



McCleary City Council

PROPOSED AGENDA

January 11, 2012

7:00 Council Meeting

Flag Salute

Roll Call

Minutes (Tab A)

Public Comment:

Mayor's Report/Comments:

Staff Reports: Dan Glenn, City Attorney (Tab B)
 Nick Bird, Director of Public Works (Tab C)
 Staff Reports (Tab D)

Old Business: IT Service Contract (Tab E)

New Business: Elcon Work Order 2012-1 (Tab F)
 Cell Tower (Site Management) (Tab G)
 Step Systems (Tab H)
 Alley Vacation (Tab I)
 Stormwater Billing (Tab J)
 Amended Service Agreement – BPA (Tab K)

Ordinances: Street Weight Limits (Tab L)

Resolutions: Storm Rates (Tab M)

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

The City of McCleary is an equal opportunity provider and employer.
La ciudad de McCleary es un proveedor de igualdad de oportunidades y el empleador.

CITY OF MCCLEARY
Regular City Council Meeting
Wednesday, December 7, 2011

Regular Meeting

| | |
|--|--|
| FLAG SALUTE | Mayor Dent Called the Regular Meeting to order at 7:00 PM with the Flag Salute. |
| ROLL CALL | Councilmembers Boling, Geer, Lant, Schiller and Ator. |
| ABSENT | None. |
| STAFF PRESENT | Present at the meeting were Dan Glenn, Wendy Collins, Nick Bird, George Crumb, John Graham, Randy Bunch and Jennie Reed. |
| MINUTES APPROVED | It was moved by Councilmember Boling, seconded by Councilmember Schiller to approve the minutes. Motion Carried. |
| MAYOR'S COMMENTS | |
| PUBLIC COMMENT | Helen Lake asked if the Mayor had any updates on the fraud audit. The Mayor responded by saying there is no update to report so he has no comment. Ms. Lake also urged the Council to vote for the Children's Advocacy Contract tonight. She has been involved for twelve years and has seen how worthy it is for our community. Chief Crumb explained the significant value of the organization at a cost of only \$4000 a year. |
| CITY ATTORNEY REPORT | Dan Glenn asked the Council to review his memo and let him know if there are any questions or concerns. |
| GREATER GRAYS HARBOR INC. AGREEMENT | It was moved by Councilmember Ator, seconded by Councilmember Lant to authorize the Mayor to sign the Greater Grays Harbor Inc. Regional Chamber of Commerce Agreement in the amount of \$1,000 to help encourage growth and economic development assistance in our County. Motion Carried. |
| DIRECTOR OF PUBLIC WORKS REPORT | Nick Bird spoke regarding the hazard mitigation plan amendment. GH County adopted their All Hazards Mitigation Plan in October of this year. The purpose of this plan is to address taking action before disasters strike. The County has given us the opportunity to "piggy-back" with the work already completed by preparing and adopting a hazard Mitigation Plan Amendment. Once adopted, it's in place for five-years. Councilmember Lant wants to take enough time to look through the plan to make sure there are no hidden cost items that could negatively impact the City finances. More information will be provided at a future meeting. Mr. Bird also commented on the Grays Harbor Council of Governments. He spoke with Julie Gibb and she recommended a survey of vacant commercial and industrial land. There would be a minimal cost. Nick would like to discuss this further with her to obtain the details as this could help the City try to find people to buy land for commercial business. The Council agreed to have Nick continue researching the details. Jon Hinton gave an update on wells 1 & 2. They discovered an old underground storage tank near well #2 and G & O needs to find out more information on it and will keep the Council updated on what they discover. |
| GRAYS HARBOR COUNTY COMMISSION CONCERNS - RESOLUTION NO. 636 | The Mayor expressed concern regarding actions and comments made by the Grays Harbor County Commission. Most recently, the Commissioners unilaterally implemented an action which shifts money from one fund to another, thereby resulting in a tax increase upon citizens of the City of McCleary. It was moved by Councilmember Ator, seconded by Councilmember Lant to adopt Resolution No. 636 requesting the County's government properly determine the causes of and solutions for its economic problems and the impacts upon their fellow municipal corporations of the unilateral fund transfer they are proposing. Motion Carried. |
| IT SERVICE CONTRACT | Tabled until the next meeting. |

| | |
|---|--|
| BIAS 2012 SOFTWARE SERVICE AGREEMENT | It was moved by Councilmember Lant, seconded by Councilmember Schiller to authorize the Mayor to sign the 2012 BIAS Software Service Agreement in the amount of \$7,826.40. Motion Carried. |
| FIRE DISTRICT'S #5 and #12 CONTRACT EXTENSION | Negotiations continue to be ongoing with no resolve. Staff is requesting the Council approve the Mayor sign a four-month extension of the current contract so negotiations can continue. Councilmember Lant would like to be more informed as the process proceeds. He has many years of experience regarding this subject and would like to be aware of how the negotiations progress. It was moved by Councilmember Lant, seconded by Councilmember Boling to extend the current contract between the City of McCleary and Fire Districts #5 and #12 for four-months, if Fire District #5 also approves it. Motion Carried. |
| GRAYS HARBOR CHILDREN'S ADVOCACY CONTRACT | It was moved by Councilmember Lant, seconded by Councilmember Boling to authorize the Mayor to sign the 2012 service agreement for the Children's Advocacy Center in the amount of \$4000. Motion Carried. |
| GRAYS HARBOR COUNTY 5-YEAR AGREEMENT | The existing 5-year Reimbursable Agreement with Grays Harbor County expires on 12/31/11. The City received notice of the expiration, along with a new Agreement, to cover the period of 1/1/12 to 12/31/16. No changes to the existing agreement have been made. It was moved by Councilmember Ator, seconded by Councilmember Schiller to authorize the Mayor to execute the 5-year Reimbursable Agreement with Grays Harbor county for one-year. Motion Carried. |
| 2012 BUDGET & SALARIES - ORDINANCE NO. 775 | Councilmember Schiller commented that he is concerned about the shortage of revenues and sees this as the last year the City has to come up with some new revenue sources before the City is in a serious situation. It was moved by Councilmember Ator, seconded by Councilmember Schiller to adopt Ordinance No. 775 adopting a budget for the calendar year 2012 and establishing salaries. Roll call taken with four votes in the affirmative and one vote, Councilmember Geer, in the negative. Ordinance Adopted. |
| UTILITY TAX - ORDINANCE NO. 776 | Councilmember Lant believes they have no choice but to increase the utility tax. It was moved by Councilmember Lant, seconded by Councilmember Ator to Adopt Ordinance No. 776 increasing the utility tax on sewer, water, and stormwater from 6% to 8.99%. Roll call taken with three votes in the affirmative and two votes, Councilmember's Boling and Geer in the negative. Ordinance Adopted. |
| BUDGET PAY - RESOLUTION NO. 637 | It was moved by Councilmember Lant, seconded by Councilmember Ator to adopt Resolution No. 637 relating to the public utilities, authorizing an annualized "Budget Pay" program, setting forth provisions in relation thereto, and providing certain authority to the Clerk-Treasurer. Resolution Adopted. |
| CITY FEES - RESOLUTION NO. 638 | It was moved by Councilmember Ator, seconded by Councilmember Boling to adopt Resolution No. 638 relating to establishment of fees in relation to various activities; repealing Resolution No. 539 and any Resolution in conflict herewith; and providing for modifications therein. Resolution Adopted. |
| STORMWATER RATES | Tabled until the next meeting. |
| APPROVAL OF VOUCHERS | Vouchers/Checks approved were 33931-33979, including EFT's in the amount of \$152,763.54 and 34013-34062 including EFT's in the amount of \$83,393.35. November 2011 payroll and benefit checks 33925-34012 plus EFT's in the amount of \$146,989.50. Voided checks: None. It was moved by Councilmember Boling, seconded by Councilmember Ator to approve the vouchers as received. Roll call taken in the affirmative. Motion Carried. |
| PUBLIC COMMENT | Heleen Lake wished everyone a Merry Christmas and commented on how nice the lights look around the City. Councilmembers Schiller and Lant thanked both Councilmembers Geer and Boling for their service on the City Council since this is their last meeting as Councilmembers. Councilman Ator concurred. |
| EXECUTIVE SESSION | None. |
| CANCELED MEETING | It was moved by Councilmember Ator, seconded by Councilmember Schiller to cancel the City Council Meetings scheduled for December 14th and 28th, 2011 due to the Christmas and New Year's Holidays. Motion Carried. |

RECESS MEETING

It was moved by Councilmember Boling, seconded by Councilmember Lant to adjourn the meeting at 8:15 PM. The next meeting will be on January 11, 2012 at 7:00 PM.
Motion Carried.

Mayor Gary Dent:

Clerk-Treasurer Wendy Collins:

MEMORANDUM

TO: MAYOR AND CITY COUNCIL, City of McCleary
FROM: DANIEL O. GLENN, City Attorney
DATE: January 6, 2012
RE: LEGAL ACTIVITIES as of JANUARY 11, 2012

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. CONNECTION FEE "STIMULUS" PROGRAM: Based upon discussion among you and direction from the Mayor, Mr. Bird and I have been working on a variety of issues which surround this type of program. As is not unusual, the task of developing a practical program in the form of a resolution or ordinance has turned out to be simpler than determining the legal validity of such a program.

A. The Operational Side: If implemented, it is our understanding that consideration is given to allowing an applicant for a building permit relating to the construction of a new residence to pay a percentage, likely one-half, of the utility connection fees at the time of the issuance of the building permit. (Among the matters unclear to me at this stage are whether or not the program would include new commercial buildings and whether the applicant would need to obtain more than one permit to be allowed to participate in the program.) Then, if the structure is completed within a time certain, perhaps twelve or eighteen months, the balance of the connection fees would be waived. If not, they would be paid at the time of the completion of the connection process.

All of that and any permutation you might desire in the operational standpoint is capable of being drafted. Now, to the problem areas.

B. The Legal Side: As is usually true in situations such as this, this can be the more difficult side. In the course

of researching the area, I have sought statutory or case law authority, as well as had discussions with the folks at MRSC. I have sent a query to the legal consultant for the SAO but she has not yet responded.

What the fundamental issue boils down to is whether or not the program would violate the constitutional prohibition against gifts of public funds? There is an ancillary issue related to the argument that such a program disregards the basis for the establishment of connection fees.

1. Gift of Public Funds: There appear to be only two statutes which authorize this type of activity. RCW 35.92.380 authorizes the "waiver or delay of collection of tap-in, connection or hookup fees" related to utilities for "low income persons". To do this, it must be a program established by ordinance. The legal justification on why such a program would not violate the constitutional provision is that "gifts" to the poor are specifically exempted from this prohibition. RCW 35.21.685 allows grants or loans to developers of low income housing. (A definition of "low income" is included in the statute.)

It is my understanding the conceptualization currently in place would not fit within the parameters of these provisions. Thus, the initial conclusion is we could be violating the provision.

Our counter-argument to this concept would be that, by doing this, we are generating funds through increased real estate taxes and utility income. However, the difficulties could include providing adequate evidence the applicant would not have built here in any event.

2. Such action would be contrary to the bases upon which connection fees are established. The fundamental rationale for the classic connection fees is to recapture moneys already expended on developing the utility and its capacity. Obviously, by implementing the program the argument could be made the utility is giving away that funding for the primary benefit of the current expense fund. As the MRSC consultant noted, the SAO might well make the argument the utility was entitled to reimbursement from the current expense fund.

All of that being said, I am continuing to research the area. During attendance at the WSAMA meetings, discussions have taken place about some municipalities seeking to put this type of program in place. I will provide you such additional information as I might obtain.

2. SELECTION OF MAYOR PRO TEM: As you are aware, the City operates under the provisions of RCW 35A.12 as to its operational structure. As provided by 35A.12.065, historically the Council has chosen one of its members at the first meeting of the year to serve as mayor pro tem for that calendar year. (The statute provides an alternative as to time of selection by including the word "periodically", but the City's pattern has been as indicated.)

As the current member of the Council who has served in this position during the last year can confirm, the role is a quiet role so long as the Mayor is not unavailable. However, in the event that the Mayor becomes unavailable for whatever reason, all the authority and responsibility of the Mayor is transferred to the mayor pro tem in terms of presiding at meetings or, if the Mayor were to be out of town for an extended period, generally administering the City's operations.

In any event, if the Council so chooses, it may move forward with the selection of a mayor pro tem tonight or, if it so chose, wait to a later date.

3. COG ENERGY AUDIT AGREEMENT: In my role as attorney for the City of Elma, I was provided with copies of a series of documents apparently tied to what appears to be a county-wide energy use audit. I am uncertain if they have been provided to the City as of this date. However, in the event that they have been or will be, I am providing the following information for introductory purposes.

My initial review is it appears to be a three tier agreement under which a private consulting entity working for what used to be the State Department of General Administration (now Enterprise Services) enters into an agreement with COG and the local governmental entities enter into an agreement with COG as the conduit. It is all about the undertaking of an energy audit for purposes of developing recommendations. From the City's standpoint, it would be a true cost-benefit analysis situation as to whether or not to participate.

I will be continuing my review since both Elma and Montesano are currently considering the matter. I am assuming that, if the City has or will receive the documents, Mr. Bird will review and will also provide additional information from his standpoint.

4. TRAFFIC SIGNAGE: Mr. Bird has provided me with information relating to the change of direction on one of the public rights of way abutting the school. Obviously, there is a bit of a factual disagreement as to how the situation occurred.

However, from a legal standpoint only the City has the authority to modify street signage.

My recommendation is that a formal application be required and it then be considered in the ordinary scope of procedure as it would be for any other person or entity. This would normally involve review by the designated head of the MTO committee, in this case Mr. Bird. In the interim, while the legally justifiable approach would be for the City staff to return the signs to their authorized position, the operational approach would be to leave things as they now are pending further action. If the application were to be granted, then the change would be validated. If the application were to be denied, the change to the original pattern could be achieved in a time frame during which the school would be closed down.

5. STEP SYSTEMS: I noted the matter of STEP systems was present upon the agenda. As of the time of the preparation of this report, I am uncertain as to the reason for the item being on the agenda. What I can indicate is that Montesano, when it undertook the update of its collection system in the early 1990's, opted to adopt the STEP system as its primary means of collection and transmission. Based upon the observations of the last twenty years or so, it seems the primary advantage is that, since only the liquid is pumped as a result of the solids being retained in the onsite tank, the lines can be much smaller and, given the pressure system, the challenges relating to construction of gravity flow lines are basically negated. The flip side is the choice of the nature of the onsite tank is very important, the customers must be aware of impacts of allowing certain materials to go into the system i.e., the tanks, and the fee schedule must be carefully established to tie to the demands and to the replacement costs, since the tanks and pumps in Montesano's case are the City's property and responsibility.

I would note that two Montesano staff members, Mike Winciewicz, the Director of Community Development, and Russ Burke, Public Works Supervisor, are very familiar with the benefits and burdens of this system. They would be good local sources of information if consideration is being given to allowing the systems within our broader system.

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

DG/le

STAFF REPORT

To: Mayor Dent
From: Nick Bird, Director of Public Works
Date: January 5, 2012
Re: Current Non-Agenda Activity

Hazard Mitigation Plan Amendment

Last meeting we brought this topic to the table. I have yet to receive a solid response to the regulatory triggers question asked last meeting. Once more information is obtained; it will be brought to you for your consideration.

Well 2 & 3 Project

Design is approximately 75% complete. The goal is to have 90% plans and specifications submitted to the City for review by the end of the month. Additionally, we anticipate receiving a quote to conduct the pilot testing as previously discussed towards the end of next week.

Council of Governments Planning Documents

At the December Council of Governments (COG) meeting I addressed our idea of creating a county wide vacant commercial / industrial land study. At this time there does not seem to be much interest or excitement from other agencies in creating a document like this. In the mean time, we will continue to market properties within our jurisdiction to the best of our abilities.

WWTP NPDES

As part of our National Pollution Discharge Elimination System (NPDES) Permit we are required to cool and monitor the effluent (final liquid product) from the wastewater treatment plant (WWTP) during the summer months. The temperature data is recorded through in stream recording devices. At the end of the summer months, we must collect data from the in stream recording device and transmit it to the Department of Ecology for review. After Ecology's review of the data, we were notified that we had 5 potential violations in 2011. As a result, we will need to increase the usage of our "chilling" operation, which will translate to more energy consumption at the WWTP in the coming years.

FEMA Closeout

As part of the end of the year cleanup, we took the opportunity to complete the close out paperwork for three disaster declarations that precede all of us. The disasters we are closing out are FEMA 1734 (2007 Flood and Wind Storm), 1817 (2009 Storm and Flood), and 1825 (2008 Winter Storm).


School One-Way Alley

If you remember, back in April and May of 2011, the School had informally approached the City to consider modifying the direction of the alley. The understanding that I had had, and had reported to you, was that a formal request would be provided to the City when the School intended to expand its northern parking lot. After a review of a crosswalk request made in December, we noticed that the traffic control signs (one way and do not enter) had been switched, effectively changing the direction of the alley. The action, potential penalty, and corrective solutions are still being evaluated internally, but we thought it prudent to make you aware of this situation.

For reference, the proper process to revise a one way street is as follows:

1. A professional Engineer conduct a traffic analysis,
2. Recommendation from the traffic analysis is presented to the City Council,
3. By resolution, the Council may choose to accept the resolution, and
4. City staff, after execution of the resolution, revises the configuration and provide the required advanced traffic revision signs.

STAFF REPORT

To: Mayor Dent
From: Colin Mercer Webmaster 
Date: January 5, 2012
Re: December Website & Help Desk

Re-Occurring Website Activities

- Council Agenda/Packet posted online.
- Council Minutes posted online.

New Website Activity

Holiday Schedules posted
Year End website content review

Additional Tasks

Simpson Door Co. SEPA Review
2012 Development Fee increase calculations
2012 Utility Rates modifications with Nick
2012 Miscellaneous Fees increase calculations

Help Desk Activity

| Month | Number of Incidents Reported | Staff Reported / Closed / Open | Citizen Reported / Closed / Open |
|-----------|------------------------------|--------------------------------|----------------------------------|
| September | 13 | 6 / 5 / 4 | 7 / 10 / 7 |
| October | 16 | 5 / 7 / 2 | 11 / 7 / 11 |
| November | 12 | 8 / 8 / 2 | 4 / 9 / 4 |
| December | 5 | 2 / 4 / 0 | 3 / 6 / 1 |

Conservation Program

| Month | Applications Received | Conservation Permits Issued | Rebates Paid This Month | Total Rebates Paid To Date |
|-----------|-----------------------|-----------------------------|-------------------------|----------------------------|
| September | 1 | 1 | \$5105.00 | \$6913.08 |
| October | 0 | 0 | \$3858.00 | \$10771.08 |
| November | 0 | 0 | \$0.00 | \$0.00 |
| December | 0 | 0 | \$0.00 | \$0.00 |

Website Comments:

First Name: Sharon

Last Name: McCleary

Address: Liverpool l9 1an U.K

Comments: Hi there, researching my surname on line and came across you town! I was delighted to find out a whole town in the USA has my surname!! Wow. Looks like a lovely place and would love to visit one day.

Sharon McCleary from Liverpool England.

First Name: Steve

Last Name: Willis

Comments: Beautiful job on the Christmas lights in Beerbower Park this year!

Website Traffic December 1, 2011 through December 31, 2011

| Section | Page Views | Percent of Total |
|--|-------------------|-------------------------|
| Default Home Page | 1904 | 38.94% |
| Events Calendar | 520 | 10.64% |
| Agendas and Minutes | 235 | 4.81% |
| City Departments | 193 | 3.95% |
| Conservation Program | 168 | 3.44% |
| City Jobs | 165 | 3.37% |
| Police | 113 | 2.31% |
| Utilities | 106 | 2.17% |
| Code, Ordinances & Standards | 103 | 2.11% |
| Administration | 89 | 1.82% |
| Planning Department | 87 | 1.78% |
| Mayor and Council | 84 | 1.72% |
| Public Facilities | 83 | 1.7% |
| Search Results | 82 | 1.68% |
| City Photos | 74 | 1.51% |
| Bear Festival | 74 | 1.51% |
| Light & Power | 71 | 1.45% |
| FAQ's Page | 68 | 1.39% |
| Water / Wastewater | 65 | 1.33% |
| Fire | 59 | 1.21% |
| Chamber of Commerce | 57 | 1.17% |
| Development Services / Building | 56 | 1.15% |
| Helpful Links | 56 | 1.15% |
| 2008-12 Budget | 46 | 0.94% |
| Municipal Court | 44 | 0.9% |
| Home Page | 32 | 0.65% |
| Tell Us What You Think! | 30 | 0.61% |
| Bear Festival Photos | 30 | 0.61% |
| Interlocal Agreements | 27 | 0.55% |
| Christmas Photos 2007 | 26 | 0.53% |
| Flood Photos 2009 | 23 | 0.47% |
| Park Project Photos | 22 | 0.45% |
| 65th Anniversary Photos | 21 | 0.43% |
| City Staff | 21 | 0.43% |
| Previous Years Council Agendas | 18 | 0.37% |
| Previous Years Council Minutes | 15 | 0.31% |
| Community Center | 9 | 0.18% |
| Conservation Data Page | 8 | 0.16% |
| Surveys & Questionnaires | 4 | 0.08% |
| Stormwater Plan Questionnaire | 1 | 0.02% |
| TOTAL | 4889 | 100% |

STAFF REPORT

To: Mayor Gary Dent
 From: Mick Schlenker Building Official
 Date: Jan 4, 2012
 Ref: Dec Staff Report

Building Permit Activity

| | Current | Fees | Total 2011 | | Project |
|-------------------------|------------|-----------------|--------------|--------------------|---------------------|
| | | | YTD | Fees | <u>Valuation</u> |
| Customer Service | 91 | \$120.50 | 141 | \$27,959.43 | \$2,000.00 |
| Building Permits Issued | 1 | | | | |
| Nuisance Letters | 2 | | | | |
| Inspections Performed | 39 | | | | |
| Plan Reviews | 1 | | | | |
| Stop Work Issued | 1 | | | | |
| City Projects | 0 | | | | |
| Complaints | 6 | | | | |
| Demo Permits | 0 | | | | |
| Court Issues | 0 | | | | |
| Fire Projects | 0 | | | | |
| Cars | 0 | | | | |
| Abatements | 0 | | | | |
| Elma Inspections | 0 | | | | |
| Montesano | | | | | |
| Total | 141 | \$120.50 | 1,831 | \$27,959.43 | \$580,665.57 |

Evergreen Place

The new house being built on lot 12 has been sold

Summit II

High Definition is looking to buy some lots, possibly 10

McCleary School

No new activity

Cedar Heights

No new activity

Conservation Program

This program is up and running well, we are still doing 3 to 4 applications each month

Float Shed

No new decisions made to date

Office Projects

Filing
 Archives

Public Relations
 Meetings

Lots of Email correspondence

STAFF REPORT

To: Mayor Dent
From: Paul Nott, Light & Power
Date: January 4, 2012
Re: December Report



| | Monthly Statistics; | YTD Totals; |
|---------------------------------|----------------------------|--------------------|
| New Services; | 0 | 3 |
| System Outages; | 0 | 19 |
| Pole Replacements; | 0 | 6 |
| Maintenance Work Orders; | 0 | 26 |
| Billable Work Orders; | 1 | 7 |

The month of December consisted of mainly meter change outs, one billable work order and routine end of the year housekeeping.

Basically the first two weeks of December consisted of changing meters. We can now say that we are all but three meters away from being 100% AMR meter reading capable. We are now waiting for the supplier to provide us with two of the last three meters needed to complete the project. Once in hand and after coordinating a brief power outage at City Hall and one commercial customer this project will be complete electrically.

For the members of Council that are not aware, during the past two years the L&P crew members have been providing routine maintenance and minor repairs to the L&P vehicles. This past year there have been a total of only 28 man hours in vehicle maintenance. This is another effort to save precious City funds.

We completed a total of 41 work orders in 2012 with a majority of the work consisting of maintenance work orders. One of the more significant projects was the unforeseen repairs that were needed at the substations. These repairs impacted the L&P budget for 2011 significantly as well and we had to cut back on other projects. With the completion of the AMR metering, the substations having a clean bill of health and the concrete poured in the park, the crew is looking forward to getting back to working on the cut over in 2012.

We will be back out cutting brush this month.

The L&P crew would like to thank the outgoing Council Members, Jeff Geer and Ray Boling for all their efforts and dedication to the City. We would also like to welcome the two new Council Members Jeff Catterlin and Tom Reed; we look forward to working with you both in the future.

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

Happy New Year from the McCleary Light and Power crew....

STAFF REPORT

To: Mayor Dent
CC: Ron Pittman, Chief
From: Paul Nott, Assistant Chief
Date: January 4, 2012
Re: December Fire Department Report



| | Monthly Statistics; | YTD Totals; |
|-------------------------------------|---------------------|-------------|
| Actual Structure Fires: | 0 | 2 |
| Fire Calls: | 0 | 19 |
| Rescue/EMS assists: | 1 | 12 |
| Motor Vehicle Collisions: | 1 | 25 |
| Hazardous Material Response: | 0 | 2 |
| Service Calls: | 0 | 11 |
| False Alarms: | 0 | 4 |

The month of December was considerably slow. Our runs consisted of 1 EMS call, 1 motor vehicle collision.

The 1 MVC was due to inclement weather. This particular incident was a prime example of a driver traveling at night on what appeared to be just a slightly wet surface and coming around a corner and the next thing you know, BAM, they're on black ice. It's a great reminder that at this time of year drivers should always be prepared for all driving conditions.

Once again the "Station 89 Santa through town" event was a huge success. We collected a large amount of food donations for local families and our local food bank.

There were no firefighter injuries or safety concerns to report from the Safety Officer.

Station 89 would like to wish everyone a Happy New Year...

STAFF REPORT

To: Mayor Dent
From: George M. Crumb, Chief of Police
Date: January 5, 2012
RE: Report for January 11, 2012 Council Meeting

SUMMARY OF POLICE INCIDENTS / ACTIVITIES:

The below listed information are calls or contacts received by McCleary Police Officers either generated by Grays Harbor County dispatch 911 service, citizen reports, call in's, or other officer generated incidents:

*0027 incident histories reported for the New Year, 2012. Last year, 2011 closed out with 2132 incidents reported.

| | |
|-------------------------------------|-------------------------------|
| ... Speeding. | ... Domestic Violence |
| ... Speeding in School Zone | ... Burglary |
| ... Fire Response's | ... Disorderly Conduct |
| ... Traffic Stop's | ... Threats |
| ... Agency Assist's | ... Drug Incidents |
| ... Animal Complaints | ... Curfew Violations |
| ... Traffic Hazard Reports | ... Welfare Checks |
| ... Report of Harassment | ... Suspicious Person/Vehicle |
| ... Police Information or Referrals | ... 9-1-1 Open Line/Hang up |
| ... Traffic Offense/Reckless | ... Found Property Reports |
| ... Motorist Assist/Citizen Assist | ... Theft Reports |
| ... Attempt to Locate | ... Juvenile Problems |
| ... Malicious Mischief | ... Warrant Arrests |
| ... 9-1-1 Open Line | ... Civil matters |
| ... Custody dispute/Civil | ... D.U.I. |
| ... Audible Alarm | ... Subject Stop |
| ... Hit & Run | |

Discussion: Open

Fourth officer position has been filled on 010112

Both 1999 surplused police vehicles have been parked at the treatment plant for further disposition.

Current vehicle status: 2008 Ford Crown Vic Police Interceptor in service.
2006 Ford Crown Vic. Police Interceptor in service
2005 Chevy Impala Police Vehicle in service
1998 Ford Crown Vic Sedan in service

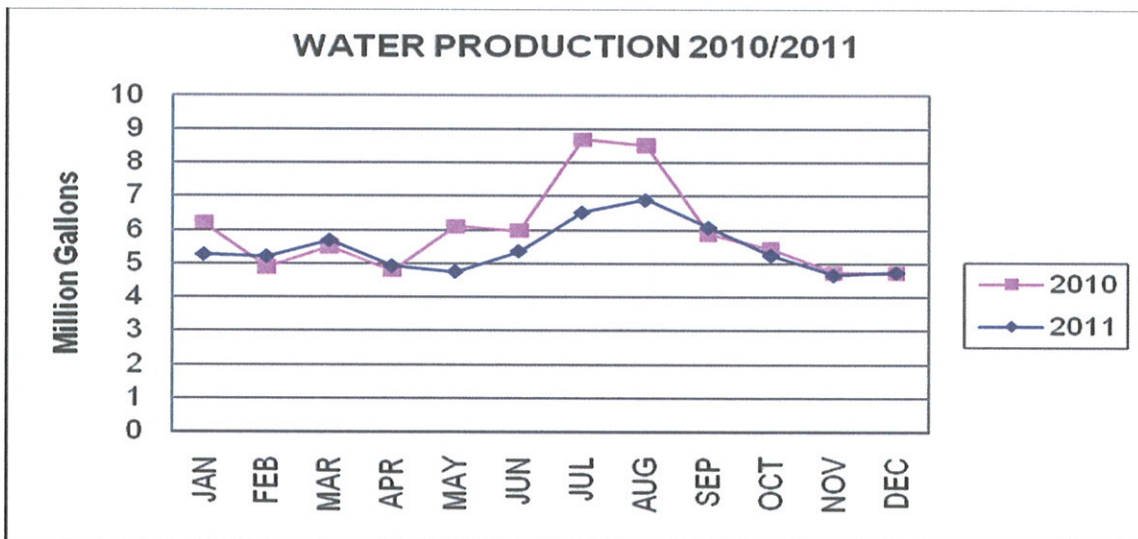
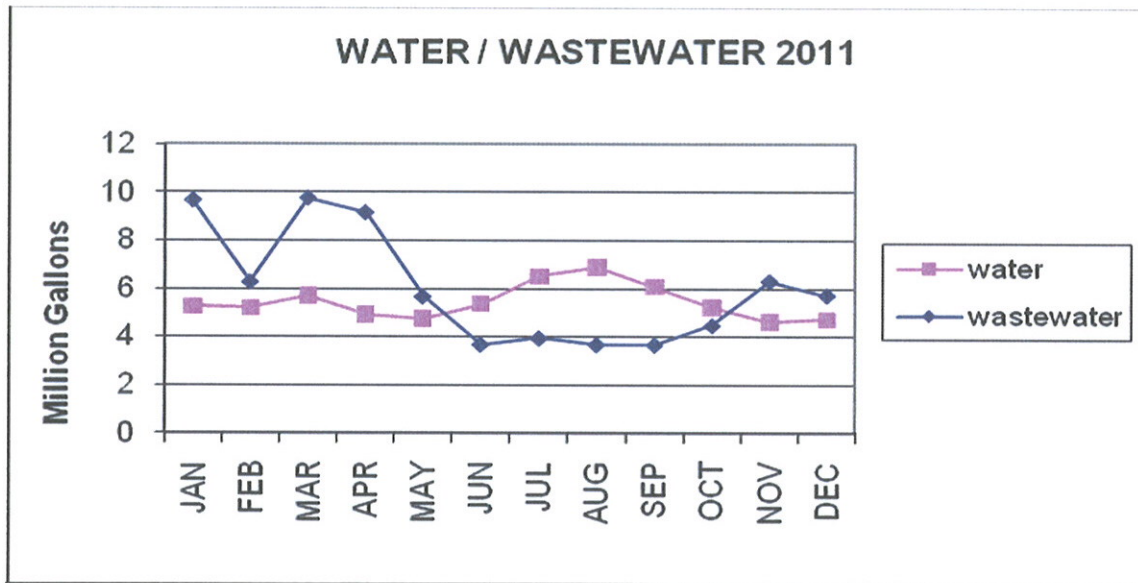
Council Members Present: ALL.... Mr. Ator, Mr. Reed, Mr. Caterlin, Mr. Lant,
Mr. Shiller.

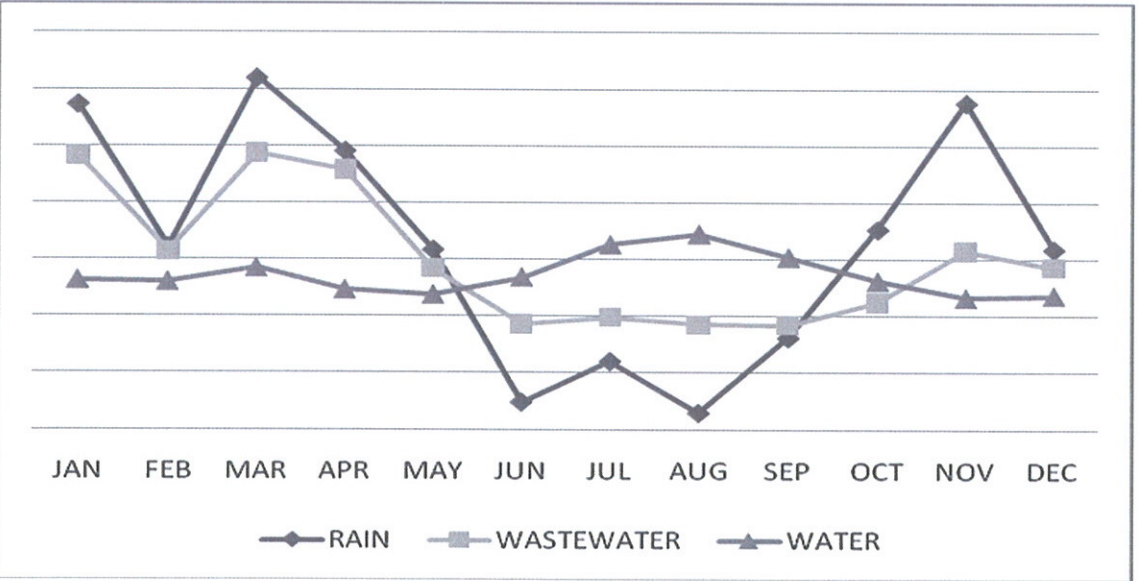
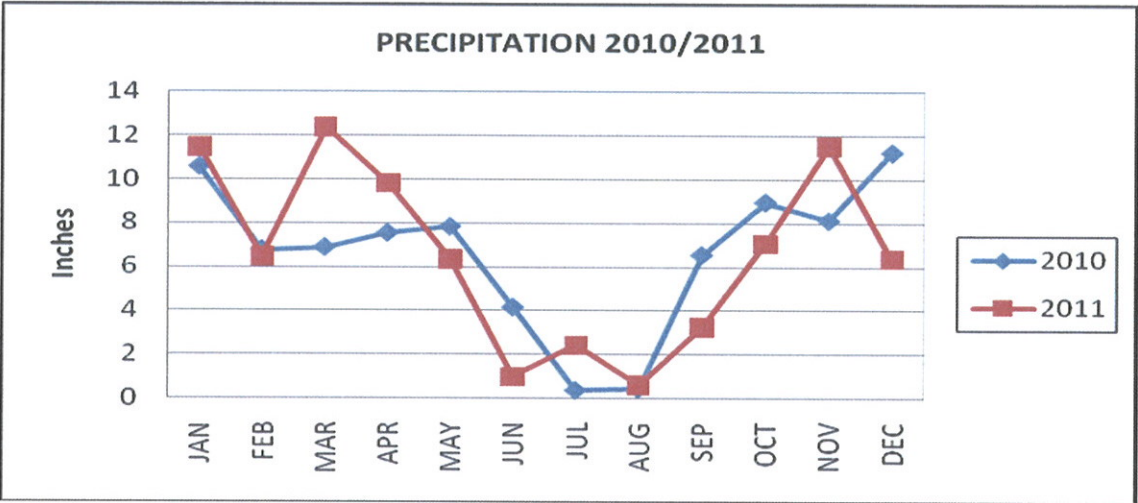
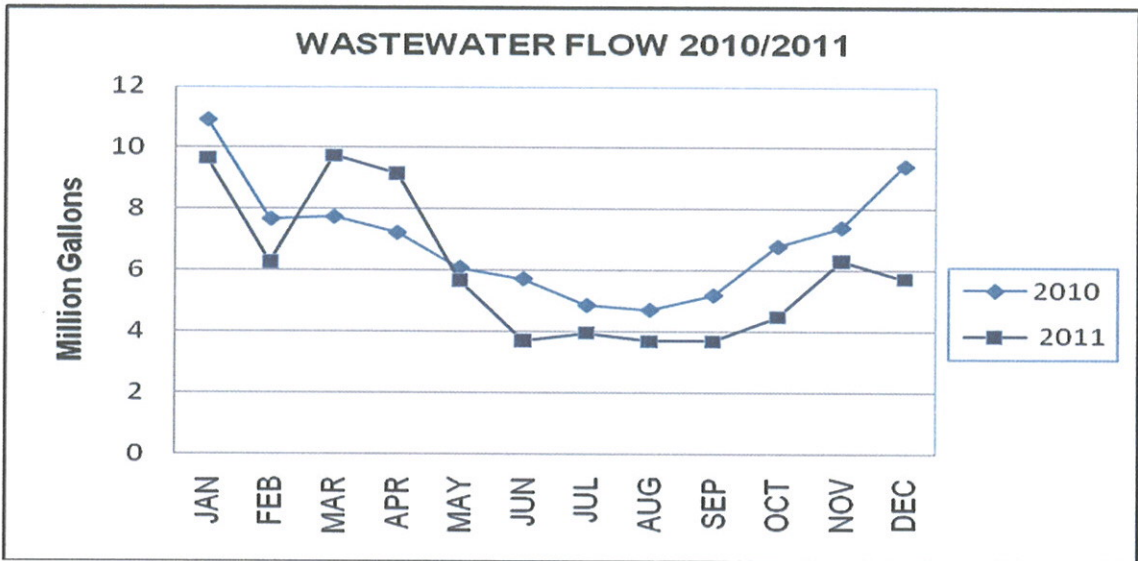
Mayor Dent: Present / Not Present _____

Officer Reporting: Chief Crumb gmc - 9A1 _____

To: Mayor Dent
 From: Vern Merryman, Water/Wastewater
 Date: January 2012
 Re: Monthly Report

December totals: Water, 4.73 million gallons.
 Wastewater, 5.73 million gallons.
 Precipitation, 6.37 inches.
 Biosolids, 52,851 liquid gallons or 1.11 dry tons.





STAFF REPORT

To: Mayor Dent
From: Todd Baun, Public Facilities Manager
Date: January 6, 2012
Re: December Report

The following items are the highlights of what I have been working on during the past month.

- I still have received no contact from Mr. and Mrs. Gravatt on the storm water issue affecting their property located at 311 W. Simpson Ave. We are in a holding pattern until we receive the legal documents that have been given to them by the city.
- The crew is still filling in many potholes throughout the City. We are trying to keep up on the potholes, but it seems that they multiply faster than we can fill them.
- We are still installing our radio read water meters. We have about half the meters installed now. I'm pushing to have all meters installed by June 1st, 2012.
- We are catching up on vehicle maintenance items. The crew has been busy changing oils, filters, and lubricating many of the vehicles and equipment.
- We are going to be inspecting all of our sewer manholes in the upcoming weeks. We are trying to identify possible I & I issues in our sewer system. We will be working on repairing them once they are identified.
- We have been locating many side sewer clean outs that go to empty lots. We are checking them for possible I & I issues.
- We have had a couple of water leaks that have been repaired.
- We also had a couple of sewer blockages that were cleared by the city crew.
- We will also be fixing a failing storm line in the alley behind 311 W. Simpson. This is a 24" concrete line that is separating at the joints.
- Our maps are being rehabbed and updated. It's been many years since our maps have been totally updated with our newest information.
- Hydrant flushing will be coming up during the week of January 23rd. We have ordered and received new flushing equipment and will be putting it into good use.
- And as always, we are trying to keep up on all our routine and daily maintenance of the parks, cemetery, streets, water, sewer, storm and buildings.

If you have any questions, don't be afraid to ask. If you see something that needs attention or have any ideas that you would like me to pursue, my door is always open, so please come and talk to me.

STAFF REPORT

To: Mayor Dent
From: Nick Bird, P.E., Director of Public Works
Date: January 5, 2012
Re: IT Service Contract

As a result of the holidays, we were unable to meet again to discuss the proposed contract. The intent is to meet to address some of the City's existing concerns about the proposed contract. We hope to conduct the meeting within the next couple of weeks.

In the mean time, as a result of the growing hardware and software problems across many departments we had ADNETS address some of the "big ticket items" and high risk components in a mock service appointment.

We hope to resolve this as soon as possible to protect our existing investments and minimize the risk to the City's network security and critical data.

Staff Recommendation:

None at this time.

Action Requested:

None at this time.

STAFF REPORT

To: Mayor Dent
From: Nick Bird, P.E., Director of Public Works
Date: January 5, 2012
Re: Elcon Work Order 2012-1

Elcon Associates, Inc have been our electrical engineering consultants since 2008 and have provided high quality service to the City. We frequently contact Elcon for a variety of minor items from transformer sizing to verifying the maximum load we can provide to a site. Many of these requests in the past have gone unreported, thus unbilled.

Upon reviewing a recent invoice from Elcon, I discovered that the main contract requires a work order to associate the billing. Upon discovering this item in the contract, I coordinated with Mike Unger, who has worked with the City since before 2008 to prepare a general engineering services work order to account for all of these miscellaneous hours that are not directly associated with a major project.

Attached for your review is a copy of Work Order 2012-1, which provides an avenue for the City to appropriately use Elcon's services on an as-needed basis. Please note that the fee cap shown in the work order is intended to encompass many service requests.

Staff Recommendation:

Authorize the City to execute the Work Order.

Action Requested:

Please consider authorizing the City to execute Work Order 2012-1 with Elcon Associates.

ELCON ASSOCIATES, INC.

ENGINEERS—CONSULTANTS

WORK ORDER 2012-1

GENERAL ENGINEERING SERVICES

Elcon Associates Inc. (Elcon) shall provide engineering and consulting services as requested by The City of McCleary (City). Services shall be supplied in response to City requests. They shall include but not be limited by the following:

1. System Protection Studies, for example, determination of fuse sizes on primary distribution circuits.
2. Quality of Service Studies, for example, determination of potential flicker voltage associated with the starting of a proposed customer motor or determination of the voltage drop on a distribution transformer and service wire.
3. Design and specification of primary line extension, distribution transformer and service wire.
4. Consultation on service requirements for new loads.
5. Consultation and support to address customer concerns

Elcon shall invoice at the standard billing rates listed in Exhibit A. Fees shall not exceed \$3,000 without the prior written authorization from The City of McCleary.

ENGINEER

OWNER

Elcon Associates, Inc.

The City of McCleary

BY _____

BY _____

NAME Kinh D. Pham, P.E.

NAME _____

TITLE Vice President

TITLE _____

_____, 2011
Date Executed

_____, 2011
Date Executed

Exhibit A

2012 BILLING RATES

Below is a fee schedule of hourly rates broken down by staff classification for 2012. After 2012, the rates are subject to revision.

| <i>Classification</i> | <i>Billing Rate</i> |
|------------------------------|---------------------|
| Project Manager | \$138.00 |
| Senior Engineer | \$117.00 |
| Substation Design Specialist | \$138.00 |
| Engineer | \$110.00 |
| Junior Engineer | \$97.00 |
| Senior Technician | \$109.00 |
| Junior Technician | \$97.00 |
| CADD Operator | \$83.00 |
| Drafter | \$70.00 |
| Clerical/Administration | \$63.00 |
| Accountant | \$67.00 |
| Senior Energy Consultant | \$195.00 |

Reimbursable expenses include the pre-approved purchase of any supplies required to complete our services. Such approved expenses shall be reimbursed at cost. The general reimbursable costs are:

- Mileage (regulated by the IRS) – IRS rates
- Reimbursable costs (travel, courier, FedEx, parking, any out of pocket expenses) – at cost
- Photographs – make multiple copies of reports, plotting, drawings, specifications, etc. - \$0.10/copy

Any other reimbursable expenses required for the project will be brought to your attention for pre-approval.

STAFF REPORT

To: Mayor Dent
From: Nick Bird, P.E., Director of Public Works
Date: January 5, 2012
Re: Cell Tower (Site Management)

The City has been contacted by a site management company that is interested in purchasing the rights to the lease agreement between the City and US Cellular. While this may seem like a no brainer, we felt it still should be brought to your attention for consideration.

No purchase cost has been disclosed at this time. The company is merely asking if we would be interested in discussing this option.

The annual amount we receive as part of the lease agreement is approximately \$12,000, or \$1,000 per month, as current expense revenue. We presume that the cell tower will be there for an extended period of time. We will continue to receive this amount, annually inflated in accordance with CPI, for as long as the agreement remains in effect and the tower is located on the property. In addition, if a second provider co-locates on the tower, we will also receive revenue from the second provider. It just so happens that Verizon has completed the building permit process to co-locate on this tower, but have chosen to hold off on construction for now.

Staff Recommendation:

When constructed, it is presumed that the City did not sell the property to US Cellular for this very reason. Annual income that is essentially guaranteed and will increase in accordance with the Consumer Price Index is likely hard to come by. While it is presumed that opportunities like this don't come around every day, the Staff recommendation is to not consider selling the lease agreement.

Action Requested:

Please discuss and confirm whether or not the City should consider preliminary negotiations with the site management company.

STAFF REPORT

To: Mayor Dent
From: Nick Bird, P.E., Director of Public Works
Date: January 5, 2012
Re: STEP Systems

The City has been approached by a developer that is considering constructing a 23 lot subdivision on the north end of town. Rather than use a typical gravity sewer collection system to a sewer lift station, the developer's engineer has requested to use Septic Tank Effluent Pumps (STEP) to convey the waste to our gravity system. STEPs are comprised of a septic tank, pump, and force main (pressurized sewer pipe), which is intended to hold the solid waste on site and discharge the liquid waste into the sewer system.

The dilemma that we face, as discovered in my previous experience, is that the Department of Ecology considers any mechanical equipment required to get waste to the collection system is the responsibility of the municipality to maintain, repair, and replace, if necessary. The property owner/tenant would remain responsible for the power cost of the pump system.

Additionally, our existing development standards require the typical gravity collection and sewer lift station configuration (if necessary) for new long plats.

In addition to the regulatory requirements and design standards, construction of the requested improvements would significantly increase the operation and maintenance cost of that localized facility. The typical approach, as done by other municipalities, is to contract the work (removing the solid waste, regularly checking the pumps and alarms, ensuring the system is not leaking, conducting repairs, etc.) and pass the burden on to the homeowners within that localized facility. We have not estimated the cost of this burden, but a ball park estimate could be as high as \$25 to \$50 a month more than our existing rate.

I have verbally told the developer's engineer that use of the STEPs in lieu of a gravity collection system is not acceptable, but would be presented for formal consideration.

Staff Recommendation:

Authorization of development using STEP systems would set a major precedence. Aside from the developer's financial deferment to the City and our customers, we would also need to revise our municipal code and development standards to incorporate the future use of STEP systems. While at this stage it may appear that we are stunting our growth, we believe it is in the City's best interest to not authorize the use of STEP systems at this time.

Action Requested:

Please discuss and confirm whether or not the City should allow STEP systems.

STAFF REPORT

To: Mayor Dent
From: Nick Bird, P.E., Director of Public Works
Date: January 5, 2012
Re: Alley Vacation

We have had a verbal request from Mr. Gene Mansmith for the City to consider the vacation of the alley between his 2 duplexes on 4th Street between Maple and Fir. At this stage, it is considered an informal request as it must be formalized through a Vacation Application, but we thought it appropriate to bring it to your attention prior to petitions, public hearings, etc.

The current right of way is 20 feet. Utilities are currently located within the Alley. If this were to be considered, we would need to require a 20 foot utility easement to maintain access to the utilities.

Staff Recommendation:

As an easement width matching the current right of way width would be required, it does not appear that there would be any benefit to either party by changing the existing configuration, thus maintaining the status quo is recommended.

Action Requested:

Please discuss and confirm whether or not the City should recommend to Mr. Mansmith to complete the vacation process.

STAFF REPORT

To: Mayor Dent
From: Nick Bird, P.E., Director of Public Works
Date: January 5, 2012
Re: Stormwater Billing

Upon conducting an internal quality assurance review on our stormwater billing, we noticed an area that may be problematic. The existing billing process is such that every billing account is charged the base stormwater rate plus associated overages. The existing resolution (Resolution 545), and the revised resolution included within your packet, both tie the stormwater rate to the parcels.

While this is not a problem for most residential users, or even typical commercial facilities; it becomes problematic when there are multiple billing accounts on a single parcel. This creates a potential reduction in existing revenues as well as a potential liability for the stormwater fund. As fortune would have it, we still have the new stormwater resolution on the table, thus giving us the opportunity to fix this deficiency.

There are likely many solutions to correct this problem. A global solution could simply be to add a new section (II.D) addressing multiple accounts on a single parcel. The difficult component to implement is equitable distribution of the stormwater billing across multiple accounts. If the accounts are static, it is relatively simple, but if a tenant moves out and the utility account is completely shut off (ie not billed because a tenant moves out), technically the billing should be redistributed. This process will become very frustrating to staff.

Another solution could be that, in the event of multiple accounts on a parcel, the parcel owner is responsible for the stormwater charge. This solution would minimize the adjustments required when tenants move in and out as well as minimize the need for sending a regular utility bill and a stormwater billing statement. However, enforcement may be very difficult as the owner has no other utilities to be motivated with (assuming all units are rented out).

Staff Recommendation:

Given the basic recommendations provided here in, we would recommend the owner be responsible for the stormwater charge in the event multiple accounts are on a single parcel, with the provision that no new tenants will be authorized without a current stormwater account. Obviously at this stage we would welcome other alternatives.

Action Requested:

Prior to adopting the stormwater resolution on the table, please consider addressing multiple utility accounts on a single parcel.

STAFF REPORT

To: Mayor Dent
From: Nick Bird, P.E., Director of Public Works
Date: January 5, 2012
Re: Amended Service Agreement

We have received an amended service agreement for our existing Transmission Service Agreement (TSA) contract and associated amendment from Bonneville Power Administration (BPA). Based on a discussion with Ms. Jackson it appears that this is really just a "cleanup" item intended to amend and restate our older formatted contract as the Federal Energy Regulation Commission (FERC) requires all of BPA's contracts to be formatted the same.

It is important to note that the monthly dollar value shown in Exhibit B has gone down by \$21/kW when compared to the contract originally signed in 2001.

Staff Recommendation:

As Mr. Glenn frequently states, "When you want the King's schilling, you must do the King's bidding". We recommend that both documents be executed.

Action Requested:

Please consider authorizing the City to execute the Amended Service Agreement and Amendment No. 1 our TSA Contract No. 01TX-10742.



Department of Energy

Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409

TRANSMISSION SERVICES

December 15, 2011

In reply refer to: TSE/TPP-2

Mr. Nick Bird, Director of Public Works
City of McCleary
100 South 3rd Street
McCleary, WA 98557-0360

Dear Mr. Bird:

Enclosed for your signature are two originals each of Amendment No. 1 (Amendment) and the associated Amended Network Integration Transmission Service Agreement No. 01TX-10742 (Amended Service Agreement) between Bonneville Power Administration (BPA) and the City of McCleary (McCleary).

BPA has amended the Service Agreement and its associated Exhibits to reflect BPA's Open Access Transmission Tariff's current Network Integration Transmission Service Agreement format. The Amendment describes the changes, which are principally a matter of formatting.

Please sign all originals of the Amendment and the Amended Service Agreement and return all signed originals to my attention at one of the following addresses by Close of Business on January 3, 2012:

First Class Mail

Bonneville Power Administration
Mail Stop: TSE/TPP-2
P.O. Box 61409
Vancouver, WA 98666-1409

Overnight Delivery Service

Bonneville Power Administration
Mail Stop: TSE/TPP-2
7500 NE 41st Street, Suite 130
Vancouver, WA 98662

Upon receipt of the signed originals, BPA will countersign the originals and return one executed original of each to McCleary.

If you have any questions, please contact me at 360-619-6012.

Sincerely,

A handwritten signature in cursive script that reads "Melanie M. Jackson".

Melanie M. Jackson
Transmission Account Executive
Transmission Sales

4 Enclosures

Amendment No. 1
Contract No. 01TX-10742

AMENDMENT
executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
acting by and through the
BONNEVILLE POWER ADMINISTRATION
and
CITY OF MCCLEARY

This AMENDMENT to the Network Integration Transmission Service Agreement, No. 01TX-10742 (Service Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (Transmission Provider) and City of McCleary (Transmission Customer). The Transmission Provider and the Transmission Customer are sometimes referred to individually as "Party," and collectively as "Parties" as the context suggests below.

This Amendment to the Service Agreement between the Transmission Provider and the Transmission Customer updates the Service Agreement and its Exhibits to reflect Bonneville Power Administration's current Open Access Transmission Tariff (Tariff) Network Integration Service Agreement.

The Transmission Provider and the Transmission Customer agree:

1. **EFFECTIVE DATE**

This Amendment shall take effect on 0000 hours on date of execution (Effective Date).

2. **AMENDMENT OF SERVICE AGREEMENT**

The Agreement is amended as follows:

- a. Removes the original body of the Service Agreement, and replaces it with the current Tariff Network Integration Transmission Service Agreement body (Amended Service Agreement body), which is attached hereto and, along with the Exhibits attached to the Service Agreement body, is incorporated herein.

- b. Removes existing Exhibit A, "Network Integration Service Transmission (Tariff)," and replaces it with a new Exhibit A, "Specifications for Network Integration Transmission Service," attached to the Amended Service Agreement.
 - c. Removes existing Exhibit B, "Notices," and replaces it with Exhibit B, "Direct Assignment and Use-of-Facilities Charges," attached to the Amended Service Agreement.
 - d. Removes existing Exhibit C, "Network Operating Agreement," and replaces it with Exhibit C, "Ancillary Service Charges," attached to the Amended Service Agreement. The Network Operating Agreement is contained within the Bonneville Tariff.
 - e. Adds Exhibit D, "Notices," attached to the Amended Service Agreement.
3. The Parties agree that the Amended Service Agreement and its exhibits replace and supersede the original Service Agreement, and its exhibits, in its entirety.
4. **SIGNATURES**
The Parties have caused this Amendment to be executed as of the date both Parties have signed this Amendment.

CITY OF MCCLEARY

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By: _____

By: _____

Name: _____
(Print/Type)

Name: Melanie M. Jackson
(Print/Type)

Title: _____

Title: Transmission Account Executive

Date: _____

Date: _____

(W:\TMC\CT\McCleary\Amendments\10742 Amend #1.doc)

AMENDED SERVICE AGREEMENT

for

NETWORK INTEGRATION

TRANSMISSION SERVICE

executed by the

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

acting by and through the

BONNEVILLE POWER ADMINISTRATION

and

CITY OF MCCLEARY

1. This Service Agreement is entered into, by and between the Bonneville Power Administration Transmission Services (Transmission Provider) and City of McCleary (Transmission Customer).
2. The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Transmission Provider's Open Access Transmission Tariff (Tariff).
3. The Transmission Customer has provided to the Transmission Provider a deposit, unless such deposit has been waived by the Transmission Provider, for Transmission Service in accordance with the provisions of Section 29.2 of the Tariff.
4. Service under this agreement shall commence on the later of (1) the requested Service Commencement Date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
5. The Transmission Provider agrees to provide and the Transmission Customer agrees to pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff and this Service Agreement.
6. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated in Exhibit D.
7. The Tariff, Exhibit A (Specifications for Network Integration Transmission Service), Exhibit B (Direct Assignment and Use-of-Facilities Charges), Exhibit C (Ancillary Services), and Exhibit D (Notices) are incorporated herein and made a part hereof. Capitalized terms not defined in this agreement are defined in the Tariff.

8. This Service Agreement shall be interpreted, construed, and enforced in accordance with Federal law.
9. This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors.
10. The Transmission Customer and the Transmission Provider agree that provisions of Section 3201(i) of Public Law 104-134 (Bonneville Power Administration Refinancing Act) are incorporated in their entirety and hereby made a part of this Service Agreement.
11. Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), as amended or supplemented, which provides, among other things, that the Transmission Customer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the Service Agreement the same as if the specific language had been written into the Service Agreement, except that Indian Tribes and tribal organizations may apply Indian preference to the extent permitted by Federal law.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

CITY OF MCCLEARY

UNITED STATES OF AMERICA
 Department of Energy
 Bonneville Power Administration

By: _____

By: _____

Name: _____
 (Print/Type)

Name: Melanie M. Jackson
 (Print/Type)

Title: _____

Title: Transmission Account Executive

Date: _____

Date: _____

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**EXHIBIT A
SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE**

TRANSMISSION SERVICE REQUEST

Assign Ref is: 76229840

1. TERM OF TRANSACTION

For Assign Ref(s): 76229840

Service Agreement Start Date: at 0000 hours on October 1, 2011.

Service Agreement Termination Date: at 0000 hours on October 1, 2028.

2. NETWORK RESOURCES

Pursuant to section 29.2 and 30.2 of Transmission Provider's Tariff, Transmission Customer has designated the following Network Resources:

(a) **Generation Owned by the Transmission Customer**

| Resource Name | Start Date | Stop Date | Designated Capacity (MW) | Point of Receipt & Source | Balancing Authority | Associated Assign Ref |
|---------------|------------|-----------|--------------------------|---------------------------|---------------------|-----------------------|
| N/A | | | | | | |

(b) **Generation Purchased by the Transmission Customer**

| Source (Contract No.) or Resource Name | Start Date | Stop Date | Designated Capacity (MW) | Point of Receipt & Source | Balancing Authority | Associated Assign Ref |
|---|------------|-----------|--------------------------|-------------------------------|---------------------|-----------------------|
| BPA Power Sales Contract No. 09PB-13069 | 10/01/11 | 10/01/28 | Net Requirements | BPAPOWER & FCRPS ¹ | BPAT ² | N/A ³ |

(c) **Local Resource Behind the Meter (owned or purchased)**

| Resource Name | Start Date | Stop Date | Designated Capacity (MW) | Balancing Authority | Associated Assign Ref |
|---------------|------------|-----------|--------------------------|---------------------|-----------------------|
| N/A | | | | | |

¹ Federal Columbia River Power System.

² Bonneville Power Administration Transmission Services.

³ There is no associated Assign Ref for this Network Resource.

3. POINT(S) OF RECEIPT

(a) Federal Generation Point(s) of Receipt

Transmission Customer Point of Receipt: Federal Columbia River Power System (FCRPS);

POR Number: 3453;

Balancing Authority: BPAT;

Location: FCRPS;

Voltage: 500 kV;

Metering: scheduled quantity;

Exceptions: none.

(b) Non-Federal Generation Point(s) of Receipt
Not applicable.

4. POINT(S) OF DELIVERY

(a) Description of Network Point(s) of Delivery:
Not applicable. See section 4(b).

(b) Description of Transfer Points of Delivery
For purposes of this section the following definitions shall apply:

“Transfer Point of Delivery” means the point where the Transmission Provider delivers power to the Intervening System.

“Point of Receipt from Intervening System” means the point where the Transmission Provider or a Third Party receives power from the Intervening System prior to delivery of power to the Point of Delivery.

Transfer Point of Delivery: South Elma 115 kV;

BPA POD Name: GHPUD;

BPA POD Number: 3885;

Balancing Authority: BPAT;

Location: the points in the Public Utility District No. 1 of Grays Harbor County's South Elma Substation where the 115 kV facilities of the Transmission Provider and the Public Utility District No. 1 of Grays Harbor County are connected;

Voltage: 115 kV;

Metering: in the Public Utility District No. 1 of Grays Harbor County's South Elma Substation in the 115 kV circuit over which such electric power flows;

BPA Meter Point Name: South Elma Out;

BPA Meter Point Number: 627;

Direction for Billing Purposes: Not applicable to the City of McCleary;

Manner of Service: Direct, the Transmission Provider to the Public Utility District No. 1 of Grays Harbor County;

Point of Receipt from Intervening System: Elma 115 kV;

BPA POD Name: MCCLEARY;

BPA POD Number: 3438;

Location: the point in the Public Utility District No. 1 of Grays Harbor County's Elma Substation where the 115 kV facilities of the Public Utility District No. 1 of Grays Harbor County and the Transmission Provider are connected;

Voltage: 115 kV;

Metering: in the Public Utility District No. 1 of Grays Harbor County's Elma Substation in the 69 kV circuit over which such electric power flows;

Transmission Customer Point of Delivery: McCleary 69 kV;

BPA POD Name: MCCLEARY;

BPA POD Number: 433;

Balancing Authority: BPAT;

Location: the point on the Elma-7th & Maple 69 kV Transmission Line where the 69 kV facilities of the Public Utility District No. 1 of Grays Harbor County and the City of McCleary's #505 switch are connected;

Voltage: 69 kV;

Metering: in Public Utility District No. 1 of Grays Harbor County's Elma Substation in the 69 kV circuit over which such electric power flows;

BPA Meter Point Name: Elma Out-McCleary;

BPA Meter Point Number: 1104;

Direction for Billing Purposes: Positive;

Manner of Service: Transfer, the Transmission Provider to the Public Utility District No. 1 of Grays Harbor County to the Transmission Provider to the Public Utility District No. 1 of Grays Harbor County to the City of McCleary;

Metering Loss Adjustment: the City of McCleary's Loss Factor is applied to meter point #1104 at Elma Substation to adjust for losses between the Elma Point of Metering and the McCleary 69 kV Point of Delivery.

Exceptions: none.

5. **NETWORK LOAD**

The Application provides the Transmission Customer's initial annual load and resource information. Annual load and resource information updates shall be submitted to the Transmission Provider at the address specified in Exhibit D (Notices), by September 30th of each year, unless otherwise agreed to by the Transmission Provider and the Transmission Customer.

6. **DESIGNATION OF PARTY(IES) SUBJECT TO RECIPROCAL SERVICE OBLIGATION**

Transmission Customer and its affiliates (if they own or control transmission facilities).

7. **NAMES OF ANY INTERVENING SYSTEMS PROVIDING TRANSMISSION SERVICE**

The City of McCleary is served by transfer over the system of the Public Utility District No. 1 of Grays Harbor County (Grays Harbor County PUD No. 1) Contract No. DE-MS79-93BP93495, or its successor.

8. **SERVICE AGREEMENT CHARGES**

Service under this Agreement shall be subject to some combination of the charges detailed below. (The appropriate charges for transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 **Transmission Charge:**

2012 Transmission and Ancillary Service Rate Schedules (or, if not in effect, the applicable Rate Schedules) or successor Rate Schedules.

Short Distance Discount (SDD):

Short Distance Discount is not applicable to service under this agreement.

8.2 **System Impact and/or Facilities Study Charge:**

System Impact and/or Facilities Study Charges are not required for service under this Agreement.

8.3 **Direct Assignment Facilities Charges:**

Described in Exhibit B (Direct Assignment and Use-of-Facilities Charges) of this Agreement.

8.4 **Ancillary Service Charges:**

Described in Exhibit C (Ancillary Service Charges) of this Exhibit.

9. **OTHER PROVISIONS SPECIFIC TO THIS SERVICE AGREEMENT**

None.

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**EXHIBIT B
DIRECT ASSIGNMENT AND USE-OF-FACILITIES CHARGES**

Use-of-Facilities Charges, Effective October 1, 2011

**CALCULATION OF CHARGES PURSUANT TO THE UFT-12 RATE
SCHEDULE**

| Facility Substation/Line | Investment \$ | I&A Annual Cost Ratio % | I&A Annual Cost \$ | O&M Annual Cost \$ | Sum of Non- Coincidental Demands kW | \$/yr \$ |
|---------------------------------------|------------------|----------------------------------|-----------------------------|-----------------------------|--|---------------------|
| Highway 12, 69 kV T-Line | 110,430 | 21.33 | 23,555 | 0 | n/a | 23,555 |
| South Elma Substation | 126,014 | 25.85 | 32,575 | 0 | n/a | 3,990 ¹ |
| South Elma - Elma 115 kV T-Line | 151,440 | 14.48 | 21,929 | 0 | n/a | 2,686 ¹ |
| Elma Substation | 341,740 | 25.85 | 88,340 | 0 | n/a | 10,822 ¹ |

Total UFT Charge² = \$41,053 annually, \$3,421/monthly³

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¹ Proportional usage multiplier of 12.25% applied based on two year (CY 2012-13) BPA forecast, McCleary peak 7.969 MW/South Elma peak 65.044 MW.

² This charge may be revised annually to reflect changes in:
 (1) the yearly non-coincidental demands on the facility under this Service Agreement and other agreements;
 (2) I&A annual cost ratios;
 (3) O&M annual costs; and
 (4) investments in facilities.

This amount is based on BPA's Annual Cost Ratio Factors dated September 30, 2007, averaged I&A expenses for fiscal years 2002, 2003, 2004, 2005 and 2006 for: (1) 69 kV low voltage line segment; (2) Type FO Substation; (3) 115-230 kV Wood Pole Line Segment; and (4) Type FO Substation. Only column 12 of the 2007 ACR Tables is used, due to there being no O&M charge above.

³ Monthly amount rounded down for even dollar billing.

**EXHIBIT C
ANCILLARY SERVICE CHARGES**

This Exhibit C is subject to the ACS-12 Rate Schedule (or, if not in effect, the applicable ACS Rate Schedule), or successor Rate Schedule.

| | Provided By | Contract No. |
|---|------------------------------------|---------------------|
| 1. SCHEDULING, SYSTEM CONTROL AND DISPATCH | Transmission Provider | 01TX-10742 |
| 2. REACTIVE SUPPLY AND VOLTAGE CONTROL | Transmission Provider | 01TX-10742 |
| 3. REGULATION & FREQUENCY RESPONSE | Transmission Provider | 01TX-10742 |
| 4. ENERGY IMBALANCE SERVICE | Transmission Provider ¹ | |
| 5. OPERATING RESERVE – SPINNING RESERVE | Transmission Provider | 01TX-10742 |
| 6. OPERATING RESERVE – SUPPLEMENTAL RESERVE | Transmission Provider | 01TX-10742 |

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¹Energy Imbalance is not applicable to BPA requirements customers.

**EXHIBIT D
NOTICES**

1. NOTICES RELATING TO PROVISIONS OF THE SERVICE AGREEMENT

Any notice or other communication related to this Service Agreement, other than notices of an operating nature (section 2 below), shall be in writing and shall be deemed to have been received if delivered in person, by First Class mail, by facsimile or sent by overnight delivery service.

If to the Transmission Customer:

City of McCleary
100 South Third Street
McCleary, WA 98557
Attention: Nick Bird
Title: Director of Public Works
Phone: (360) 495-3667, Ext. 103
Fax: (360) 495-3097
E-mail: nickb@cityofmccleary.com

If to the Transmission Provider:

Attention: Transmission Account Executive
for the City of McCleary – TSE/TPP-2
Phone: (360) 619-6016
Fax: (360) 619-6940

If by First Class Mail:

Bonneville Power Administration
P.O. Box 61409
Vancouver, WA 98666-1409

If by Overnight Delivery Service:

Bonneville Power Administration –
TSE/TPP-2
7500 NE 41st Street, Suite 130
Vancouver, WA 98662

2. NOTICES OF AN OPERATING NATURE

Any notice, request, or demand of an operating nature by the Transmission Provider or the Transmission Customer shall be made either orally or in writing by First Class mail or by facsimile.

If to the Transmission Customer:

City of McCleary
100 South Third Street
McCleary, WA 98557
Attention: Nick Bird
Title: Director of Public Works
Phone: (360) 495-3667, Ext. 103
Fax: (360) 495-3097
E-mail: nickb@cityofmcclary.com

If to the Transmission Provider:

Bonneville Power Administration
Olympia District
5240 Trosper Rd SW
Olympia, WA 98512
Attention: Chief Substation Operator III
Phone: (360) 570-4301

EMERGENCY ONLY

Primary:

Munro Dispatch
Phone: (509) 465-1820

Secondary:

Dittmer Dispatch
Phone: (360) 418-2281
Fax: (360) 418-2938

3. SCHEDULING AGENT
BPA Power Services

(W:\TMC\CT\McCleary\Amendments\10742 Amended NT SA.doc)

ORDINANCE NO. _____

AN ORDINANCE ESTABLISHING WEIGHT LIMITS UPON CERTAIN STREETS; PROVIDING FOR A PERMITTING PROCESS; IMPOSING PENALTIES; AND ADDING A NEW CHAPTER TO TITLE 10.

R E C I T A L S:

1. The City of McCleary maintains public streets within the ordinary course of its operations.

2. There is concern that vehicles of over a specified weight may create significant risk of damage to those streets in light of the level of construction of the streets, thus requiring repair at the City's expense as a result of private activity.

3. It is the desire and intention of the Mayor and Council to control such activity, but at the same time, establish a procedure by which such use may be permitted.

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

SECTION I: On and after the ____ day of _____, 2012, it shall be unlawful for any person to drive or operate a motor vehicle having a gross weight greater than _____ thousand pounds on those certain streets as described upon Attachment Number 1 attached hereto and incorporated by this reference without possessing the appropriate road use permit

authorized pursuant to the provisions of Section II of this Ordinance: PROVIDED THAT, the primary entrance to the streets subject to this restriction shall be posted with signs giving notice of the restriction: PROVIDED FURTHER THAT, this prohibition shall not apply to the following classification of vehicles:

A. Emergency vehicles, including but not limited to fire suppression equipment, emergency medical services equipment, and police equipment.

B. Public utility vehicles.

C. Vehicles, the presence of which would otherwise be prohibited, for the sole purpose of traveling upon the roads within the restricted area to make delivery of a product carried by such vehicle to a location within the restricted area: PROVIDED THAT, such exemption shall not apply if a similar delivery has been made to that location within the prior _____ calendar days.

SECTION II: Prior to the operation of a motor vehicle upon any public street subject to the restrictions set forth in Section I of this Ordinance, the owner or operator shall apply and receive a road use permit from the City.

2.1. The road use permit shall be applied for through the Office of the Clerk-Treasurer of the City. The fee to be charged for the issuance of such permit shall be established by

resolution. It shall be subject to issuance by the Clerk-Treasurer.

2.2. In issuance of the permit, the Clerk-Treasurer shall be authorized to rely upon advice of the Director of Public Works or such other persons as may be deemed appropriate, and shall take into consideration the nature of the traffic which is requested, the amount of such traffic resulting, the street or public rights-of-way involved, the nature of construction of the streets in question, and such other factors as may be relevant.

2.3. The issuance of the permit may be conditioned upon such conditions as may be deemed appropriate and necessary, including but not limited to posting an appropriate bond, having acceptable sureties, or maintaining or restoring the street to the same condition as it was prior to the commencement of the utilization.

SECTION III: In the event an individual who has sought a permit is aggrieved by the terms and conditions of the proposed permit, that individual may appeal the conditions to the City Council. The appeal shall be in writing, filed with the Office of the Clerk-Treasurer, and shall state with reasonable specificity the portions of the permit which are being appealed. Within forty-five days of the filing of the notice of appeal, the Council shall hold a hearing upon the appeal. The Council may affirm, reverse, or modify the decision of the Clerk-Treasurer. The decision of the City Council shall be final.

SECTION IV: Any person violating the provisions of this Chapter shall be subject to the following penalties:

A. Upon a finding of committed as to up to two notices of infraction alleging a violation of this ordinance within any twelve-month period, the party shall be subject to a penalty not to exceed \$300: PROVIDED that the Court upon such finding may also require restitution for any damage suffered.

B. Upon a third or subsequent finding of violation within any twelve-month period, the party shall be subject to punishment as provided in the general penalty provision of the first paragraph of Section 1.20.010 M.M.C., as now existing or hereafter amended or supplanted: PROVIDED that, in addition to any fine or jail sentence, restitution for any damage may be required.

SECTION V: Sections I through IV shall constitute a new Chapter in Title 10 of the McCleary Municipal Code.

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

PASSED THIS _____ DAY OF _____, 2012, by the City Council of the City of McCleary, and signed in approval therewith this _____ day of _____, 2012.

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

ORDINANCE -A- 5
12/07/2011
dg/le

CITY OF McCLEARY
100 SOUTH 3RD STREET
McCLEARY, WASHINGTON 98557

RESOLUTION NO. _____

A RESOLUTION ESTABLISHING RATES AND CHARGES IN RELATION TO THE STORM WATER UTILITY OF THE CITY; REPEALING RESOLUTION 545; & PROVIDING AN EFFECTIVE DATE.

R E C I T A L S:

1. Pursuant to existing Ordinances, the City established a storm water utility.

2. Those Ordinances authorized the establishment by resolution of rates and charges to be paid by those benefitted by and within the area subject to the storm water. This was done most recently through the adoption of Resolution 545.

3. In setting those rates and charges, the Council and Mayor considered the factors set forth within the Ordinance, as well as such other information and factors as have been developed since the adoption of the Ordinance, including the information referenced in Recital 4.

4. Since the adoption of Resolution 545, the Council has received the recommendations contained with a Storm Water Utility Plan prepared by the City's engineering consultant. While that Plan recommended significant increases in rates, the Council and Mayor do not find such increases appropriate at this time. Rather they have chosen to modify the rates in a more

limited manner so as to reflect both the impacts of increased costs and the impact of fee increases upon the utility's customers.

5. In light of those factors, the rates set forth herein are found to be reasonable, necessary, and appropriate to operate the utility.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS BY THE CITY COUNCIL OF THE CITY OF McCLEARY, THE MAYOR CONCURRING:

SECTION I: AUTHORIZATION:

Pursuant to the authority granted by the Ordinance establishing the utility, there is hereby created and imposed in Section II a system of rates and charges on each parcel of real property within the City served by or which is capable of receiving benefit and service by and from the Storm Water Utility established by Ordinance.

SECTION II: RATES AND CHARGES:

The following Utility rates and charges are hereby established for all parcels of real property in the City:

2.1. System Development Charge: The charge assessed to all parcels upon application for development. The System Development Charge shall be a one-time charge of \$578.90 for all applications received on and after the effective date of this resolution. This charge shall be adjusted annually as of December 16, 2012, and each December 16 thereafter as provided in Section III of this resolution.

2.2. Monthly Charges:

2.2.1: The following shall be billed upon the same billing schedule as is provided for the other utility services of the City.

A. Single-Family Parcels: The base single-family residential charge shall be \$7.00 per month for each Equivalent Service Unit (ESU) for a parcel having one residential unit. This uniform rate is based upon each residential unit being equal to or less than 3,000 square feet, or fraction thereof, of impervious surface.

B. Multiple Family Parcels (3 or more units): Base shall be \$7.00 for the first 3,000 square feet of impervious surface, or fraction thereof, and \$3.00 for each additional 3,000 square feet, or fraction thereof, of impervious surface area.

C. Non-residential Parcels: Base shall be \$7.00 for the first 3,000 square feet of impervious surface, or fraction thereof, and \$3.00 for each additional 3,000 square feet, or fraction thereof, of impervious surface area.

2.2.2: The charges established in §2.2.1 shall be adjusted annually as of December 16, 2012, and each December 16 thereafter as provided in Section III of this resolution

SECTION III: ANNUAL ADJUSTMENT:

In recognition of the necessity of assuring that the rates established for this service remain consistent with the increase in costs and of the billing period utilized by the City

utility, the rates set by Section II of this resolution shall be subject to adjustment as of December of each calendar year.

The adjustment shall be the greater of either three percent (3%) or the monetary amount which is the result of the following calculation:

A. Methodology of Calculation: The then existing utility rate multiplied by a figure established as the average of the Seattle-Tacoma-Bremerton Area Bi-Monthly Index CPI-U (June compared with June) and the US All City Average CPI-U for the same period. [Example: S-T-B Area Bi-monthly Index CPI-U is 3.5% and the US All City Average CPI-U for that period is 2.5%. The multiplier to be utilized is 3.0%. If the existing rate is \$4.00, the result would be an increase of \$0.12 for an adjusted rate of \$4.12.]

B. Principals of application:

1. The average for the CPI multiplier, if not an even 1/10th of a percent, shall be rounded upward to the nearest 1/10th of a percent.

2. The resulting product of the calculation carried out pursuant to SA shall be rounded to the next highest 1/10th of a dollar, if the initial calculation does not so result.

SECTION IV: REPEAL & EFFECTIVE DATE:

4.1. This resolution shall take effect at 12:01 A.M. on the day following adoption with the rates established by the provisions of Section II to be applied as to any utility billing

issued by the City on and after the ____ day of _____,
201__.

4.2. Resolution 543 shall be repealed as of the effective date of this resolution: PROVIDED THAT, such repeal shall not affect any obligations which have arisen under the provisions of that resolution, whether fiscal or otherwise.

PASSED THIS ____ DAY OF DECEMBER, 2011, by the City Council of the City of McCLEARY, and signed in authentication therewith this _____ day of December, 2011.

CITY OF McCLEARY:

D. GARY DENT, Mayor

ATTEST:

WENDY COLLINS, Clerk-Treasurer

APPROVED AS TO FORM:

DANIEL O. GLENN, City Attorney