting
Wednesday, March 12, 2014

ROLL CALL AND FLAG SALUTE	Councilmember's Schiller, Reed, Ator, Catterlin and Peterson.
ABSENT	None.
STAFF PRESENT	Present at the meeting were Todd Baun, Wendy Collins, George Crumb, Dan Glenn, and Christiane Mercer.
PUBLIC COMMENT	Alissa Shay, from the Port of Grays Harbor, made a presentation regarding Port activities and future growth. Also attending were Gary Nelson from the Port and Chuck Caldwell, District Representative. The Council enjoyed the presentation and thanked them for their time.
MAYOR'S COMMENTS	Mayor Dent commented about the E-Verify Resolution, which is addressed in Dan Glenn's memo, that it is already required by the State and Federal Government so he doesn't see any reason to get involved with it. Mayor Dent also commented about the landlord utility billing issue mentioned at the last meeting, stating landlords aren't happy they have to pay for outstanding utility balances when a tenant abandons the property. The Mayor believes owning a home for the purpose of renting it is no different than a corporation investing in capital issue. They are doing it to make money. He is opposed to the City being put into a situation where they have to pay the bill. He wants the Council to think about it.
MINUTES APPROVED	**It was moved by Councilmember Ator, seconded by Councilmember Peterson to approve the minutes from the February 26, 2014 meeting after making the correction stating the meeting was adjourned, not recessed. Motion Carried 5-0.**
DIRECTOR OF PUBLIC WORKS REPORT	There are some of the stormwater ponds that are not being kept up and are not draining properly, causing flooding on certain properties. This is an ongoing issue that will need to be addressed.
CITY ATTORNEY REPORT	Dan Glenn has provided a report and welcomes any questions the Council may have.
BPA REP SETTLEMENT	There are two options for the BPA REP Settlement. Dan Glenn supports signing Revision No. 1 instead of the option of doing nothing because he believes we may come out ahead. The Council will review and table until the next meeting.
SHORELINE MASTER PLAN UPDATE	The Department of Ecology (DOE) required the City to complete a Shoreline Master Plan (SMP) and they will provide the City with a $50,000 grant to complete the plan. The City received two proposals, which Jon Hinton and Todd Baun reviewed. Based on qualifications, number of SMP's approved by the DOE and the fact they will be doing the SMP update for Grays Harbor County in the surrounding area, The Watershed Company is the City's best choice. **It was moved by Councilman Catterlin, seconded by Councilmember Reed to authorize the City to sign the Agreement for Professional Services with the Watershed Company and City of McCleary Shoreline Master Program Scope of Work, if the Mayor agrees. Motion Carried 5-0.**
ORDINANCE NO. 801 OPERATING HOURS	The City must adopt operating hours for the City to conduct business. In the past, the hours were 8:00 am - 5:00 pm, giving the employees and hour lunch. This was changed many years ago making the City's current hours as 8 am - 4:30 PM, however, the City locks the doors from taking payments at 4:00 pm to meet the State Auditor's requirement of balancing the cash drawers and depositing all monies within 24-hours. Councilmember Schiller questioned the hours of operation and wanted to know if there was a State RCW mandate requiring this. Dan Glenn responded by stating the mandate is that there must be an Ordinance for operating hours. The City is still open from 4:00 - 4:30 to take phone calls and conduct other business. Employees do not leave at 4:00 pm. To accommodate the closure, there is a drop box and the City will also take payments over the phone and we provide Xpress Bill Pay for customers to pay 24-hours a day online. **It was moved by Councilmember Ator, seconded by Councilmember Peterson to adopt Ordinance No. 801 relating to governmental operation, adding a new section to Chapter 1.04 MMC. Roll Call taken in the affirmative with Councilmember Schiller voting in the negative. Ordinance Adopted 4-0.**

RESOLUTION NO. 668 MRSC SMALL WORKS ROSTER

Todd Baun informed the Council at the last council meeting the Council authorized staff to use the MRSC Small Works Roster. This resolution is for MRSC stating this is the intent of the Council. **It was moved by Councilmember Catterlin, seconded by Councilmember Schiller to adopt Resolution No. 668, authorizing an alternative process for establishing and utilization of a small public works roster process to award public works contracts, creation of a consulting services roster for architectural, engineering and other professional services, and superseding Resolution 622 to the extent said resolution is inconsistent with the terms of this resolution. Resolution Adopted 5-0.**

APPROVAL OF VOUCHERS

Accounts Payable vouchers/checks approved were 37688 - 37728 including EFT's in the amount of $21,571.63.

It was moved by Councilmember Ator, seconded by Councilmember Reed to approve the vouchers. Motion Carried 5-0.

PUBLIC COMMENT

Carl Japhet has a business office next to the Rain Country Restaurant he is renting out to Brian Riley, Farmers Insurance Agent. He said he asked the City to turn his water on and he didn't realize the water has been on since he vacated the building. He said there was a water leak from a pipe and there was no shut off valve. When he shut the water off, it shut off at the restaurant too. Todd Baun confirmed it is a shared meter. He said he received a letter awhile back from the City stating he had to turn the water on or they would be subject to a substantial hook up fee. He said there was some communication problems between Chris Mercer and himself about hooking up the water. He said his wife went to the City and was told they weren't on the schedule. He said he should have been told at that time the water was still on because he didn't know it. He said he would have told the City to start billing him if he knew it was still on. He said now the fee is so high it could prevent him from renting to Mr. Riley.

Mayor Dent asked who has been paying the water bill and Chris Mercer, who was in attendance, commented that the restaurant has been paying for the full bill. Todd Baun found in his research that Rain County opened the account for this meter and they were not getting billed for water or sewer and limited amount of power for approximately five years. The meter is shared so any time there is another occupant in the strip mall, the utilities are shared. Because Mr. Japhet discontinued his services and did not respond before the deadline when he received his letter from the City, he has to pay $1175.00 to reconnect his water service, which is stated in the Ordinance.

Chris Mercer responded stating there was a misunderstanding between what the City asked the Japhet's to do and what the Japhet's thought they were supposed to do. The Japhet's did not respond to the letter and did not fill out the paperwork that was sent out. Mr. Japhet said he would either pay the back bills, which will be substantial, or he will pay $475.00 for the six months or less hook up fee. Neither of these options follow the current ordinance. Dan Glenn will work with staff to research possible solutions.

Helen Lake asked if the sewer was also a problem with this strip mall. Todd said it has a shared sewer for the building. Diana, owner of Rain Country Restaurant, stated the sewer is also a big problem. The old bar and other units all run through their sewer pipes, which had major problems every time there is a large gathering and a lot of sewer usage. It gets blocked up at the restaurant end. Todd responded stating that when this has happened, the City checks on the issue and it is on the owners side, not the City's so we cannot address it. It has to be corrected by the owners of the building because it is a private issue. Diana said the plumber told her the City's sewer pipe is smaller than customers pipe, causing the issue. Todd assured her the City's pipe is larger than the building's pipe.

Councilmember Schiller asked about a leak that is mentioned in Kevin Trewhella's treatment plant memo. Todd said the treatment plant cannot handle the heavy rains and has major I&I problems in our system. Todd does not feel it's right for the City to treat ground water at City rates. He would like to address this to take the burden of cost off the residents.

EXECUTIVE SESSION

None.

MEETING ADJOURNED

It was moved by Councilmember Ator, seconded by Councilmember Peterson to adjourn the meeting at 7:56 PM. The next meeting is scheduled for March 26, 2014 at 7:00 PM. Motion Carried 5-0.

MEMORANDUM

TO: MAYOR AND CITY COUNCIL, City of McCleary

FROM: DANIEL O. GLENN, City Attorney

DATE: April 7, 2014

RE: LEGAL ACTIVITIES as of APRIL 9, 2014

THIS DOCUMENT is prepared by the City Attorney for utilization by the City of McCleary and its elected officials and is subject to the attorney-client privileges to the extent not inconsistent with laws relating to public disclosure.

1. **LANDLORD/TENANT BILLING PROTOCOL**: The City has in place a protocol which is utilized in implementing situations in which the premises to which the utility service is provided is not occupied by the owner. It is my belief that the most recent resolution setting forth the policies to be followed was adopted in 2011. That was Resolution 631 which amended certain aspect of Resolution 592. They are founded upon certain statutory authority, primarily RCW 35.21.217, the text of which is set out at the end of this report for your easy reference.

As allowed by the statute, the resolutions basically allow for an owner to authorize the billings for the services to be sent directly to the tenant. As it also made clear by the bolded provisions of the statute, they make it clear that if such direct billing is allowed it in no way eliminates the direct fiscal responsibility of the owner for the billing nor the ability of the City to seek collection of the debt. As you will notice, a bolded portion of the statute does impose a penalty upon the City in a particular situation. That is the situation in which an owner has requested in writing to be notified of delinquency and followed the necessary steps.

That penalty is the inability to collect for the delinquent electrical services which are the subject of the situation. (Note the language does not speak to sewer and water. This distinction is likely due to the fact that RCW 35.21.290 already limits the "lien" for those services to four months unless the landlord has failed to notify in writing the City of a tenant moving out so long as we have carried out our duty of giving notices.)

Allowing utility service to be in the name of a tenant is a totally discretionary decision on the part of the City. Thus, one alternative available to the Council is simply require that all bills be in the name of the owner. The second is to do what the City currently does but to make certain that the City complies with all of the notification requirements of the statute set out below.

I believe that Ms. Collins will have additional comments, questions, and suggestions on this matter.

2. **COMCAST NOTIFICATION**: When I began representing the cities years ago, each city actually had some authority over the rates to be charged by the provisions of telecable, as it was then, services. Well, the companies were not foolish about what would serve their best interests and managed to convince Congress to enact legislation removing, for all intents and purposes, local control over rates. Instead, they must gives municipalities written notification of their intention to change rates and the allocation of those rates. Since then cable providers obviously have expanded their activities to include internet service and telephone services within their rates. Again, the City has no direct control over those rates either. However, the City has received such a notification as to anticipated rate changes.

The reality is that the City's option at this stage is to give a written response to the FCC in terms of its opinion as to the rate figures. The effect such response might have is likely the same as if a snowball were to strike the surface of the Sun. However, it is within your discretion to respond with comments.

3. **SHORELINE MANAGEMENT CONSULTANT CONTRACT**: Some days ago I completed a review of the contract with the draft contract provided the Watershed Consulting firm in terms of

the provision of services. It has been provided to the involved staff. I provided the same information to Jim Starks, Elma's Director of Public Works, since they are utilizing the same consultant. Mr. Starks had indicated to me that discussions have been going forward with the principal of the firm in terms of responses. Mr. Baun may well wish to also contract the principal of the firm. What I can indicate is that at this stage, I would not recommend execution of the contract as it exists.

4. **MOBILE FOOD UNITS A/K/A TRAVELING RESTAURANTS**: The saga continues. The City has again been contacted by the interested party as to its requirements. Mr. Mercer has been in touch with the County Health Department staff member who is involved in enforcing the state-mandated standards. As you are aware, a draft ordinance which would implement local licensing mandates was provided about a month ago. The question which remains for the six of you to decide is whether you wish to maintain the status quo with no specific local regulation or to move forward with implementation of a licensing ordinance. As you have noticed in reading the draft ordinance, activities associated with a City-sponsored event such as the Bear Festival operate under different provisions.

5. **BPA SETTLEMENT AGREEMENT**: The decision as to whe4ther or not to execute the settlement agreement with BPA has been a subject of discussion for over a year. I had directed an inquiry to Mr. Pitt, the PUD's counsel, as to the District's position. It continues to be to reject execution of the agreement with the hope that when the litigation is resolved, they will receive greater benefits than offered under the settlement agreement. In short, they perceive the risk of receiving less is worth the potential benefit. From our standpoint, you have read the material from the BPA representative. The decision is obviously within your discretion. However, given all the elements, the proverbial "bird in hand" is likely the most reasonable approach for the City.

As always, this is not meant to be all inclusive.

If you have any questions or comments, please direct them to me.

DG/le

RCW 35.21.217

(1) Prior to furnishing utility services, a city or town may require a deposit to guarantee payment for services. However, failure to require a deposit does not affect the validity of any lien authorized by RCW 35.21.290 or 35.67.200.A city or town may determine how to apply partial payments on past due accounts.

(2) A city or town may provide a real property owner or the owner's designee with duplicates of tenant utility service bills, or may notify an owner or the owner's designee that a tenant's utility account is delinquent. ***However, if an owner or the owner's designee notifies the city or town in writing that a property served by the city or town is a residential rental property, asks to be notified of a tenant's delinquency, and has provided, in writing, a complete and accurate mailing address, the city or town shall notify the owner or the owner's designee of a residential tenant's delinquency at the same time and in the same manner the city or town notifies the tenant of the tenant's delinquency or by mail, and the city or town is prohibited from collecting from the owner or the owner's designee any charges for electric light or power services more than four months past due.*** When a city or town provides a real property owner or the owner's designee with duplicates of residential tenant utility service bills or notice that a tenant's utility account is delinquent, the city or town shall notify the tenant that it is providing the duplicate bills or delinquency notice to the owner or the owner's designee.

(3) **After August 1, 2010, if a city or town fails to notify the owner of a tenant's delinquency after receiving a written request to do so and after receiving the other information required by subsection (2) of this section, the city or town shall have no lien against the premises for the residential tenant's delinquent and unpaid charges and is prohibited from collecting the tenant's delinquent and unpaid charges for**

electric light or power services from the owner or the owner's designee.

(4) When a utility account is in a tenant's name, the owner or the owner's designee shall notify the city or town in writing within fourteen days of the termination of the rental agreement and vacation of the premises. If the owner or the owner's designee fails to provide this notice, a city or town providing electric light or power services is not limited to collecting only up to four months of a tenant's delinquent charges from the owner or the owner's designee, provided that the city or town has complied with the notification requirements of subsection (2) of this section.

(5)(a) If an occupied multiple residential rental unit receives utility service through a single utility account, if the utility account's billing address is not the same as the service address of a residential rental property, or if the city or town has been notified that a tenant resides at the service address, the city or town shall make a good faith and reasonable effort to provide written notice to the service address of pending disconnection of electric power and light or water service for nonpayment at least seven calendar days prior to disconnection. The purpose of this notice is to provide any affected tenant an opportunity to resolve the delinquency with his or her landlord or to arrange for continued service. If requested, a city or town shall provide electric power and light or water services to an affected tenant on the same terms and conditions as other residential utility customers, without requiring that he or she pay delinquent amounts for services billed directly to the property owner or a previous tenant except as otherwise allowed by law and only where the city or town offers the opportunity for the affected tenant to set up a reasonable payment plan for the delinquent amounts legally due. If a landlord fails to pay for electric power and light or water services, any tenant who requests that the services be placed in his or her name may deduct from the rent due all reasonable charges paid by the tenant to the city or town for such services. A landlord may not take or threaten to take reprisals or retaliatory action as defined in RCW 59.18.240 against a tenant who deducts from his or her rent payments made to a city or town as provided in this subsection.

(b) Nothing in this subsection (5) affects the validity of any lien authorized by RCW 35.21.290 or 35.67.200. Furthermore, a city or town that provides electric power and light or water services to a residential tenant in these circumstances shall retain the right to collect from the property owner, previous tenant, or both, any delinquent amounts due for service previously provided to the service address if the city or town has complied with the notification requirements of subsection (2) of this section when applicable.

Tab C

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Director of Public Works
Date: April 4, 2014
Re: Current Non-Agenda Activity

3rd Street Improvements Phase I

We had 7 firms that provided their qualifications for the 3rd street design. Paul, Colin, Kevin and I have narrowed that list to 4 firms that will be interviewed. The interviews will be on April 18th and will be conducted by Ben, Larry, Brian Moorehead from WSDOT Local Programs and myself. I will compile the interview results and will have a recommendation for a design firm on the April 23rd meeting.

Float Shed

I have contacted several companies will have bids by the April 23rd meeting.

City Newsletter

As I mentioned in my previous reports, I would like to release a City Newsletter. I have a rough draft of a newsletter that I will provide to the council. Please give me your opinions on this subject.

Private Storm Ponds

I have been talking with Dan about this issue. We will providing some potential solutions to bring to you in the next few months.

Critical Area Ordinance (CAO)

We provided a draft to be reviewed by the State. Once the comments from the State are returned, we will be moving forward on getting this corrected.

Power Outage

Just a reminder, we will have a city wide power outage on April 12th, starting at 11:30 pm and lasting to April 13th, 8:00am. This is to fix a gasket on our transformer and also allows the crew to replace some highline poles along Simpson Ave.

City Wide Clean Up

Our annual city wide clean up will be on April 12th, from 8:00 am to 2:00 pm. We will pick up items for the seniors and disabled throughout the week leading up to the clean up.

STAFF REPORT

To: Mayor Dent
From: Paul Nott, Light & Power
Date: April 2, 2014
Re: March Report

	Monthly Statistics;	YTD Totals;
New Services;	**0**	**0**
System Outages;	**1**	**5**
Pole Replacements;	**1**	**3**
Maintenance Work Orders;	**5**	**15**
Billable Work Orders;	**1**	**1**

The month of March consisted of one power outage, some maintenance work orders and one customer service job.

We had a tree in the line which resulted in an outage on Tornquist Rd.

The crew has started replacing poles on Mommsen Rd. and will continue East of Birch St. This work is in conjunction with the cut over and system improvements. The roadway is narrow at this location and we hope that residents in the area will have some patience while working on this project. We apologize in advance for any inconvenience.

The crew has also been preparing for a three transmission pole change out during the City wide outage on April 12th. We have installed the caissons, delivered the poles and are prepared to complete this work that evening. The main purpose of the outage is to repair a nitrogen leak in the substation transformer which requires an outage to complete. Grays Harbor PUD will also be taking advantage of the outage to complete some transmission work as well. The outage is to begin at 11:30 pm on the 12th and we intend to be back in lights by 8:00 am Sunday morning.

Once this work is complete we will be able to return to work on the distribution line on Simpson and convert it to the 12KV substation.

As always if you have any questions feel free to contact us…

In case of a power outage, please contact:

Light and Power Department	360-495-4533
City Hall	360-495-3667
Dispatch Non-Emergency	360-533-8765

Staff Report

To: Mayor Dent
From: George M. Crumb, Chief of Police
Date: April 4, 2014
RE: For April 9, 2014 Council Meeting

SUMMARY OF POLICE INCIDENTS / ACTIVITIES:
The below listed information are calls or contacts received by McCleary Police Officers either generated by Grays Harbor County dispatch 911 service, citizen reports, call in reports, contacts, or other officer generated incidents: since 031214.

$714 written in bail amounts for Notice of Infractions and Criminal incidents.

0408 Incident histories reported as of time of this report since new year. (109 since last report)

01-Speeding
01-DWLS
00-Speeding in School Zone
03-Burglary
16-Fire Response's
03-Disorderly Conduct/Obstructing
13-Traffic Stop's
00-Harassment
00-Weapons Offense
11-Agency Assist's
00-Drug Incidents
03-Animal Complaints
00-Curfew Violations

00-Welfare Checks
05-Trespass (Criminal)
05-Suspicious Person/Vehicle/Circumstance
05-Police Information or Referrals
00-Alcohol Offense
00-Suicide Attempt
00-Insurance violation
01-Public Works Assist

03-Traffic Offense/Reckless/Hazard
00-Found-/Lost Property Reports
04-Motorist Assist/Citizen Assist
00-Theft Reports
00-Death, report
02-Juvenile Problems-1/Run-a-way-0/missing-1
00-Malicious Mischief
05-Warrant Arrests/Search Warrant/Confirm
05-911 Open Line or Hang Up
01-Domestic Violence/Verbal Argument-1
03-Citizen dispute-/Civil-/Vio Pro Order-
01-D.U.I.
01-Audible Alarm
00-Subject Stop
02-Traffic Accident
00-Noise Complaints
01-Fraud
01-Sex Offense
00-Parking Complaint
01-Vehicle Prowl
00-No Valid Operator's License (NVOL)

Discussion: Open:

Council Members Present: ALL…. Mr. Catterlin-Position 1, Mr. Reed-Position 2,
Mr. Peterson-Position 3, Mr. Schiller-Position 4,
Mr. Ator-Position 5.
Mayor Dent: Present / Not Present _____

Officer Reporting: Chief Crumb _____ _____

STAFF REPORT

To: Mayor Dent
From: Kevin Trewhella, Water & Wastewater manager
Date: April 3, 2014

In the month of March we had Whitney Equipment in to service our pumps and mixers here at the Waste Water Treatment Plant, as is laid out in our service agreement with them. This saved us thousands of dollars. We were very fortunate to have these experts come in. Having them come in they were able to correct issues we were unaware of. Had these issues been uncorrected we would have had have catastrophic failure of our major pieces of equipment.

This March we had almost 3 times as much rain as we normally do in the month of March. With the I & I problems we have in this city we have had high flows come into the WWTP. Both Jon Ehresman and I are doing everything we can at the WWTP to produce the fine quality effluent that we need to produce to meet all environmental standards.

Tab E

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Interim Director of Public Works
Date: February 20th, 2014
Re: BPA REP Settlement

First, I would like to thank Paul Nott and Dan for helping me get through this item. Dan has been reviewing this also will give his recommendation.

BPA has given the City an opportunity to sign Revision No. 1 to Exhibit H of McCleary's FY 2012-2028 Power Sales Contract. I would like to thank our very helpful BPA account representative, Kirsten Watts.

Paul gives the best explanation that I can understand on the subject:

BPA has to give 14 % of Customer Owned Utility (COU) Renewable Energy Credits (REC) to the Investor Owned Utility's (IOU).
In the settlement agreement BPA has the right to recoup the 14% through the adjusted rate based on the value at the time of adjustment.
The COU's that signed the agreement basically are saying "ok, we will just take the sure thing of the remaining 86% and not risk the rate adjustment for the remaining 14%" (give them up).
There are currently approximately 9 COU's that have not signed the agreement (McCleary being one of them). The general philosophy of the remaining 9 is that "we don't feel that it is right for the IOU's to get this 14%".

So the question is this,
Do we take the solid 86% and give up the 14%.
Or
Are we capable and have the staffing to spend the time later to possibly battle over the rate increase for the 14% re coup from BPA.

Staff Recommendation:

Staff has discussed and will recommend the advice/opinion of the city attorney.

Action Requested:

Please consider authorizing the City to sign Revision No. 1 to Exhibit H of McCleary's FY 2012-2028 Power Sales Contract.

Revision No. 1, Exhibit H
RENEWABLE ENERGY CERTIFICATES AND CARBON ATTRIBUTES
Effective July 26, 2011

This revision replaces Exhibit H pursuant to the REP Settlement Agreement, Contract No. 11PB-12322, and is effective as of the "Effective Date" of such REP Settlement Agreement.

1. DEFINITIONS

1.1 "Available Carbon Credits" means (i) eighty-six percent (86%) of the Carbon Credits that BPA determines are attributable to resources whose output is used to establish Tier 1 System Capability, as Tier 1 System Capability is defined in the TRM, excluding the Initial Tier 1 Renewable Projects; and (ii) one-hundred percent (100%) of the Carbon Credits attributable to electrical generation from Initial Tier 1 Renewable Projects, excluding Carbon Credits associated with EPP RECs.

1.2 "Available Tier 1 RECs" means the sum of: (i) eighty-six percent (86%) of the Future Tier 1 RECs; and (ii) one-hundred percent (100%) of the Current Tier 1 RECs.

1.3 "Carbon Credits" means Environmental Attributes consisting of greenhouse gas emission credits, certificates, or similar instruments.

1.4 "Current Tier 1 RECs" means Tier 1 RECs that BPA determines are attributable to electrical generation from Initial Tier 1 Renewable Projects, excluding EPP RECs.

1.5 "Environmental Attributes" means the current or future credits, benefits, emission reductions, offsets and allowances attributable to the generation of energy from a resource. Environmental Attributes do not include the tax credits associated with such resource. One megawatt-hour of energy generation from a resource is associated with one megawatt-hour of Environmental Attributes.

1.6 "Environmentally Preferred Power RECS" or "EPP RECs" means the portion of the Current Tier 1 RECs that is equal to an amount of up to 130 percent of the annual average of equivalent environmentally preferred power (EPP) contracted for as of October 1, 2009, for FYs 2010 and 2011 under Subscription power sales contracts containing rights to Environmental Attributes through FY 2016, as determined by BPA to be necessary to administer such rights.

1.7 "Future Tier 1 RECs" means Tier 1 RECs that BPA determines are attributable to resources whose output is used to establish Tier 1 System Capability, as Tier 1 System Capability is defined in the TRM, excluding the Initial Tier 1 Renewable Projects.

1.8 "Initial Tier 1 Renewable Projects" means the following projects existing as of the Effective Date of McCleary's CHWM Contract:

Project	Capacity (MW)
Foote Creek I	15.32
Foote Creek II	1.8
Stateline	89.76
Condon	49.8
Klondike I	24
Klondike III	50
Ashland Solar	0.015

1.9 "Renewable Energy Certificates" or "RECs" means the certificates, documentation, or other evidence that demonstrates, in the tracking system selected under section 5 of this exhibit, the ownership of Environmental Attributes.

1.10 "Tier 1 RECs" means the sum of the Current Tier 1 RECs and Future Tier 1 RECs.

1.11 "Tier 2 RECs" means the RECs attributable to generation of the resources whose costs are allocated to a given Tier 2 Cost Pool in accordance with the TRM.

2. BPA'S TIER 1 REC INVENTORY

BPA shall maintain a list on a publicly accessible BPA website and shall periodically update it. This list will include any then-current resources that BPA has determined have Tier 1 RECs attributable to them. BPA shall also include on this list its inventory of then-current resources that BPA has determined have Available Tier 1 RECs (and Available Carbon Credits). BPA shall calculate its Available Tier 1 RECs and Available Carbon Credits annually and after-the-fact based on energy generated by listed applicable resources during the previous calendar year.

3. MCCLEARY'S SHARE OF TIER 1 RECS

Beginning April 15, 2012, and by April 15 every year thereafter over the term of this Agreement, BPA shall transfer to McCleary, or manage in accordance with section 5 of this exhibit, at no additional charge or premium beyond McCleary's payment of the otherwise applicable Tier 1 Rate, a pro rata share of Available Tier 1 RECs based on McCleary's RHWM divided by the total RHWMs of all holders of CHWM Contracts.

The amount of Available Tier 1 RECs available to BPA to transfer or manage shall be subject to available Available Tier 1 REC inventory.

4. TIER 2 RECS

If McCleary chooses to purchase Firm Requirements Power at a Tier 2 Rate, and there are RECs which BPA has determined are attributable to the resources whose costs are allocated to the Tier 2 Cost Pool for such rate, then beginning April 15 of the year immediately following the first Fiscal Year in which McCleary's Tier 2 purchase obligation commences, and by April 15 every year thereafter for the duration of McCleary's Tier 2 purchase obligation, BPA shall, based on McCleary's

election pursuant to section 5 of this exhibit, transfer to or manage for McCleary a pro rata share of applicable Tier 2 RECs generated during the previous calendar year. BPA shall, for transferred RECs, provide McCleary with a letter assigning title of such Tier 2 RECs to McCleary. The pro rata share of Tier 2 RECs BPA transfers to McCleary shall be the ratio of McCleary's amount of power purchased at the applicable Tier 2 Rate to the total amount of purchases under that Tier 2 Rate.

5. TRANSFER, TRACKING, AND MANAGEMENT OF RECS

Subject to BPA's determination that the commercial renewable energy tracking system WREGIS is adequate as a tracking system, BPA shall transfer McCleary's share of Available Tier 1 RECs, and Tier 2 RECs if applicable, to McCleary via WREGIS or its successor. If, during the term of this Agreement, BPA determines in consultation with customers that WREGIS is not adequate as a tracking system, then BPA may change commercial tracking systems with one year advance notice to McCleary. In such case, the Parties shall establish a comparable process for BPA to provide McCleary its Available Tier 1 and Tier 2 RECs.

Starting on July 15, 2011, and by July 15 prior to each Rate Period through the term of this Agreement, McCleary shall notify BPA which one of the following three options it chooses for the transfer and management of McCleary's share of Available Tier 1 RECs, and Tier 2 RECs if applicable, for each upcoming Rate Period:

(1) BPA shall transfer McCleary's Available Tier 1 and Tier 2 RECs into McCleary's own WREGIS account, which shall be established by McCleary; or

(2) BPA shall transfer McCleary's Available Tier 1 and Tier 2 RECs into a BPA-managed WREGIS subaccount. Such subaccount shall be established by BPA on McCleary's behalf and the terms and conditions of which shall be determined by the Parties in a separate agreement; or

(3) McCleary shall give BPA the authority to market McCleary's Available Tier 1 and Tier 2 RECs on McCleary's behalf. BPA shall annually credit McCleary for McCleary's pro rata share of all revenues generated by sales of Available Tier 1 and Tier 2 RECs from the same rate pool on its April bill, issued in May.

If McCleary fails to notify BPA of its election by July 15 before the start of each Rate Period, then McCleary shall be deemed to have elected the option in section 5(3) of this exhibit.

Any Available Tier 1 and Tier 2 RECs BPA transfers to McCleary on April 15 of each year shall be limited to those generated January 1 through December 31 of the prior year, except that any Available Tier 1 and Tier 2 RECs BPA transfers to McCleary by April 15, 2012, shall be limited to those generated October 1, 2011, through December 31, 2011.

6. **FEES**

BPA shall pay any reasonable fees associated with: (1) the provision of McCleary's Available Tier 1 and Tier 2 RECs and (2) the establishment of any subaccounts in McCleary's name pursuant to sections 5(1) and 5(2) of this exhibit. McCleary shall pay all other fees associated with any WREGIS or successor commercial tracking system, including WREGIS retirement, reserve, and export fees.

7. **CARBON CREDITS**

In the absence of regulations or legislation concerning carbon credits and directly affecting BPA, BPA intends to convey the value of any future Available Carbon Credits to McCleary on a pro rata basis in the same manner as described for Available Tier 1 RECs and Tier 2 RECs in sections 3 and 4 of this exhibit. This value may be conveyed as: (1) the Available Carbon Credits themselves; (2) a revenue credit after BPA markets such Available Carbon Credits; or (3) the ability to claim that power purchases at the applicable PF rate are derived from certain federal resources.

8. **BPA'S RIGHT TO TERMINATE MCCLEARY'S RECS AND/OR CARBON CREDITS**

To the extent necessary to comply with any federal regulation or legislation which addresses Carbon Credits or any other form of Environmental Attribute(s) and includes compliance costs applicable to BPA, BPA may, upon reasonable notice to McCleary, terminate McCleary's contract rights to Available Tier 1 RECs under section 3 of this exhibit and/or McCleary's pro rata share of Available Carbon Credits under section 7 of this exhibit.

9. **SIGNATURES**

The Parties have caused this revision to be executed as of the date both Parties have signed this revision.

CITY OF MCCLEARY		UNITED STATES OF AMERICA Department of Energy Bonneville Power Administration	
By	_____	By	_____
Name	D. Gary Dent	Name	R. Kirsten Watts
Title	Mayor	Title	Account Executive
Date	_____	Date	_____

(PSW-S:\PM\CUST_RKW\MC\PSC_2009_PF_Regional Dialogue\Exhibit H\Revision 1\Mc_13069_20140130_Exh H_Rev#1_Final.doc) 01/30/2014

Tab F

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Director of Public Works
Date: April 3, 2014
Re: Landlord Utility Billing Issue

This issue has been coming up frequently over the last several months. After talking with several landlords in the area, they explain the issue as the following.

They have a tenant that wants to move into their property that is for rent. They require their normal deposits and allow them to move in. We just had a landlord quote a cost of $1600 in just normal deposits before a renter can move into the property.

In the past, we would take a utility deposit and turn the utilities on for the property. If the renter left a utility bill, the landlord could then apply the deposit toward the outstanding bill. We have stopped taking utility deposits since Resolution 631 was adopted in August of 2011. We now have an application that the tenant and landlord fill out stating the landlord is responsible to collect any and all deposits, including Utility Deposits, at their discretion.

Now since we no longer take the utility deposits, renters are leaving large, outstanding bills for the landlord to take care of. We have landlords that will be going to collections because their renters have left outstanding utility bills. We also have landlords that are leaving their utilities off and not renting their properties because of this issue.

The renters have also found a loop hole. They are leaving the utility bills to their landlords and moving to another house in the city, but are using a different name for the account, (boyfriend, parent, or grandparent), and then leaving another large utility bill for that landlord.

Action Requested:

Please review and give recommendations on how you would like to see this handled or if to leave it as it is.

STAFF REPORT **TAB G**

To: Mayor Dent
From: Todd Baun, Director of Public Works
Date: April 3, 2014
Re: Transformer and Pole Bids

A total of 5 bids were received for supplying the transformers and 1 bid received for poles in accordance with the bid packages. Bids were opened at 2:30 PM local time on April 1st, 2014. Bid results are as follows:

Transformer Supplier (Manufacturer)	Total Cost
HD Supply (GE)	$ 45,907.41
HD Supply (Cooper)	$ 50,286.76
General Pacific (ERMCO)	$ 57,653.62
HD Supply (Cooper Alt)	$ 60,645.46
Wesco	$ 66,991.20

Pole Supplier (Manufacturer)	Cost
McFarland Cascade	$ 31,620 plus WA State Tax

The apparent lowest cost proposal was provided by HD Supply with the intent of using GE transformers. The proposal was checked for errors, omissions, and conformance with the specifications. No errors or omissions were discovered and the proposal conforms to the City's Standard Specifications.

The suppliers have not claimed bid error. This fact will be confirmed via phone when orders are placed.

The 2014 budget includes $144,000 for system improvements for the cutover project, which this material is intended to be used for.

Staff Recommendation:

The recommendation at this time is to award the purchase to HD Supply for GE transformers and McFarland Cascade for the poles, contingent upon no formal bid error claimed.

Action Requested:

Please consider awarding the transformer purchase to HD Supply, out of Portland, Oregon, for a Total Cost of $45,907.41, and McFarland Cascade, out of Tacoma, WA, for a cost of $31,620 plus Washington State Sales Tax. Both are contingent upon no bid error being claimed by the companies.

Tab H

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Director of Public Works
Date: April 4, 2014
Re: Energy Conservation Program Funding

At the February 26th council meeting, the council chose to provide $30,000 funding for the Energy Smart Grocer program (ESG). In order to start the ESG program, we have to update our agreement. The following attachment is an update to the agreement that was signed with Portland Energy Conservation, Inc. (PECI) in December of 2012.

Action required:

Please review and consider authorizing the updated agreement.

Tab I

STAFF REPORT

To: Mayor Dent
From: Wendy Collins, Clerk-Treasurer
Date: April 9, 2014
Re: Pacific County Fire District #5 Subscriber's Agreement

Grays Harbor E9-11 Communications has submitted a copy of the Subscriber's Agreement regarding the Pacific County Fire District #5 for review and signature. The agreement was approved at the March 11, 2014 Administrative Board meeting.

Staff Recommendation:

The agreement was approved and signed by the County Commissioner's and the cities of Aberdeen, Cosmopolis, Elma, Hoquiam and Montesano. Staff recommends approval of the agreement.

Action Requested:

Please authorize the Mayor to sign the Grays Harbor E9-11 Communications Subscriber's Agreement.

GRAYS HARBOR
E9-1-1
COMMUNICATIONS

P.O. BOX 1845 ABERDEEN, WA 98520

April 1, 2014

Gary Dent, Mayor
City of McCleary
100 S. 3rd
McCleary, WA 98557

Re: Pacific County Fire District #5 Subscriber's Agreement

Dear Mayor Dent:

I have enclosed two originals of the Subscriber's Agreement regarding the Pacific County Fire District #5 for your review and signature. The agreement was approved at the March 11, 2014, Administrative Board meeting. Please sign both copies, where indicated, and return to our office at your earliest convenience. Should you have any questions, please do not hesitate to contact our office.

Sincerely,

Sandra Fosbinder

Sandra Fosbinder
Administrative Clerk

Enclosures

ADMINISTRATION: (360) 533-7885 FAX: (360) 532-7902 DISPATCH: (360) 533-8765

SUBSCRIBER'S AGREEMENT

WHEREAS, the Grays Harbor Communication Center was created by an Interlocal Agreement to make a 9-1-1 Emergency Telephone Communications System available on a county wide basis; and

WHEREAS, the Pacific County Fire Protection District #5 wishes to make available to residents within their District an enhanced 9-1-1 Emergency Telephone Communication System and associated dispatch services;

THEREFORE, in consideration of the mutual promises contained herein, Grays Harbor Communication Center, hereinafter referred to as the Center, and Pacific County Fire Protection District #5, hereinafter referred to as the Subscriber, do promise and agree as follows:

I. Services

The Center shall provide 9-1-1 emergency telephone communication and emergency dispatch services for the Subscriber to the same extent and standard as those services are provided to the Center's participating entities.

The Center shall provide 9-1-1 emergency telephone communication and centralized emergency medical dispatch services for the Subscriber to the same extent and standard as those services provided to the Center's participating entities.

The Center shall provide non-emergency telephone communication and non-emergency medical dispatch services for the Subscriber to the same extent and standard as those services are provided to the Center's Participating Entities.

II. Costs

The Subscriber shall be solely responsible for any costs necessary to train its personnel to participate in the 9-1-1 system and the cost of any equipment, modification to existing equipment or material, including but not limited to radios, telephone equipment or digital terminals, which the Subscriber may need to utilize the services provided by the Center.

III. Compensation

The Subscriber shall pay to the Grays Harbor Communication's Center an annual fee for the services provided under this agreement. The 2014 fee of $9,000.00 shall be divided equally into 12 monthly payments due on or before the first day of each month during the term of this agreement.

The Center shall assess a penalty fee of 5% on monthly installment payments which are not paid in-full by the 30th of each month.

Any supplemental budget or emergency expenditure approved by the members of the Administrative Board, shall be allocated according to the annual fee formula and assessed as a supplemental fee to be remitted in payments equally divided over the remaining installments for the contract year. If such an expenditure occurs in the 12th month of the Contract, then the supplemental fee shall be assessed and paid the following February.

In the event of termination pursuant to this agreement, the Subscriber shall not be entitled to the return of any installments paid toward its annual fee, but the Subscriber will not be responsible for payment of any of the remaining installments which fall due after the termination of the agreement.

VII. Liability

(a) Each party agrees to defend, protect and hold the other party, its officials, employees and agents, harmless from and against any and all claims, demands and causes of action of any kind or character, including claims for attorney fees and the cost of defense, arising out of that party's sole fault with respect to the subject matter of this agreement or any services rendered pursuant to this agreement.

(b) Each party shall be liable for all damages or injuries to its own employees or its own property caused by the concurrent or joint fault of the parties or due to causes which cannot be traced to the sole fault of any one party.

(c) In the case of liability for injuries to persons or property, other than employees of any party or property not belonging to either party, when the damages or injuries are due to causes which cannot be traced to the fault of one party, then each party shall be responsible for such damages or injuries in proportion to their respective degree of fault, or equally if the parties proportionate share of fault cannot be determined in fact.

VIII. Relationship of Parties

It is not the intention of the parties, and this agreement shall not be construed, to create an employee employer relationship between the parties or their officers, agents and employees. Furthermore this agreement does not create or establish, and it shall not be construed, to create, an agency relationship between the parties.

IX. Modification

This agreement may not be modified or amended except upon the express written consent of the parties.

IV. Procedures

The Subscriber shall establish and adopt communications procedures and protocols as may be established or required by the Center for participating entities pertaining to the operation and use of the 9-1-1 System.

V. Duration of Agreement

This contract shall be deemed to have become effective 12:01 a.m. on January 1, 2014 and shall be deemed to renew for additional one year terms, unless terminated by one of the parties pursuant to the provisions of this contract. The annual fee for the services provided under this agreement shall be calculated in November of each year.

The parties specifically agree that either party may give notice of intent to terminate the contract no less than sixty days prior to the end of each calendar year. The giving of such notice in writing shall constitute the notice of termination and may include within it the request to undertake negotiations as to a modification or extension of the contract. Upon the giving of such notice, however, unless a contract has been entered into by midnight on December 31st of the year in which the notice is given or unless there has been an extension entered into by the parties, the contract shall be deemed terminated and the rights and responsibilities under it in terms of the provisions of service for the next year shall be deemed terminated.

VI. Termination

In the event the Center is dissolved pursuant to sections 7.2 of the Interlocal Agreement establishing the Grays Harbor Communications Center, this agreement shall immediately terminate on the date of such dissolution.

X. Property

Title to any equipment and property which may be purchased or obtained by either party for the purpose of the provision of services pursuant to this agreement shall rest with the acquiring entity. Upon the termination of this contract the title to any equipment jointly used by the parties shall remain with the acquiring party.

XI. Severability

If any part, paragraph, section or provision of this agreement is adjudged to be invalid by any court of competent jurisdiction, such adjudication shall not affect the validity of any remaining section, part or provision of this agreement.

XII. Execution

This agreement, or amendments hereto, shall be executed on behalf of each party by its duly authorized representative and pursuant to an appropriate motion, resolution or ordinance of each party. This agreement, or any amendment, shall be deemed adopted upon the date of execution by the last so authorized representative.

Pacific County Fire Protection District #5

Commissioner

Commissioner

Commissioner

Dated 2-4-2014

Grays Harbor County

Commissioner Grays Harbor Co

Dated 3-28-14

City of Aberdeen

Mayor City of Aberdeen

Dated 3-17-2014

City of Cosmopolis

Mayor City of Cosmopolis

Dated 3/21/14

City of Elma

Mayor City of Elma

Dated 3/11/14

City of Hoquiam

~~Mayor~~ Councilman City of Hoquiam

Dated 3/11/14

City of McCleary

Mayor City of McCleary

Dated

City of Montesano

Mayor City of Montesano

Dated 3/11/14