



McCleary City Council

AGENDA

February 26, 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 (Tab B)
 Todd Baun, Interim Director of Public Works (Tab C)

Old Business:

New Business: Larger Water Meter Purchase (Tab D)
 MRSC Roster (Tab E)
 Surplus List Correction (Tab F)
 WWTP Concrete Pad (Tab G)
 Light & Power Outage (Tab H)
 Light & Power Pole and Transformer Bid (Tab I)
 Federal E-Verify Program Resolution Review (Tab J)
 BPA REP Settlement (Tab K)
 Computer Repairs and Upgrades (Tab L)
 Energy Conservation Program Funding (Tab M)

Ordinances: Mobile Food Units (Tab N)

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

ROLL CALL AND FLAG SALUTE Councilmember's Schiller, Reed, Ator, Catterlin and Peterson.

ABSENT Mayor Dent was absent. Mayor Pro Tem, Ben Ator, Chaired the meeting.

STAFF PRESENT Present at the meeting were Todd Baun, Wendy Collins, George Crumb, Dan Glenn, Randy Bunch, Christiane Mercer and Colin Mercer.

PUBLIC COMMENT Pauline Martin, Chamber of Commerce President and McCleary Subway owner, commented on the mobile food establishments. Her concern is there are three good restaurants in town and she isn't sure there is enough business in town to support another one. She is worried we are losing businesses in town and yet we allow another one to come in from outside instead of building up the ones we already have that pay taxes and utilities and provide jobs. She said she spends her money in town by shopping at Gordon's and uses the local library and other businesses to keep her money helping the local community. She doesn't want to see any more empty store fronts.

Jack Tipping lives in Lewis County and spoke last year about the E-Verify program. He wanted to again encourage the Council to start using this free program that prevents employers from hiring undocumented workers. Other cities have signed up for it and will not hire any contracting work from employers that do not use E-Verify for their own workers. He said Hoquiam, Centralia, Chehalis, Napa Vine, Long View and Woodland require it, along with some Counties.

Jerry Schrader from Rochester also spoke in support of the E-Verify program. He works in the construction business and believes it's very important for entry level jobs to be available for beginning workers in our communities.

MAYOR'S COMMENTS None.

MINUTES APPROVED **It was moved by Councilmember Reed, seconded by Councilmember Peterson to approve the minutes from the January 22, 2014 meeting. Motion Carried 4-0.**

CITY ATTORNEY REPORT Dan Glenn said he does have a draft resolution addressing E-Verify, if the Council chooses to consider it.

MOBILE FOOD UNITS Currently, there are no regulations so anyone having proper permits from the Health Department could set one up in a commercial location anywhere in the city. McCleary needs to be cautious in our approach because we already allow these food units during the Bear Festival. The draft ordinance Dan Glenn has provides for this type of exemption. It may be difficult to prohibit them completely because they are already legal by the State and are licensed through the Department of Health. A big concern is how do we distinguish between a food supplier that is properly working and has a permanent location versus one that is mobile and still meets the required standards.

Pauline Martin asked why you can prohibit the sale of marijuana, which is legal, but can't prohibit a mobile food unit? Dan replied stating there is a difference between smoking and selling pot than selling a sandwich. He said there is a great deal of difference between the two issues. The City has a moratorium on marijuana sales but the legislature could overrule it. The mobile food units are already legal and approved.

Councilmember Catterlin said his preference is to not allow the mobile food units other than during the Bear Festival. He said we not only have three restaurants, but also two gas stations, that also provide food options, making five eating establishments. Dan Glenn responded by stating we should not look at it like we are trying to create a monopoly on food suppliers because that is what we are talking about. We can't restrict the number of food suppliers because we do not want more. Dan will check into what the legalities of prohibiting mobile food units.

DIRECTOR OF PUBLIC WORKS REPORT Todd Baun will be reviewing the 3rd Street design project request for proposals, which are due on February 21st. He would like to know if any Councilmember's would like to assist in reviewing them and assisting with the interviews. Since there were no interested Councilmember's, Todd will independently move forward on this.

NEW FINANCE COMMITTEE MEMBERS	Councilmember Schiller asked for this to be added to the agenda because he would like to vacate his position. It was moved by Councilmember Schiller, seconded by Councilmember Reed to nominate Councilmember Catterlin to serve of the Finance Committee. Motion Carried 4-0. It was moved by Councilmember Catterlin, seconded by Councilmember Peterson to nominate Councilmember Reed to serve of the Finance Committee. Motion Carried 4-0.
MAYOR PRO TEM	It was moved by Councilmember Reed, seconded by Councilmember Peterson to nominate Ben Ator to serve as Mayor Pro Tem. Motion Carried 4-0.
CRITICAL AREAS ORDINANCE UPDATE	Local governments are required to periodically update their critical areas ordinance so they will be eligible to receive grants or loans. In late January, we were made aware that the City's critical areas regulations are currently out of date. The last update was Ordinance #703 adopted in July 2003. It was moved by Councilmember Catterlin, seconded by Councilmember Reed to authorize staff to select a firm from the professional service roster and request a proposal and budget to complete this update and bring it back to the Council for possible award. Motion Carried 4-0.
INSTA-PIPE SEWER/STORM REPAIR CONTRACT	Last fall, Insta-pipe was hired to clean and run camera sections of our storm lines and sewer lines. Two areas were identified that need immediate attention. The most critical is the gravity sewer line that serves the residents at Wildcat Drive. This line has two holes in it that is letting gravel and ground water into our system, which eventually ends up getting to the WWTP and sucked into the pumps, causing unnecessary wear and tear on the pumps. It is also one of the sources of Inflow and Infiltration (I&I) that has been plaguing our system for years. Elimination of the I&I sources gives our system capacity and rate payers will not have to pay to treat the extra water. Secondly, there is an issue on a storm line in the alley south of Simpson Avenue. The section of pipe between South 8th and 9th Street has a major root intrusion that restricts approximately 85% storm water flow through the pipe, causing the storm line to back up and flow out the manhole and down North 7th Street. It was moved by Councilmember Catterlin, seconded by Councilmember Peterson to authorize the City to execute the contract with Insta-Pipe for storm water and sewer repairs, as quoted, in the amount of \$4.336. including sales tax. Motion Carried 4-0.
WWTP MAINTENANCE CONTRACT WITH WHITNEY EQUIPMENT COMPANY	The City has six pumps at the waste water treatment plant that are worth approximately \$7,000 each. They require specific maintenance procedures that Whitney Equipment Company, Inc. can provide. They have the experience and tools necessary to inspect and maintain the pumps, which will prevent future pump failures. The proposed contract is for five years, starting in 2014 and will be fulfilled in 2018. The initial service call will be \$1,350.00 and each annual maintenance thereafter will be \$1,200. It was moved by Councilmember Catterlin, seconded by Councilmember Schiller to authorize the City to execute the contract with Whitney Equipment Company, Inc. for maintenance of the pumps indentified in the contract, not to exceed \$6,150.00 before sales tax. Motion Carried 4-0.
FEMA GRANT EXTENSION	Staff recommends authorizing an amendment to extend the disaster grant #1825-DR-WA from December 2008. Amendment D will extend the grant performance period from March 1, 2014 to March 1, 2016, which will give staff time to contact the proper people to close the grant, as there is no other activity needed. It was moved by Councilmember Schiller, seconded by Councilmember Peterson to authorize the City to execute the Amendment extending the grant performance period for disaster 1825-DR-WA. Motion Carried 4-0.
WATER SYSTEM PLAN	Every six years, water system plans are required for all Group A water systems. The last approved plan was in 2008, which means we will be required to complete the update in 2014. The plans can take up to 6-8 months and the anticipated cost is approximately \$50,000, which was included in the water fund for 2014. It was moved by Councilmember Peterson, seconded by Councilmember Reed to authorize the City to execute the amendment with Gray & Osborne to complete the Water System Plan, and not to exceed \$49,900. Motion Carried 3-0 with Councilmember Catterlin voting in the negative.
MOU - INTERIM PW DIRECTOR	Councilmember Schiller does not have a problem with the MOU except for the area of overtime. The position is exempt so overtime should not be permitted. He recommends removing the overtime accrual option from the MOU. It was moved by Councilmember Schiller, seconded by Councilmember Catterlin to authorize the Memorandum of Understanding for the Interim Public Works Director contingent upon removing the overtime compensation option. Motion Carried 4-0.

CITY HALL LIGHTING

The City utilized the Energy Efficiency Program to recoup a portion of cost associated with retrofitting the lighting in Building C and G. The EE incentive cost will be reduced starting in April 2014. Staff is requesting Council to approve moving forward to complete the retrofit project for City Hall, the Police Department and the Fire Hall buildings. The incentive savings is almost half of the project cost. **It was moved by Councilmember Schiller, seconded by Councilmember Reed to authorize staff to finish the lighting retrofit project before the April deadline. Motion Carried 4-0.**

RESOLUTION NO. 667 -
SUPPLUS POLICE VEHICLES
AND OTHER CITY EQUIPMENT

Included in the surplus items are old computers with hard drives. Todd Baun asked how the Council would like to handle the hard drives because there is a cost affiliated with wiping the hard drives clean. Councilmember Catterlin said they could be removed and either smashed or burned making them unreadable and save the City a lot of money. He offered to come and pull them out himself to save the City money. **It was moved by Councilmember Catterlin, seconded by Councilmember Peterson to adopt Resolution No. 667, declaring materials to be surplus and for the disposition thereof. Motion Carried 4-0.**

APPROVAL OF VOUCHERS

Accounts Payable vouchers/checks approved were 37466 - 37528 including EFT's in the amount of \$316,618.80.

Payroll vouchers/checks approved were 37193- 37272 including EFT's in the amount of \$156,325.27.

Payroll vouchers/checks approved were 37315 - 37465 including EFT's in the amount of \$157,890.82.

Payroll vouchers/checks approved were 37441 - 37554 including EFT's in the amount of \$238,303.29.

It was moved by Councilmember Catterlin, seconded by Councilmember Reed to approve the vouchers. Motion Carried 4-0.

PUBLIC COMMENT

Councilmember Catterlin asked Chief Crumb about his staff report and asked for clarification on various items that are listed. He would like to have more detailed information regarding what type of incidents are the highest impacts to the department. He believes this information would be valuable to the Council.

EXECUTIVE SESSION

None.

MEETING ADJOURNED

It was moved by Councilmember Peterson, seconded by Councilmember Reed to recess the meeting at 7:40 PM. The next meeting will be February 26, 2014 at 7:00 PM. Motion Carried 4-0.

MEMORANDUM

TO: MAYOR AND CITY COUNCIL, City of McCleary
FROM: DANIEL O. GLENN, City Attorney
DATE: February 21, 2014
RE: LEGAL ACTIVITIES as of FEBRUARY 26, 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. **"MOBILE FOOD KITCHENS"**: As of the time of the drafting of this Report, I have not yet found any entities which totally prohibit the operation of these units within their corporate limits. I will continue to seek a firm answer to that question. In the interim, for your review I have provided a copy of the "B" draft of the ordinance. It still works with the zoning ordinance but does require licensing. Unlike the "A" draft, I have inserted a provision which indicates that a license is good for 90 days from date of issuance. Also a provision which indicates that if a licensee has his/her/its license revoked, it may not obtain a replacement license for one year.

I will let you know if I find any further information.

2. **BPA AGREEMENT**: This is a proposed agreement from BPA as part of a total package related to its resolving litigation with investor owned utilities. It is my memory that the first time around in 2011, the decision was to not sign. Well, it is back in the form of an amendment which includes incorporation of the original agreement.

Paul, Wendy, and Todd have been reviewing the situation and its implications. It is all about receiving theoretical "renewal energy credits." As Paul has pointed out, since we do not generate any renewable power, an interesting question is presented. In an attempt to follow the example of Alexander the Great when he "untied" the Gordian knot by cutting it with his sword, I sent an email to Ms. Watts, the BPA representative involved, asking her to state clearly what the benefit would be and how it could be used. I have received a response. First, she has provided an extended paper discussing the history and her analysis of the benefits and burdens potentially arising from the City executing the agreement. It is attached at the end of this report. Her brief summary of the benefits arising from executing the agreement states as follows:

"The "real" benefits for the City of McCleary are outlined in the last paragraph on pages 4-5. The removal of the "broad rate making authority" language as addressed under the second bullet on page 5 is critical. Without the revision to Exhibit H (also attached), your utility will be subject to whatever rate is determined in a future rate case for the 14 percent of Renewable Energy Credits (RECs) that your utility will end up keeping instead of transferring to the investor-owned utilities.

McCleary can report its Tier 1 RECs in its resource plans submitted to the state and/or EIA. In April 2014, BPA will be sharing with the city its latest allocation of Tier 1 RECs. If your utility had the added responsibility of complying with the state's Energy Independence Act (which it does not), there would be the additional benefit of being able to count the future, incremental Tier 1 Renewable Energy Credits toward the utility's targets in the event the Washington State legislature ever starts recognizing the resources from which they would come (e.g., additional output from federal hydro resources that have undergone efficiency upgrades). Also, if the utility ever decided to start a "green energy" program, it could use its receipt of Tier 1 RECs as part of its marketing and advertising

campaign.”

I have also directed a query to Mr. Pitt, GHPUD’s counsel as to their current status and their rationale. As of the time of the preparation of this memo, I have not received a response.

The analogy may seem strange and be unfair to both but it almost seems like a power equivalent of the ever most discussed “bitcoins” traded on the internet. You will not know if there was a benefit or cost from the action until and unless either the BPA has to increase the rates due to retention of the 14% referenced or they can be marketed. However, at this stage it appears to me that the risk of not executing is greater than the risk of signing on.

3. **STORMWATER POND MAINTENANCE**: This is an issue which has been “floating” around for some years. When certain of the plats were approved, it was mandated that the homeowners’ association (the HOA) was to maintain the pond up to the point the water flowed into the City’s stormwater collection system. For instance, the approval of Summit Place II (the Hansen Development) specifically required the establishment of a HOA and the maintenance of the stormwater pond facilities by the homeowners. Well, my check of the State’s corporate records confirmed that Mr. Hansen created the HOA but the bank which took on ownership of the lands and the homeowners have allowed it to lapse. There was also a HOA for Summit Place I which too has been allowed to lapse.

There are several alternative approaches to dealing with a problem which must be handled. The include the following:

1. As to any plat’s stormwater pond which is not owned by the City, give written notice to the lot owners within the development of the duty to maintain and a time frame within which to take the necessary steps, including reactivating their HOAs which would likely have assessment provisions within the covenants, conditions, and requirements (CC&Rs) filed with finalization of the Plat.

2. Modify the provisions of the stormwater utility ordinance and rate resolution to deal with the matter by

creating a rate class and figure for lands within plats served by stormwater ponds.

3. Do nothing and hope that the funds collected from all property owners through the imposition of the current rates will adequately fund the necessary maintenance and repairs of these ponds constructed for the use and benefit of specific parcels or plats.

The third alternative may well be viewed as a bit unfair to the other citizens since they will be required to absorb the costs which were to be borne by the lot owners. The first alternative will likely be difficult since it will require encouraging and convincing the lot owners to take on the task of reactivating the HOAs, determining the necessary funding, and imposing and collecting the necessary assessments. The second alternative obviously most directly involves the City but is also the one most likely to consistently achieve the goal. It will also make certain that, in the language of a quote I noted to Wendy and Todd late last week, the goal of internalizing the external costs resulting from the developments.

We would appreciate your guidance as to the approach you would like to take.

As always, this is not meant to be all inclusive. If you have any questions or comments, please direct them to me.

DG/le

MCCLEARY, THE REP SETTLEMENT, AND EXHIBIT H

Background on the Residential Exchange Program Settlement and McCleary's Actions

In May 2007, a three-judge panel of the U.S. Ninth Circuit Court of Appeals ruled in two cases that disallowed the Residential Exchange Program (REP) settlement BPA had implemented in 2000 to cover the 2002-2011 fiscal years. As a result, BPA conducted the WP-2007 Supplemental rate case that determined what REP benefits would have been between fiscal years 2002 and 2008 had an exchange program been in place. BPA subsequently developed and implemented a new REP.

The WP-07S rate case included what were termed “lookbacks”. BPA calculated an amount that investor-owned utilities had been overpaid and established a way for those amounts (the lookback amounts) to be returned to the public preference utilities.

Parties filed suits over BPA’s lookback decisions, BPA’s WP-07S rate decisions for fiscal year 2009, and aspects of the Residential Purchase and Sale Agreement (RPSA) contracts that implement the REP. After briefings in most of the cases were complete, the litigants agreed to engage in mediation in an attempt to resolve their numerous disputes.

The mediation sessions began in early April 2010 and continued into June. Over 50 litigants and other parties participated in the mediation. While agreement was not reached in the originally scheduled period, progress was made and principals from most of the litigants agreed to continue meeting.

Representatives of the region’s investor-owned utilities, the vast majority of BPA’s public agency customers (a.k.a. preference customers or consumer owned utilities (COUs)), public agency customer associations, IOU consumer groups and IOU regulators came to an agreement in principle and negotiated a draft settlement agreement in early September 2010. It was called the 2012 Residential Exchange Program Settlement Agreement. They expected to finalize it in January 2011. At the time, BPA was not, and never became a party to the agreement.

The formal REP-12 rate case began with publication of the REP-12 Federal Register notice December 16, 2010. Among other things, the rate case evaluated whether the terms and conditions of the proposed settlement were reasonable and consistent with BPA’s statutory requirements.

Participants finalized the draft settlement agreement in March 2011, and BPA distributed it to its preference customers for their consideration and signatures should they support the settlement. Customers had until April 15, 2011 to sign the settlement agreement. Key elements of the agreement (as reflected in a March 11, 2011 REP settlement update shared with customers):

1. The proposed 2012 REP Settlement Agreement would resolve challenges over BPA’s implementation of the REP in return for a stream of REP benefits to the IOUs for a term of 17 years. This stream of REP benefits would establish a limit on the amount of REP benefit costs that BPA could include in the rates of the COUs.
2. The IOUs would receive a fixed stream of REP benefits that (after being adjusted for Refund Amounts as described in (4) below) would begin at \$182.1 million in FY 2012 and increase over time to \$286.1 million in FY 2028.
3. The distribution of these REP payments to the IOUs would depend on each IOU’s respective Average System Cost (ASC) and exchange load, plus adjustments to reflect Lookback Amounts recovered from IOUs in Fiscal Years 2009 through 2011. The

IOUs would continue to file ASCs with BPA pursuant to the 2008 Average System Cost Methodology.

4. The settling COUs' obligation to pay REP benefits in rates is limited to the settling COUs' share of the stream of REP benefits specified in the REP Settlement Agreement.
5. The outstanding "Lookback Amounts" BPA determined were owed by the IOUs as of the beginning of FY 2012 (approximately \$511 million) would be replaced by the "Refund Amounts" identified in the agreement. Unlike the Lookback Amounts, which are IOU-specific obligations, the Refund Amounts are treated as a corporate refund obligation of the IOUs as a group, *i.e.*, they are an offset against the total amount of REP benefits included in rates. The Refund Amounts of \$76.538 million per year would be returned to the COUs over an 8-year period (FY 2012-2019). [McCleary's Refund Amount for FY 2014 is \$54,808 and for FY 2015 is \$54,781.]
6. Distribution of the Refund Amounts among the COUs would occur as follows: 50 percent of the Refund Amount (\$38.269 million) would be returned to COUs based on the percentages BPA established in the WP-10 rate proceeding to allocate the FY 2010–2011 Lookback Credits to the COUs. The remaining 50 percent of the Refund Amount would be returned to COUs based on each customer's Tier 1 Customer TOCA Share (expected share of Tier 1 load), with a very small adjustment to address the unique circumstances of Grant PUD.
7. In addition to the stream of REP benefits, the IOUs would receive (1) a percentage of any incremental BPA Renewable Energy Credits (RECs) that might accrue to BPA resources used to serve BPA Tier 1 loads, and (2) the payment of interim true-ups due under the 2008 Residential Exchange Interim Relief and Standstill Agreements between BPA and four of the IOUs.
8. The Agreement would require the signatories to work together, directly or through associations, to urge the U.S. Congress to pass legislation that would affirm the REP Settlement. If a party concludes that the legislative ratification effort could have a material adverse effect, it can cease supporting and may oppose the ratification effort.
9. For the Agreement to go into effect, BPA must decide in its REP-12 final ROD that BPA will both execute the Settlement Agreement and set rates for all customers (settlement signers and non-signers) based on the Settlement for the 17-year term of the Settlement Agreement.
10. If BPA decides to execute the Agreement and set rates the same for signers and non-signers, parties that do not sign the Agreement can and may challenge application of the Agreement to their rates.

11. If the Agreement is challenged, all parties (IOUs, BPA, Signers and Non-signers) are free to fully argue and defend their positions on the issues and to challenge the positions of others.
12. If these challenges were to succeed, BPA would set rates for *all* non-signers consistent with the Court's ruling, regardless of whether the non-signing party challenged the Agreement. Only parties that sign the REP Settlement Agreement would receive the cost protections and certainty identified in the Agreement. Non-signers would be treated as a group and would pay IOU REP costs consistent with the Court's ruling and BPA's subsequent REP and rate setting decisions implementing the ruling.
13. REP costs in rates for non-signers could be higher or lower than REP costs in rates for signers, depending on the court ruling, BPA's decisions in response to the ruling, and results of possible future litigation over BPA's decisions.
14. Section 14 of the Agreement addresses what happens if Congress or the Administration forces BPA to move away from cost-based rates for Preference Customers. If PF rates are no longer set based on embedded costs and this results in an average PF rate greater than 79 percent of average IOU ASCs, the Agreement terminates.
15. Exhibit A of the Agreement is a template for the REP Implementation Agreement that BPA and IOUs would execute if the Agreement becomes effective at the conclusion of the REP-12 proceeding. It would not be signed by COUs and is included so that COUs know what the terms and conditions of the BPA-IOU REP Implementation Agreement will be if the Settlement goes forward.
16. Exhibit H of the Agreement is a revision to COUs' Regional Dialogue Exhibit H that signers agree will replace their current Exhibit H. This revised Exhibit H, combined with Exhibit C that applies to the IOUs, implements the sharing 14 percent sharing of possible future Tier 1 Renewable Energy Credits (RECs) and Carbon Credits that is described in section 5 of the Agreement.

McCleary chose not to sign the REP Settlement Agreement that AE Kirsten Watts offered on March 2, 2011. Fourteen other preference customers made the same decision.

One of the stipulations that had to be met before the BPA administrator would sign the settlement agreement (which would lead to its activation) was that a "critical mass" of settlement parties, including the preference customers representing 91 percent of the aggregated Transition High Water Mark, had to sign the agreement by April 15, 2011. That did not happen. The parties quickly reconvened in late April 2011 and established a new signing threshold of 75 percent as well as a new signing deadline of June 3, 2011. All customers who were asked to consider and sign the original settlement agreement by April 15 were asked to consider and sign the revised agreement by the new deadline.

Power AE Kirsten Watts offered the revised settlement agreement to McCleary on April 22, 2011. The city rejected that, too.

After 112 preference customers and 12 non-preference customers signed the revised settlement agreement by June 3, 2011, the BPA administrator followed suit on July 26, 2011. In a nutshell, the settlement agreement established terms for refunds to BPA utility customers who were previously overcharged, and established REP benefits for the residential and farm consumers of investor-owned utilities through 2028. The REP exchange benefits in the rates (including the refund amount) were lower by about \$20 million a year as a result of the agreement.

December 12, 2013, was the deadline for parties to file petitions for rehearing of the Court's decision affirming BPA's adoption of a landmark 2011 settlement of the Residential Exchange Program. No petitions were filed. On December 13, 2013, BPA announced that the REP Settlement will remain in effect through 2028, which reaffirmed an opinion that the U.S. Court of Appeals for the Ninth Circuit issued on October 28, 2013. This decision ended years of dispute over the way Northwest consumers share benefits of low-cost hydroelectric power from the Federal Columbia River Power System.

Revision No. 1 to Exhibit H of McCleary's FY 2012-2028 Power Sales Contract

McCleary rejected the first offer of Revision No. 1 to Exhibit H to its current power sales contract that Power AE Kirsten Watts made on August 29, 2011. Six of the 15 parties that did not sign the settlement agreement signed the exhibit revision when it was first offered. Three of the remaining 9 signed after the second offer in late 2013 or early 2014. McCleary remains one of the six yet to sign after the second offer that was made on January 30, 2014.

Why did BPA re-offer the revision? Three reasons:

- Calendar Year 2013 was the first year that BPA had "Future Tier 1 RECS" (from hydro efficiency upgrades), the value of which our customers will need to share with the IOUs.
- Non-signers of Exhibit H will be subject to having the IOUs' share of RECs valued in the rate case.
- The April 12, 2012 fixed date in the REP-settlement agreement's version of the Exhibit H complicates exhibit administration for non-signers that may decide to sign the revision after April 2014.

Section 5.2 of the REP Settlement Agreement contains language that pertains to RECs and is applicable non-signers like McCleary:

"If any Non-Settling Entity does not amend Exhibit H of its CHWM Contract in the same manner described for COU Parties in section 5.2, then BPA will (I) convey to the IOUs the value of such Non-Settling Entity's share of the Tier 1 RECs and Carbon Credits that would otherwise have been available for transfer to the IOUs by paying to the IOUs the value of such Tier 1 RECs and Carbon Credits, and (ii) to the maximum extent possible, recover the cost of

such conveyance in rates applicable to such Non-Settling Entity pursuant to BPA's ratemaking authority as provided in section 9 in Exhibit H to such Non-Settling Entity's CHWM Contract.”

BPA expects the financial impact of implementing the REP to be the same for all public customers. In addition to the costs of providing benefits to the IOUs, there are also implications to the amount of RECs public customers receive. If required to maintain equity for these RECs, BPA will take actions in future rate cases to ensure the REC value provided to non-signers is no greater than the REC value provided to customers who signed the REP settlement.

For McCleary (and the other five non-signers), signing the exhibit revision will:

- set a clear 14 percent limit on the future, incremental Tier 1 RECs and carbon credits to be transferred to the IOUs pursuant to section 5.2 of the REP Settlement,
- remove section 9 of Exhibit H that contains language that would subject the customer to BPA’s broad rate making authority for RECs and carbon credits, and
- preserve 100 percent of the value of the city’s current Tier 1 RECs.

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Interim Director of Public Works
Date: February 20th, 2014
Re: Current Non-Agenda Activity

3rd Street Improvements Phase I

In order to meet federal requirements, we have re-advertised the 3rd street project design RFP. The due date for proposals is now March 14th. Since I will be on vacation during the March 26th council meeting, I will bring a recommendation for award at the April 9th meeting.

I appreciate the help that Larry and Ben will be providing in choosing a firm to design this project.

Float Shed

This is an issue that I have been involved with for many years. It is now to a point where we have to demolish the whole structure. The roof is failing in numerous places and has become a danger to the neighboring properties.

We have put \$40,000 in the budget to take care of the demolition of the float shed. I would like to get bids from contractors on our small works roster to perform the work. Please let me know if there are any objections with proceeding with this.

City Newsletter

I would like to start providing a bi-annual newsletter for our residents. To the best of my knowledge, this practice stopped in 2005. I think we can make it an informative and useful informational tool to provide to our residents. I would like to incorporate current projects, current issues, McCleary's history, maybe some information about staff and possibly have a small section for the Chamber of Commerce.

If this is something that you would like me to pursue, please let me know.

Private Storm Ponds

The heavy rains over Presidents day weekend caused the storm pond at Evergreen Heights to overflow. The city crew did a great job of putting out sandbags and diverting the water that started to enter the home next to the storm pond.

The issue with this pond is the ownership of the pond. It is owned by 1/11th of residents in Evergreen Heights. This pond is in poor condition due to lack of maintenance since this development was accepted in the 90's.

I have been working with Dan and we will come up with solutions so we can try and prevent this from happening again.

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Interim Director of Public Works
Date: February 20th, 2014
Re: Large Water Meters

We have 11 large water (greater than 1") meters in our system. 10 of the current meters have lived their useful lives and need to be replaced. For the 2014 budget, \$14,000 was placed in the budget to replace these meters.

These meters need to be replaced because they are no longer accurately measuring water consumption by our customers and replacement parts are no longer available for repair of these meters.

Our whole system is made up of Sensus water meters and I would like to continue using Sensus water meters. Ferguson is the only supplier of Sensus water meters in the state and I have provided a quote from them.

Staff Recommendation:

I would recommend purchases of these 10 meters due to that fact of the old meters are no longer able to be repaired and the reading no longer meet requirements for accurate readings.

Action Requested:

Please consider authorizing purchase of new large water meters for the amount of \$13940.62



FEI - TACOMA WW #3156
 2042 SOUTH 112TH ST
 TACOMA, WA 98444-0000

Deliver To: doug.schrock@ferguson.com
 From: Doug Schrock
 Comments:

14:57:36 FEB 14 2014

FEI - SEATTLE WW #1539

Page # 1

Price Quotation

Phone : 253-538-8275

Fax : 253-531-9909

Bid No.....: B236738

Bid Date....: 02/10/14

Quoted By.: DGS

Cust 360-495-3217

Terms.....: NET 10TH PROX

Customer: CITY OF MCCLEARY
 100 S THIRD ST
 MCCLEARY, WA 98557

Ship To: CITY OF MCCLEARY
 100 S THIRD ST
 MCCLEARY, WA 98557

Cust PO#...: SENSUS OMNI METERS

Job Name: OMNI METERS

Item	Description	Quantity	Net Price	UM	Total
SR11XXXXF8GAXX	LF 1.5 OMR2 MNCS 13L 100CF AMR	2	515.000	EA	1030.00
SR21XXXXF8GAXX	LF 2 OMR2 MNCS 17L 100CF AMR	1	722.000	EA	722.00
SC11XXXXF1GAXX	LF 1.5 OMC2 M/T .1FPL 100CF AMR	1	1281.740	EA	1281.74
SC21XXXXF1GAXX	LF 2 OMC2 M/T .1FPL 100CF AMR	4	1478.930	EA	5915.72
SC33XXXXF1GAXX	LF 3 OMC2 M/C .1FPL 100CF AMR	2	1873.310	EA	3746.62
R8R251015	1-1/2 MTR FLG COMPA GSKT	6	1.025	EA	6.15
R8R25102	GASKET COMPANION MTR FLG 2	10	1.850	EA	18.50
FNWR1RGAM	3 RR 1/8 150# RNG GSKT	4	1.190	EA	4.76
FBSS4SM	3 SS 304 FLG BOLT SET	7	8.880	EA	62.16
	4 SS BOLTS/NUTS PER KIT TO COVER FASTENERS NEEDED FOR 1-1/2" AND 3" METERS (28 TOTAL).				
SP-CBNF314SS	3/4X3-1/4 304SS BOLT & NUT FOR THE 2" METERS.	10	3.720	EA	37.20

Net Total: \$12824.85
Tax: \$1115.77
Freight: \$0.00
Total: \$13940.62

Quoted prices are based upon receipt of the total quantity for immediate shipment (48 hours). SHIPMENTS BEYOND 48 HOURS SHALL BE AT THE PRICE IN EFFECT AT TIME OF SHIPMENT UNLESS NOTED OTHERWISE. Seller not responsible for delays, lack of product or increase of pricing due to causes beyond our control, and/or based upon Local, State and Federal laws governing type of products that can be sold or put into commerce. This quote is offered contingent upon the buyer's acceptance of Seller's terms and conditions, which are incorporated by reference and found either following this document, or on the web at http://wolseley.com/terms_conditionsSale.html.
 Govt Buyers: All items are open market unless noted otherwise.

LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Interim Director of Public Works
Date: February 20th, 2014
Re: MRSC Roster

MRSC Rosters is a shared statewide small public works and consultant roster service that can be utilized by the City. This would be an alternative to maintaining our own rosters. As a shared website database, businesses have the opportunity to join multiple public agency rosters through one application and public agency members use their own individual agency small public works roster and consultant roster, hosted within the database.

Staff Recommendation:

I feel that this will provide a great service at a minimal cost of \$120 per year. It will also free up staff time and office space currently used to maintain our own rosters.

Action Requested:

Please consider authorizing the City to join MRSC Rosters.

Save money and staff time on your public works rosters!

The MRSC Rosters provides FULL maintenance of your small public works and consultant rosters for the same price as only posting one roster legal notice independently. Through the shared database system, we are able to host individual rosters, support business registration, and post legal notices more cost-effectively for public agencies .

Join the 319 Washington cities, counties, and special districts across the state who use MRSC Rosters to conveniently maintain their agency's individual rosters and gain access to a broader selection of businesses.



Next Registration Deadline May 1st

Simple Public Agency Registration

1. Click "Join" at www.mrscrosters.org
2. Mail contract with membership fee
3. Begin using MRSC Rosters after the legal notice is posted in January or June

More information about MRSC Rosters, including a full list of participating public agencies, can be found at www.mrscrosters.org. If you have any questions about the service, please contact Ellen Hutchinson at 206-625-1300 or ejh@mrsc.org.

Full Maintenance of Rosters

- Hosts Your Individual Rosters
- Biannual Roster Legal Notice
- Business Registration Support
- Initial Verification of Business Eligibility
- Searchable Online Roster Database
- Records Retention Assistance

Annual Membership Fee

Total Capital Expenditures*	Annual Fee
Less than 5	\$120
5 to 10	\$240
10 to 15	\$360
15 to 25	\$480
25 to 50	\$600
More than 50	\$900

* total capital expenditures in millions

Businesses apply FREE at anytime and have the convenient option to join multiple public agency rosters in one application, which is renewed annually.

A service of the non-profit Municipal Research and Services Center





Washington Public Agency Contract Small Works Roster and Consultant Roster

This contract (the "Contract") is made by and between Municipal Research and Services Center of Washington ("MRSC"), a Washington not-for-profit corporation, and the City of McCleary (the "Public Agency").

Public Agency Information

Public Agency City of McCleary
Mailing Address 100 S. 3rd Street
McCleary, WA 98557
County Grays Harbor
Website www.cityofmccleary.com

1. Purpose. The purpose of this Contract is to provide the Public Agency with membership in MRSC Rosters which will host its individual Small Public Works Roster ("Small Works Roster") and Consultant Roster ("Consultant Roster") in an online database (collectively, "MRSC Rosters"). MRSC is making membership in the MRSC Rosters available to a number of local government agencies in Washington State to provide them with more efficient and cost effective services.

2. Scope of Services. MRSC shall create and maintain the MRSC Rosters as allowed to the Public Agency and other Public Agency members by RCW 39.04.155 and Chapter 39.80 RCW, respectively. MRSC shall advertise at least biannually for the Small Works Roster and Consultant Roster in accordance with statutory requirements on behalf of all Public Agency members. MRSC will receive and review small works and consultant business (collectively, "business") applications for compliance with basic statutory eligibility requirements, and will maintain business applications.

3. Use of MRSC Rosters by Public Agency. As of the date of the first MRSC biannual legal notice in January or June by occurring after the signing of the membership contract by both parties, the Public Agency will use the Small Works Roster and Consultant Roster hosted in MRSC Rosters as their official rosters.

(a) Small Works Roster. The Public Agency will use the Small Works Roster to select businesses for public work projects up to \$300,000 in value or as otherwise limited by statutes, ordinances, and laws applicable to the Public Agency. The Public Agency shall be independently responsible for its own and the selected business' compliance with all additional or varying laws and regulations governing purchases, including all selection laws, retainage and bonds, prevailing wages, and any other appropriate requirements.

The Public Agency shall be independently responsible, consistent with applicable laws and its own policies and practices, for the determination that the selected businesses are responsible bidders. The Public Agency also shall be independently responsible to conduct a quotation or bid process consistent with applicable statutes, ordinances, and the requirements of the Public Agency and to enter into a contract directly with the business thus selected.

(b) Consultant Roster. The Public Agency will use the Consultant Roster to select businesses for consultant projects, and will do so in accord with all applicable laws and regulations. The Public Agency shall be independently responsible for its own and the selected business' compliance with all additional or varying laws and regulations governing services, including all selection laws, and any other requirements as appropriate.

The Public Agency shall be independently responsible, consistent with applicable laws and its own policies and practices, for the determination that the selected businesses are responsible. The Public Agency also shall be independently responsible to conduct a consultant selection process consistent with applicable statutes, ordinances, and the requirements of the Public Agency and to enter into a contract directly with the business thus selected.

(c) Access to MRSC Rosters. MRSC shall make the MRSC Rosters and associated applications and qualifications for each available to the Public Agency by providing it with a user name and password for access to MRSC's online database MRSC Rosters.

4. Compensation of Businesses. The Public Agency shall be independently responsible for payments to any business that is selected as a result of its use of MRSC Rosters. The Public Agency shall make all such payments directly to the businesses selected by the Public Agency.

5. Effective Date and Term. This Contract shall be effective for a period of one year as of the publication date for the first MRSC biannual advertisement in January or June after the signing of the membership contract by both parties. MRSC will notify the Public Agency of the publication dates of each biannual legal notice the week prior to the publication dates. This Contract may be cancelled by either party as provided in Section 10.

6. Compensation of MRSC. The Public Agency will pay MRSC an annual membership fee in the amount of \$ 120 based on the Public Agency's total capital expenditures for the most recent complete fiscal year for the services under this Contract. Total capital expenditures for cities are the total of BARS code lines 594 and 595 and similar BARS codes for other public agencies. The amount will be paid in full prior to the publication by MRSC of the first biannual legal notice after the signing of the Contract, which will be either in January or June for the MRSC Rosters, and on the subsequent anniversary dates of the publication date.

Total Capital Expenditures*	Annual Membership Fee
Less than 5	\$120
5 to 10	\$240
10 to 15	\$360
15 to 25	\$480
25 to 50	\$600
More than 50	\$900

**Total capital expenditures in millions*

7. Relationship of Parties. MRSC agrees that it will perform the services under this Contract as an independent contractor and not as an agent, employee, or servant of the Public Agency. Nothing in this Contract shall be construed to render the parties partners or joint venturers.

8. Limitation of MRSC Liability. MRSC shall not be, directly or impliedly, a party to any contract with small works, consulting, or vendor businesses into which the Public Agency may enter as a result of the Public Agency's use of the MRSC Rosters. MRSC does not accept responsibility or liability for the performance of any business used by the Public Agency as a result of its use of the MRSC Rosters.

9. Hold Harmless and Indemnification. Each party shall defend, indemnify, and hold the other party harmless from any and all claims, injuries, damages, losses, or suits, including attorney fees, arising from any negligent act or omission that party's officers, employees, volunteers, and agents in connection with the performance of this Contract.

10. Termination. This Contract may be terminated, with or without cause, by written notice of either party to the other. Termination shall be effective thirty (30) days after written notice. Termination of the contract by the Public Agency does not entitle the Public Agency to a refund of the membership fee prorated as to the time remaining in the contract term following termination.

11. Non-assignment. MRSC shall not subcontract or assign any of the rights, duties, or obligations imposed upon it by this Contract without the prior express written consent of the Public Agency.

12. Governing Law and Venue. This Contract shall be governed by the laws of the State of Washington.

13. Authority. Each signatory to this Contract represents that he or she has full and sufficient authority to execute this Contract on behalf of MRSC or the Public Agency, as the case may be, and that upon execution of this Contract it shall constitute a binding obligation of MRSC or the Public Agency, as the case may be.

14. Severability. Should any clause, phrase, sentence or paragraph of this Contract be declared invalid or void, the remaining provisions of this Contract shall remain in full force and effect.

15. Complete Agreement. This Contract constitutes the entire understanding of the parties. Any written or verbal agreements that are not set forth herein or incorporated herein by reference are expressly excluded.

16. Contacts. For purposes of Contract administration, the Public Agency designates the following contacts:

Primary Contact:

Name: Todd Baun
Title: Interim Public Works Director
Email: toddb@cityofmccleary.com
Telephone: 360-495-3667
Facsimile: 360-495-3097

Alternative Contact:

Name: Colin Mercer
Title: Public Works Planning Assistant
Email: colinm@cityofmccleary.com
Telephone: 360-495-3667
Facsimile: 360-495-3097

17. Signatures. By signing this Contract, the signatories below certify that they have the authority to enter into this Contract, that they agree to payment of fees in accordance with the stated Public Agency Fee Structure and that they agree that the Public Agency shall be bound by and adhere to the Terms and Conditions stated.

MRSC

[Signature]

Executive Director
[Title]

[Date]

PUBLIC AGENCY

[Signature]

Mayor
[Title]

[Date]

Submit signed contract with annual membership fee to:
MRSC Rosters
Municipal Research and Services Center
2601 Fourth Avenue
Suite 800
Seattle, WA 98121-1280

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Interim Director of Public Works
Date: February 20th, 2014
Re: Surplus List

The surplus list that was included in Resolution 667 is incorrect. Due to the "scrivener's error" on development of the list, I would like to request authorization to "correct" by substituting the new list.

Action Requested:

Please consider authorizing the new list provided.

**City of McCleary
2014 Surplus List**

Item	ID/Serial Number	Description of overall condition	Number of Items	Department
ENVISION MONITOR	G6SG39A863506	OLD , ATTACHED DATA CORD NO POWER CORD	1	UNKNOWN
OKIDATA PRINTER	PACEMARK 3410 803A6004808	OLD, NO POWER CORD	1	FRONT OFFICE
DELL MONITOR	CN-OJ9235-64180-5AF-OONM	OLD, ATTACHED DATA CORD NO POWER CORD	1	UNKNOWN
DELL LAPTOP BAG	?	GOOD CONDITION ZIPPERS WORKING	1	WWTP
DELL LAPTOP DOCKING STATION	PROIX CN-0P8129-48643-59U-4688	LOOKS LIKE IT WORKS NO CORDS	1	PUBLIC WORKS
SONY MAVICA CAMERA W/ CASE	336050	WORKS DIAL ON TOP HAS BEEN BROKEN OFF REPAIRABLE, W/ ADAPTERS	1	BUILDING DEPT
3" MINI DIGITAL PHOTO DISCS	?	NEW UNUSED BOX OF 50-80 W/ COVERS	1	BUILDING DEPT
PANASONIC BLACK TONER	8828880 18602	UNUSED FROM OLD COPIER	2	CITY HALL
HP LASER PRINT CARTRIDGE	CCI-C3903A	RE-FILLED	1	?
KEYBOARD	MICROSOFT 7619801198535	INTACT DIRTY WIRED	1	?
HP PRINTER	DESKJET 3520 TH36A150 KC	OLD - DIRTY W/ POWER CORD	1	FIRE DEPT
CANON SCAN/COPY/PRINT	(91)1211B002(92)AA(21)DQ3118 30	OLD NO POWER CORD	1	?
GATEWAY 2000 KEYBOARD	10350257	OLD HAS ATTACHED CORD	1	?
OKI DATA KEYBOARD	1126575	OLD HAS ATTACHED CORD	1	?
DELL KEYBOARD	KEYBOARD CN-07N242-71616-46K-OAES	OLD DIRTY HAS ATTACHED CORD	1	?
KEYTRONIC KEYBOARD	KEYBOARD C084801527	OLD HAS ATTACHED CORD	1	?
MICROSOFT KEYBOARD	7796301055526	NON-WORKING WIRELESS NO USB	1	?
MICROSOFT NATURAL KEYBOARD	7389100285869	DIRTY NON-WORKING WIRELSS NO USB	1	?
MICROSOFT MOUSE	801603-118	WIRELESS NO USB	1	?
MICROSOFT MOUSE	2494049	OLD WIRE ATTACHED	1	?
GATEWAY MONITOR	17014D423715	OLD WIRED DATA CORD	1	?
LITE-ON DVD/CD BURNER	450952812375	DOOR MISSING NON-WORKING	1	BUILDING DEPT

2014 Surplus

1

**City of McCleary
2014 Surplus List**

HP INK	TRI COLOR 28	OLD SEALED	1	FIRE DEPT
HP INK	BLACK 28	OLD SEALED	1	FIRE DEPT
HP INK	TRI COLOR 57	OLD SEALED	1	?
OFFICE DEPOT INK	BLACK S020093	OLD SEALED	1	?
OFFICE DEPOT INK	BLACK 51629A	OLD SEALED	1	?
OFFICE DEPOT INK	TRI COLOR HP57	OLD SEALED	2	?
OFFICE DEPOT INK	TRI COLOR HP78	OLD SEALED	1	?
OFFICE DEPOT INK	TRI COLOR EPSON S020089	OLD SEALED	1	?
HP INK	TRI COLOR HP95	OLD SEALED	1	?
HP INK	BLACK 20	OLD SEALED	2	?
HP INK	BLACK 60	OLD SEALED	3	?
HP INK	BLACK + TRI COLOR 60	OLD SEALED	1	?
HP INK	TRI COLOR 78XL	OLD SEALED	1	?
HP INK	TRI COLOR 57	OLD SEALED	2	?
HP INK	BLACK 56	OLD SEALED	5	?
HP INK	TRI COLOR 28	OLD SEALED	2	?
OFFICE DEPOT INK	BLACK HP26	OLD SEALED	4	?
HP INK	BLACK 27	OLD SEALED	1	?
DELL LAPTOP	INSPIRON 5160 CN-0T5326-12961-4BC-4072	WORKS HAS POWER ADAPTED AND XP PROFESSIONAL ID TAG	1	WWTP
AMD 64 SERVER	?	WORKS - ATTACHED POWER CORD	1	CITY HALL
AMD 64 COMPUTER	?	NON-WORKING	1	PUBLIC WORKS
ANTEC COMPUTER	?	?	1	?
COMPUTER	?	?	1	?
GATEWAY 2000 MINI DESK TOP	7860586	OLD 1997 NO POWER CORD	1	?
	INDICATES IT ITEMS THAT REQUIRE ADNETS TO WIPE AND SANITIZE CONTENT			
HP PRINTER K5400	MY715180CW	APPEARS TO WORK NO CABLES	1	POLICE
HP PRINTER 8000	MY97S2419K	OLD DIRTY HAS POWER CABLE	1	POLICE
DELL MONITOR	CN-0P0151-64180-46A-04ML	HAS BOTH POWER AND DATA CABLES	1	POLICE
HP PRINT/SCAN/COPY C4680	CN95QHG153	HAS POWER CABLE	1	POLICE
HP ALL IN ONE L7580	MY73823053	FAIR CONDITION NO CABLES	1	POLICE
BROTHER FAX 2800	U56577L1J796499	OLD HAS POWER CABLE	1	POLICE
HP LASER JET PLUS	JPGL069394	OLD MIGHT WORK HAS POWER CABLE	1	POLICE

2014 Surplus

2

**City of McCleary
2014 Surplus List**

Item	ID/Serial Number	Description of overall condition	Number of Items	Department
DELL KEYBOARD	CN-07N242-71616-46K-0A70	OLD HAS ATTACHED DATA CABLE	1	POLICE
BELKIN KEYBOARD	20408429	OLD HAS ATTACHED DATA CABLE	1	POLICE
HP PRINTER	USDP006672	OLD HAS ATTACHED POWER & DATA CABLE	1	POLICE
HP MONITOR	THTDC68414	CLEAN OLD STYLED ATTACHED DATA	1	POLICE
DELL MONITOR	MX-08G157-47605-21L-BAM7 MX-05E532-47801-28T-CIIE	OLD STYLE ATTACHED DATA CABLE	2	POLICE
DELL COMPUTER	2TSZ711	OLD NO CABLES	1	POLICE
DELL COMPUTER	D63KV11	IN POLICE OFFICE	1	POLICE
WINDOWS 2000 PRO	5NYZ711	IN POLICE OFFICE	1	POLICE
	INDICATES IT ITEMS THAT REQUIRE ADNETS TO WIPE AND SANITIZE CONTENT			
Ford Police Interceptor	2FAFP71W3XX171277	Well Used-Needs engine work	1	Sewer
Ford Police Interceptor	2FAFP71W6XX171287	Well Used- Needs engine work	1	Sewer
Alis Chalmers Diesel Generator + parts	Model#670T serial #70-11432	Stored indoors for 7 years	3	Sewer
Misc. GE Motor Controls along with associated parts		disconnected - stored for 7 years	3	Sewer
Marlow Piston Pump + parts	model# 405E serial# 650117	Rusty not good for anything	Many	Sewer
Aluminum vent windows		Fairly good condition	2	Sewer
1 ton Dayton winch		non-functioning	1	Sewer
Cell Phone- Nextel	354YEEC14L & 364YEEKYPL	Nextel i530	2	Police
Cell Phone- Nextel	364TGS6BG4	Nextel i560	1	POLICE
Cell Phone-Motorola	none	Motorola i1000	1	Police
Cell Phone- Nextel	none	Nextel i576	1	POLICE
Camera, Kodak	Model # cx6200	Kodak easy share digital- Good Condition	1	POLICE
Camera, Kodak	Model # cx7300	Kodak easy share digital- Good Condition	1	POLICE
Camera Docking Plate Kodak	Series 3	Docking Downloading System Series 3	1	Police
C9 Glass Incondescent Bulbs	10W Christmas Light Bulbs	Assorted colors in good condition	114 Boxes- 25 bulbs per box	Light and Power
C7 Glass Incondescent Bulbs	17W Christmas Light Bulbs	Assorted colors in good condition	34 boxes- 25 bulbs per box	Light and Power
Light Strand w/ sockets		Christmas light strand/sockets- 1ft spacing	Approx. 500 Ft	Light and Power

2014 Surplus

3

**City of McCleary
2014 Surplus List**

Item	ID/Serial Number	Description of overall condition	Number of Items	Department
John Deere Mower	GXJX75X239981	Good condition. Does not run	1	Public works
John Deere Mower	GX14SEF432265	Good condition. Does not run	1	Public works
Window	Double pane/ vinyl	3' x 4'5". New	1	Public works
Window Pane	39" x 34" with hinge	antique	1	Public works
Homelite Diaphram pump	80232 model	Broken shaft, broken stand	1	Public works
Homelite Chainsaw	7D0340528	Good condition/ No chain brake	1	Public works
Stihl Chainsaw	028 wb	Good condition/ No chain brake or bar	1	Public works
Stihl Chainsaw	009/ 91120C210810	Broken Handle	1	Public works
Stanley Hydraulic saw		Good	1	Public works
Honda Pressure Washer	GCAE-1404435	Needs pressure regulator	1	Public works
225 AMP Lincoln Arc Welder	7351-510	Kicks off after 10 seconds of running	1	Public works
Window Slider	12" x 34"	Sliding part of window	1	Public works
Misc. lengths of 1" wire rope				Public works
File Cabinet	18" x 28" x 30"	Front load, No keys	1	Public works
File Cabinet	18" x 25" x 29"	Front load, No keys	1	Public works
File Cabinet	18" x 29" x 41"	No keys	1	Public works

Note- Estimate for Adnets to "clean" hard drives for all items in gray shade is \$270.

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Interim Director of Public Works
Date: February 20th, 2014
Re: WWTP Concrete

At the Waste Water Treatment Plant (WWTP), there is an old drying bed that is currently being used to fill a large dumpster with compressed solids. The area used to have concrete runners that the dumpster would sit on, until they broke and sections had to be removed. The City placed \$10,000 in the Sewer budget to replace this area with a new 6” concrete slab with rebar reinforcement. The city crew will dig out the area to grade and place the rebar. We would like to hire a contractor to pour the slab due to its size. (40’ x 52’). Kevin has gotten 3 proposals from local contractors for the concrete work. They are as follows:

Hicks Enterprises LLC- \$7988.00 sales tax not included
Brevard Concrete Const. - \$7685.00 sales tax not included
Birindelli Inc- \$7500.00 sales tax not included

Staff Recommendation:

I would recommend awarding Birindelli Inc. with the proposal of \$7500.00 sales tax not included, to pour and finish the concrete pad at the WWTP.

Action Requested:

Please consider authorizing Birindelli Inc. with the proposal of \$7500.00 sales tax not included, to pour and finish the concrete pad at the WWTP.

BIRINDELLI, INC.
GENERAL CONTRACTOR

Proposal / Contract

TO: City of McCleary
100 S. 3rd St.
McCleary, WA 98557
495-3667

Feb. 5, 2014

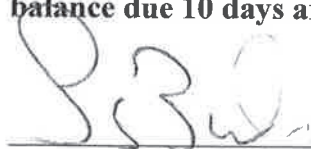
This proposal is to provide labor and 40 yards of 3500 psi concrete, to be broom finished. Contractor is not responsible for "grade" if more than 40 yards (due to grade). \$85 per yard will be charged. This bid includes cutting concrete into four 20'x26' sections.

Subtotal	\$7,500.00
Plus WSST (8.4%)	<u>630.00</u>
Total:	\$8,130.00

NOTE: All permits, plans, surveying, engineering, and electrical from building to source are the responsibility of the owner.

TERMS AND CONDITIONS OF AGREEMENT

1. Owner shall furnish insurance to cover any damage done to the construction project while the contractor is not on the job site.
2. Contractor shall maintain Worker's Compensation insurance on all employees.
3. Contractor shall follow standard construction practices. All work and materials will meet uniform building codes as well as local, county and city building codes.
4. Owner understands and accepts that the concrete slabs will crack beyond the control of the contractor.
5. Owner shall provide electrical power to job site for construction.
6. Owner shall provide sanitary restroom facilities.
7. Any changes must be in writing, and may extend the project completion date.
8. **Payment will be made as follows: balance due 10 days after completion**



Larry Birindelli, General Contractor

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal: The above prices and conditions are satisfactory and are hereby accepted. You are authorized to do the work. Payments will be made as outlined above.

Date of Acceptance

Authorized Signature

This proposal is submitted in duplicate. Returning one signed copy to us shall constitute a contract.

PROPOSAL

Page # _____ of _____ pages

Brevard Concrete Const.
2808 Wiehkah Rd.
Aberdeen, WA 98520
533-6089 Brevacco88cn

Proposal Submitted To: <i>City of McCleary</i>		Job Name	Job #
Address: <i>100 S 3rd St</i>		Job Location: <i>700 maple St</i>	
<i>McCleary WA 98557</i>		Date:	Date of Plans: <i>1-29-14</i>
Phone #: <i>(360) 470-9663</i>	Fax #	Architect: <i>Kevin Treuhella</i>	

We hereby submit specifications and estimates for: *40x52x6" Slab 2080 Sq Ft with 12x12 w/cr. at 8" depth for Pumpster Bin*

Job to include concrete and labor to place forms/establish elevations/give directions to City on Grading Sub Grade and tying Re-Bar Pour & Finish concrete to a Brown Finish not more than 42 1/2 yds

City to provide Sub-Grade labor-Fill-and compaction and to provide Re-Bar and labor to place & tie

<i>Concrete & labor</i>	<i>7245.00</i>	<i>+440</i>	<i>+TAX to include Paving wages</i>
<i>Sales tax</i>	<i>608.58</i>		
	<i>7853.58</i>		

We propose hereby to furnish material and labor — complete in accordance with the above specifications for the sum of:
\$ *Seven Thousand Eight Hundred Fifty Three & 58/100* Dollars
with payments to be made as follows: *negotiable*

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control.

Respectfully submitted *[Signature]*
Note — this proposal may be withdrawn by us if not accepted within *60* days.

Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Date of Acceptance _____ Signature _____

HICKS ENTERPRISES L.L.C.

WWW.HICKSETERPRISESLLC.COM

P.O. Box 419 Littlerock, Wa. 98556

- Cell 360-790-0437 Office 360-753-1461

January 28 , 2014

City of Mccleary

attn: Kevin

Re: Estimate for sewage treatment plant concrete slab.

Concrete scope estimate includes the following:

1. Place and broom finish a 52'x40'x6" slab.
2. Provide 40 yards of 6 sack concrete.
3. Provide concrete pump for placement of concrete.
4. Pay prevailing wage rate to employees for working on municipal project.

Note: Kevin, The yardage amount required for this at 6" depth is 38.52 yards. I will cover up to 40 yards of concrete. Anything exceeding that amount would be an additional \$100 a yard. So it's important when you guys grade it that it's accurate. As we discussed it is also important to place the concrete via pump. Backing a loaded concrete truck over the existing asphalt edge will ruin it.

Total bid amount \$7988.00 sales tax not included

Thanks,
Jason

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Interim Director of Public Works
Date: February 20th, 2014
Re: L&P Outage

There will be a city wide outage starting at 11:30 PM Saturday, April 12th and running through 8:00 AM until Sunday, April 13th. This is to repair a failing bushing gasket on the transformer at the substation at 7th and Ash.

We will be hiring a contractor to make the necessary repairs at the substation, and the Light and Power crew will be replacing 3 highline poles on Simpson Avenue.

The Light and Power crew has been doing a great job on troubleshooting issues at this transformer since the problem was first discovered. This transformer is leaking Nitrogen gas, which is used to keep the transformer positively pressurized, and keeps weather and other contaminants from entering the transformer. As the leak has gotten worse, the crew has been in contact with the transformer manufacturer and the repair contractor to make sure they will have everything needed to make the proper repair and keep the outage to a minimum.

This repair should also save the City roughly \$7000 a year that we have been spending in Nitrogen for the transformer.

PRSRRT STD
ECRWSS
U.S. POSTAGE
PAID
EDDM RETAIL



CITY OF MCCLEARY

POWER OUTAGE

SATURDAY 4-12-14 11:30 PM

UNTIL

8:00 AM SUNDAY 4-13-14

**LOCAL
POSTAL CUSTOMER**

This is a scheduled power outage to perform needed repairs to the Main Substation. Repairs may be completed and the power restored earlier than 8:00 am. You are urged to make appropriate arrangements to be without power for this timeframe.

If you have any questions please contact City Hall 360-495-3667.

This outage will affect all customers that receive a City of McCleary Utility Bill.

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Interim Director of Public Works
Date: February 20th, 2014
Re: L&P Pole and Transformer Bid

Here is a report from Paul:

Last year we did not order any poles or transformers. Typically, I have been trying to order either poles or transformers every other year; it has less of an impact on our budget. Most of the work we completed last year was underground projects and our inventory wasn't impacted as hard. Unfortunately, this year we will be utilizing most of our stock to complete the cut over portion that we intend to complete. In some cases we do not have enough transformers or poles to complete all the work and this also eliminates our "on hand" stock for unforeseen events.

It is my recommendation to review and proceed with the bid process for transformers and poles. This is a timely process and I would like to go forward with this as soon as possible so that the material is on site by the time we have good weather and are going full speed in our cut over work. It is my understanding that both were included in the 2014 budget.

Please see the attached pole and transformer inventory sheet as to the status of our current inventory.

Action Requested:

Please review attachment and give recommendation on whether to go ahead with entire bid package or eliminate the 37kva and 50kva pole mount transformers from the bid package.

**Light and Power
Pole and Transformer Status
2/2014**

	<u>Current Inventory:</u>	<u>2014 Needs:</u>	<u>Remaining Balance:</u>	<u>Need to Order:</u>
Poles:				
45 ft.	33	34	-1	40
40 ft.	46	10	36	truck load balance
35 ft.	25	5	30	0

	<u>Current Inventory:</u>	<u>2014 Needs:</u>	<u>Remaining Balance:</u>	<u>Need to Order:</u>
Transformers:				
Pole Mount:				
15 kva DX	21	13	8	12
25 kva DX	24	27	-3	23
37 kva DX	16	7	9	6
50 kva DX	12	3	9	6
Pad Mount:				
25 kva DX	7	0	7	8

Approximate Costs based off of last order 2012:

Poles:	45 ft.	\$456.00 ea x 40 =	\$18,240.00
	40 ft.	\$453.00 ea x 10 =	<u>\$4,530.00</u>
		Total	\$22,770.00

Transformers:

Pole mount:	15 kva DX	\$1016.00 ea x 12 =	\$12,192.00
	25 kva DX	\$1172.00 ea x 23 =	\$26,956.00
	37 kva DX	\$1454.00 ea x 6 =	\$8,724.00
	50 kva DX	\$1916.00 ea x 6 =	\$11,496.00
Pad mount:	25 kva DX	\$2262.00 ea x 7 =	<u>\$15,834.00</u>
		Total	\$75,202.00

Summary:

These numbers are based off the premise that we will complete the south east portion of the City in regards to the cut over (as planned) and maintain a supply inventory of:

- 20 - 15kva
- 20 - 25kva
- 15 - 37kva
- 15 - 50kva
- 15 – 25kva pad mounts

To cut costs on the transformer bid package we can eliminate the 37kva and 50kva transformers from the bid package, keeping only 9 on hand and knowing that we will probably have to order them next year. The 15kva and 25kva are the most common transformers used and I feel that is prudent to have 20 ea. “on hand in inventory”. The seven 25kva pad mounts are included just to replace stock that has been used since 2012 and maintain a “on hand inventory” of 15 – 25kva pad mounts (once again the most popular size pad mount that we use).

If we are to eliminate the 37kva and 50kva pole mount transformers from the bid package:

Total estimated bid package	\$75,202.00
Subtract 37kva and 50kva transformers	\$20,220.00
Total	\$54,982.00

RESOLUTION NO. _____

**A RESOLUTION ADOPTING A POLICY
REQUIRING THAT BUSINESSES HAVING CERTAIN
CONTRACTUAL RELATIONSHIPS WITH THE CITY
COMPLY WITH THE FEDERAL E-VERIFY PROGRAM.**

R E C I T A L S :

1. The federal government maintains a program known as "E-Verify" to allow employers to confirm that a potential employee is legally authorized to be employed in the United States.

2. The program is maintained by the Department of Homeland Security in association with the Social Security Administration. It is available without cost and allows confirmation both of an individual's eligibility for employment and a provided social security number.

3. In recognition of certain federal mandates, as well as a matter of general policy, it is found appropriate to set forth requirements in relation to utilization of the program in certain situations by parties having contractual relationships with the City.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR SIGNING IN AUTHENTICATION THEREOF:

SECTION I: Any call for bids or proposals, as well as any contracts between the City and any party excepting contracts between local, state, or federal governments, shall contain the following requirements:

A. That the party shall utilize the federal E-Verify program to verify that each employee of the contractor and any sub-contractor providing services on the covered project are legally authorized to be employed in the United States.

B. That the contractor shall provide a written certification satisfactory to the City that the contractor has enrolled in and implemented the E-Verify program to confirm the employment eligibility of all of its employees who will perform work on the covered project and that eligibility will be confirmed on or before the date any employee of the contractor begins work on the project.

C. That upon written request from the City, the contractor will provide to the City a written list of the employees subject to the requirement set out in sub-section B

and the results of the E-Verify check made as to each employee.

SECTION II: Failure to abide by Section I, shall result in the loss of the ability to bid on future contacts with the City of McCleary for a period of two years.

SECTION III: This resolution shall take effect upon the date of adoption, but shall only apply to contracts for which the call for bids or proposals is issued on and after this date.

PASSED THIS _____ DAY OF _____, 2014, by the City Council of the City of McCleary, and signed in authentication thereof this _____ day of _____, 2014.

CITY OF McCLEARY:

D. GARY DENT, Mayor

ATTEST:

WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

DANIEL O. GLENN, City Attorney

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 RHWMs 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

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Interim Director of Public Works
Date: February 20th, 2014
Re: Computer Repairs and Upgrades

Over the next several months, we will be having Adnets perform numerous repairs and upgrades to our computer system. These items were identified as being “needed” due to security and current condition. These improvements are budgeted for in the 2014 budget. They are in the order of priority.

1. Firewall @ Water Treatment Plant- \$1050-
2. Firewall @ City Hall- \$1400
3. VPN to WTP & WWPT- \$400
4. 5 Replacement workstations- \$3700- Work Station Operating Software- \$2000
5. Work Station Media Software- \$7700
6. Server Upgrade- \$9000
7. Move Ex. Server to PD- \$1600
8. Replace Existing Switches throughout City- \$1000
9. New Computer for Todd- \$2000
10. Floating GIS Server License- \$8000

Total- \$37850.00

Action required:

Please review and let me know if you have any questions.

STAFF REPORT

To: Mayor Dent
From: Todd Baun, Interim Director of Public Works
Date: February 20th, 2014
Re: Energy Conservation Program Funding

Our budget for funding years of 2014-2015 is \$98039.00 for our Energy Conservation Program. The issue that we are running into is how to spend the funding.

We have the Simpson Track and Tune earmarked for \$25,000 and they would also like to do a lighting project that would take about \$30,000. There is an Energy Smart Grocer (ESG) program that we provided \$10,000 in the last funding cycle. This program could use \$30,000 this cycle. Commercial customers spent about \$11,000 the last cycle. We also have residential customers that are taking advantage of the program. So far this year, our residents have spent almost \$11,000 of our current funding.

There are several options that can come from this. Here are a few of them:

1. Everyone gets equal funding. Simpson- \$25,000. ESG- \$24,000. Commercial- \$24,500. Residential-\$24,500.
2. Simpson-\$55,000. ESG-\$14,000, Commercial- \$14,000, Residential-\$14,000
3. Simpson- \$25,000. ESG-\$30,000. Commercial Customers- \$12,000. Residential-\$31,000.

Action required:

Please review and give me recommendations on how you would like the funding broken up.

ORDINANCE NO. _____

**AN ORDINANCE RELATING TO CERTAIN
BUSINESS ACTIVITIES, ESTABLISHING
LICENSING REQUIREMENTS, AUTHORIZING
ENFORCEMENT, AND ADDING A NEW CHAPTER TO
TITLE 5 OF THE MUNICIPAL CODE.**

R E C I T A L S:

1. The Acting Building Official has brought to the attention of the Mayor and Council the desire of individuals to conduct business activities through the utilization of mobile facilities.

2. It having been noted there is no current regulatory process in place, it is found necessary and appropriate to implement such a process.

NOW, THEREFORE, BE IT ORDAINED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY:

SECTION I: For purposes of this ordinance, an "itinerant merchant," within the meaning of this chapter, means any person who, while selling or offering for sale any goods, wares, merchandise, or anything of value, stands or is otherwise present in any unenclosed vacant lot, parcel of land, or in any other place not used by such person as a

permanent place of business, with the exception of a person selling or offering for sale, in a manner consistent with applicable zoning ordinances and regulations, but not as a regular business, any goods, wares or anything of value on the property constituting that person's private residence.

SECTION II: Exceptions. The provisions of this ordinance shall not apply to the following:

A. Vendors of printed materials, the chief aim of which is the dissemination of current news as distinguished from magazines or fictional writings;

B. City-wide central business district outdoor promotional sales which do not impede the free flow of traffic, create a hazardous situation or interfere with the conduct of private businesses in the neighborhood;

C. Private garage/yard and estate sales of an infrequent nature upon residential property owned or tenanted by that person conducting such sale. Limited to two sales annually for each particular parcel of property and each sale shall last no more than three days;

D. During the Bear Festival weekend from 12:01 p.m. Wednesday morning until 11:59 p.m. Sunday evening of the

weekend the Festival is scheduled, this chapter shall not apply within the corporate limits of the city.

SECTION III: **License required.**

A. It is unlawful for any itinerant merchant as herein defined to engage in such business within the corporate limits of the city without first having obtained a license in compliance with this chapter.

B. The license shall be in the possession of the itinerant merchant at the location at which business is being transacted at any time in which the merchant is engaged in business activities herein defined. The merchant shall produce and exhibit such license at any time the merchant is requested to do so by any person with whom the merchant is engaging in business and business activity, or by any employee or official of the city having code enforcement responsibility.

C. Such activities may be licensed only so long as the location has a zoning classification allowing on-site retail sales.

SECTION IV: The application form shall contain and the applicant shall furnish the following information:

A. Name of the applicant;

B. Permanent home address and telephone number and full local address and telephone number of applicant;

C. Brief description of the nature of the business and, if applicable, the goods to be sold;

D. If not self employed, the name and address of the employer;

E. A statement of whether or not the applicant was ever convicted of any crime of felony or gross misdemeanor nature whatsoever;

F. Business certificate from the State Department of Revenue or proof of application for such certificate;

G. Whenever applicable, a copy of applicant's food handlers permit issued by the Grays Harbor County Health Department; and

H. The address or addresses of place or places where business is to be conducted.

SECTION V: Review: Issuance or Denial

A. If all investigation by the city clerk-treasurer is satisfactorily completed, the city clerk-treasurer shall issue the license as requested. In the event investigation by the city clerk-treasurer indicates the applicant to be unsatisfactory, at the written request of the applicant, the

matter shall be placed before the City Council at its next regular meeting.

B. A public hearing shall be had upon the denial with the applicant and any interested person having the right to testify. If the Council finds the issuance of the license would be detrimental, or against the public health, welfare or safety, or that the application is fraudulent or misrepresented, the Council may, at its discretion, deny issuance of license to the applicant.

C. Appeal from any order denying the issuance of a license may be taken to the Superior Court of State of Washington in and for the County of Grays Harbor. The appeal shall be filed within fifteen calendar days of the issuance of a written decision by the Council and its delivery or mailing to the applicant and served upon the Office of the Clerk-treasurer.

SECTION VI: **License fees, terms and**

transferability: Upon approval of the application provided herein, each itinerant merchant shall pay such license fee as may be established by written resolution of the Council. Such license shall apply to the business, be valid for a period of ninety (90) days from date of issuance, and authorize the

conduct of such business sales only at one temporary location.
A new application shall be made for any change of location.

SECTION VII: Revocation.

Licenses issued under the provision of this
ordinance

may be revoked for cause. Revocation proceedings shall be initiated by written and verified complaint specifying in the complaint the cause or causes upon which the complaint for revocation is based.

A. In the event the verified complaint states that the licensee has violated any of the following provisions and the Clerk-treasurer concludes that, on a more probable than not basis, the violation has occurred, then the clerk-treasurer may suspend the license pending the next meeting of the City Council and shall notify the Police Chief of such suspension:

1. Violating the health, welfare or safety of the residents of the city;
2. That the merchandise sought to be sold or demonstrated or in fact sold, is misbranded, or is or has been misrepresented;

3. Fraud or misrepresentation contained in the application for the license;

4. Fraud, misrepresentation or false or misleading statements made in the course of conducting the licensed sale or solicitation;

5. Conviction, since the issuance of the license, of any crime involving moral turpitude; or

6. Without written consent of the party providing the can or waste container, depositing waste generated as a result of the operations of the licensee in cans or waste containers provided for public use.

7. Violation of the terms of this ordinance.

B. Operations of the licensee while said license is suspended shall be deemed a violation of this chapter.

C. At the next meeting of the City Council held no less than seven calendar days following such suspension, the Council shall proceed to hear the complaint. The Council may here such testimony as it deems appropriate. If the Council finds from

the evidence merchant's license should be revoked for any of the causes set forth herein, then said license may be revoked by action of the Council. If it finds that revocation is not

supported, the Council shall order the license reinstated for the remainder of the license's term.

D. Appeal from any order denying or granting the revocation of any permit may be taken to the Superior Court of State of Washington in and for the County of Grays Harbor. The appeal shall be filed within fifteen calendar days of the issuance of a written decision by the Council and its delivery or mailing to the applicant and served upon the Office of the Clerk-treasurer.

E. The holder of any licenses which is revoked shall not be eligible to obtain a license issued under the provisions of this ordinance for a period of one calendar year from the final effective date of the revocation.

SECTION VIII: Violation - Penalty.

Any person, firm, or corporation who or which has been issued a license under the provisions of this ordinance who or which violates any of the terms and conditions, sections or subsections of this ordinance shall be guilty of a misdemeanor. Every day upon which such violation shall occur, or upon which such violation shall continue, shall constitute a separate offense.

SECTION IX: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared invalid or unconstitutional, and if for any reason this Ordinance should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

SECTION X: This Ordinance shall take effect upon the fifth day following date of publication.

SECTION XI: Corrections by the Clerk-treasurer or Code Reviser. Upon approval of the Mayor and City Attorney, the Clerk-treasurer and the Code Reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors, references to other local, state, or federal laws, codes, rules, or regulations, or ordinance number and section/subsection numbering.

SECTION XII: Sections I through VIII inclusive of this ordinance shall constitute a new chapter in Title 5 of the Municipal Code.

PASSED THIS _____ DAY OF _____, 2014, by the City Council of the City of McCleary, and signed in approval therewith this _____ day of _____, 2014.

CITY OF McCLEARY:

D. GARY DENT, Mayor

ATTEST:

WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

DANIEL O. GLENN, City Attorney

STATE OF WASHINGTON)
 : ss.
GRAYS HARBOR COUNTY)

I, WENDY COLLINS, being the duly appointed Clerk-Treasurer of the City of McCleary, do certify that I caused to have published in a newspaper of general circulation in the City of McCleary a true and correct summary of Ordinance

Number _____ and that said publication was done in the manner required by law. I further certify that a true and correct copy of the summary of Ordinance Number _____, as it was published, is on file in the appropriate records of the City of McCleary.

WENDY COLLINS

SIGNED AND SWORN to before me this _____ day of _____, 2014, by WENDY COLLINS.

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, Residing at:
My appointment expires: