Meetings are held at the
Ilwaco Community Building Meeting Room
158 First Ave North in Ilwaco, WA

CITY OF ILWACO
CITY COUNCIL MEETING

Monday, February 25, 2013

6:00 p.m. REGULAR COUNCIL MEETING

AGENDA

A. Call to order

B. Flag Salute

C. Roll Call

D. Approval of Agenda

E. Consent Agenda

All matters, which are listed within the consent section of the agenda, have been distributed or made available for review to each member of the council prior to the meeting. Items listed are considered routine and will be enacted with one motion unless a council member specifically requests it to be removed from the Consent Agenda to be considered separately. The staff recommends the approval of the following items:

1. Approval of Minutes
   a. February 11, 2013, Regular Council Meeting
   b. February 12, 2013, Water Discussion
   c. February 15, 2013, Special Meeting

2. Claims & Vouchers

a.	Checks: 35115 to 35116 + Electronic	$	16,848.63
b.	Checks: 35117 to 35147	$	65,121.74
	GRAND TOTAL:	$	81,970.37

F. Reports

1. Staff Reports
2. Council Reports
3. Mayor's Report

G. Comments of Citizens and Guests Present

At this time, the mayor will call for any comments from the public on any subject not on the agenda. Please limit your comments to five (5) minutes. The City Council does not take any action or make any decisions during public comment. To request an item be added to a future agenda, please contact the city clerk for the council rules of procedure for agenda items.

H. Business

1. Professional Services Agreement for city attorney—*Cassinelli*
2. Washington State Homeland Security Region 3 Mutual Aid Agreement—*Forner*

I. Discussion

1. DOE State Revolving Fund Loan Agreement for First Avenue North Sewer Improvement Project—*Cassinelli*
2. I-Focus Consulting Agreement for Network Administration—*Cassinelli*

J. Correspondence and Written Reports

1. Letters to City Council regarding new sewer rate structure.

K. Future Discussion/Agendas

1. Amended Procedures Ordinance—*City Planner*

N. Adjournment

O. Upcoming Meetings

COUNCIL/COMMISSION	PURPOSE	DAY	DATE	TIME	LOCATION
Planning Commission	Regular Meeting (meetings subject to cancellation if there is no business to transact)	Tuesday	03/05/13 03/19/13	6:00 p.m.	Community Building
Parks and Recreation	Regular Meeting	Friday	03/08/13	7:15 p.m.	Community Building
City Council	Regular Meeting	Monday	03/11/13 03/25/13	6:00 p.m.	Community Building

CITY OF ILWACO
CITY COUNCIL MEETING
Monday, February 11, 2013

A. Call to Order
Mayor Cassinelli called the meeting to order at 6:00 p.m.

B. Flag Salute
The Pledge of Allegiance was recited.

C. Roll Call
Present: Mayor Cassinelli and Councilmembers Jensen, Mulinix, Chambreau and Forner. Councilmember Marshall arrived at 6:02 p.m.

D. Approval of Agenda.
Councilmember Forner requested the proposed Contract for Professional Engineering Services and related agreements/scopes of work be added to the agenda.
ACTION: Motion to approve agenda as amended (Forner/Chambreau). 5 Ayes 0 Nays 0 Abstain.

E. Approval of Consent Agenda
Including Checks 35054 to 35062 + electronic totaling $30,525.10 and Checks 35063 to 35114 totaling $71,870.29.
ACTION: Motion to approve the consent agenda (Mulinix/Marshall). 5 Ayes 0 Nays 0 Abstain.

F. Reports

1. **Staff Reports**
   a. Police Chief Flint Wright presented his written report. Councilmember Mulinix asked about the "active shooter" exercise mentioned in the report.
   b. Parks Commissioner Nick Haldeman spoke about the upcoming fishing derby and meetings he has had with other entities regarding putting together a parks plan that is needed to apply for Washington State Recreation and Conservation Office grants. He also stated the commission's meeting time has been changed to 7:15 p.m. the second Friday of the month.
   c. Deputy City Clerk PJ Kezele presented her written report and noted lost water had gone down since the December water line breaks.

2. **Council Reports**
   a. Councilmember Jensen met with Public Works Supervisor Dave McKee regarding repairs he would like to see the Naselle Youth Camp address on the Black Lake Trail.
   b. Councilmember Mulinix has been obtaining aquatic barrier and diver survey bids.

c. Councilmember Marshall attended a Finance Committee meeting with where an I-Focus report on the city's computers and networks was discussed.
d. Councilmember Chambreau attended Finance Committee meetings on the I-Focus report and the USDA emergency funding for water and sewer line repairs. He also attended the Sid Snyder book launch at The Artisan.
e. Councilmember Forner attended the Parks and Recreation Commission meeting and a telephonic meeting with Councilmember Jensen to discuss engineering services.

3. **Mayor's Report**
Mayor Cassinelli presented his annual State of the City speech. He also spoke about local participation in the Northwest Sportsmen's Show and recent Nesadi line repairs.

G. Comments of Citizens and Guests present

1. Resident Gail Moore spoke about payments not being pushed through the drop box slot.
2. Charlotte Kelly and student Seth Sonntag asked for permission to make the Black Lake docks and trails more accessible for the disabled and handicapped. The mayor asked for a proposal.
3. Jessika Tantisook of Ilwaco and Jules Orr of Seaview spoke about their desire to extend the Discover Trail north and complete the trail through the state park.
4. Fire Chief Tom Williams asked about pay increases for city employees.

H. Business

1. **Franchise Agreement with LS Networks**
Councilmember Forner presented the item.
ACTION: Motion to adopt the proposed ordinance granting to LightSpeed Networks, Inc., DBA LS Networks, a franchise contract to construct, operate and maintain a telecommunications network within the City of Ilwaco, Washington (Forner/Chambreau). Roll Call Vote: 5 Ayes 0 Nays 0 Abstain.
2. **Amendment to Loan Agreement for Wastewater Plant Debt Refinance**
Mayor Cassinelli presented the item. Councilmember Forner asked if the city can pay down the principal if extra money were available. The mayor stated he thought we could.
ACTION: Motion to authorize the mayor to execute the proposed Amendment No. 1 (final) to Loan Agreement No. L1300001 between the State of Washington Department of Ecology and City of Ilwaco (Jensen/Mulinix). Roll Call Vote: 5 Ayes 0 Nays 0 Abstain.
3. **Ordinance regarding procedures for adjusting sewer bills for water leakage**
Councilmember Jensen asked about the impact of a warm October. Discussion ensued about leaks due to interior plumbing. Council requested Section A2 be modified before adoption at next meeting.
ACTION: Motion to adopt the proposed ordinance amending Chapter 13.04, Water and Sewer Rates and Charges, to modify the procedure to adjust for leaks in sewer averaging and extend the time for application for unreported leaks (Forner/Chambreau). Motion to continue to Special Meeting February 15, 2013 (Marshall/Forner). 5 Ayes 0 Nays 0 Abstain.

I. Discussion

1. **Professional Services Agreement for city attorney**
   Councilmember Marshall spoke about communications with the attorney. Discussion ensued.
   ACTION: Move to business for February 25, 2013.
2. **Amendment to Loan Agreement for Wastewater Plant Debt Refinance**
   Mayor Cassinelli presented the item.
   ACTION: Motion to move to business (Marshall/Jensen). 5 Ayes 0 Nays 0 Abstain.
3. **Washington State Homeland Security Region 3 Mutual Aid Agreement**
   Councilmember Forner presented the item. Councilmember Marshall asked if the city had participated previously. It was explained that since it was time to renew the agreement, it had been opened up to additional jurisdictions, including the City of Ilwaco. Councilmember Mulinix asked about designated representative. Discussion ensued.
   ACTION: Move to business for February 25, 2013.
4. **Ordinance regarding procedures for adjusting sewer bills for water leakage**
   Mayor Cassinelli presented the item. Discussion ensued.
   ACTION: Motion to move to business (Forner/Chambreau). 5 Ayes 0 Nays 0 Abstain.
5. **Funding emergency repairs along Robert Gray Drive and at Main Street near Second Avenue**
   Mayor Cassinelli presented the item. Discussion ensued.
   ACTION: Move to business for Special Meeting February 15, 2013.
6. **Contract for professional engineering services and Consultant Agreements/Scopes of Work for Elizabeth Avenue Project, First Avenue Sewer Improvements and Sahalee Sewer Improvements**
   Councilmember Forner presented the item. Discussion ensued.
   ACTION: Keep on discussion for Special Meeting February 15, 2013.

J. Correspondence and Written Reports

1. Letters to City Council regarding delinquent fees and sewer rates
2. Invitation to fundraiser for Ocean Beach Hospital.

K. Adjournment

ACTION: Motion to adjourn the meeting (Forner). Mayor Cassinelli adjourned the meeting at 7:45 p.m.

_____
Mike Cassinelli, Mayor

_____
PJ Kezele, Deputy City Clerk

CITY COUNCIL WORKSHOP
Water System Discussion
Tuesday, February 12, 2013

A. Call to Order
Councilmember David Jensen opened the workshop at 1:08 p.m.

B. Present
Councilmembers: David Jensen, Vinessa Mulinix, Fred Marshall, Jon Chambreau and Gary Forner. Staff: Elaine McMillan (Treasurer), Dennis Schweizer (WTP), Daryl Gardner (WTP), Dave McKee (Public Works), Nancy Lockett (G&O) via phone. Commerce: Cathi Read. Department of Health: Corinna Hayes via phone

C. Discussion

1. Status reports on projects:

Backwash Basin Improvements: Cultural assessment work is done. Design report is currently being reviewed by Teresa Walker. Current cost estimates show a possible $30,000 shortfall (materials costs). City could apply for Rural Community Assistance Corporation (RCAC) loan to make up shortfall, if needed.

New Indian Creek Reservoir and New City Center Reservoir: Cultural assessment work is done. Indian Creek reservoir will be Mt. Baker Silo concrete tank. City Center reservoir will be bolted steel. Teresa Walker had a few comments on the pre-design report, which was submitted to Health (comment letter dated 12-7-12). The comments are being answered/addressed.

Jon Chambreau asked about seismic concerns/safeguard against draining the tanks. Nancy Lockett replied that a pressure sensing valve and a seismic valve that detects seismic movement above certain levels and shuts the valve will be used to avoid draining.

New Up flow Clarifier and Improvements to the Treatment Plant: Health recently sent an e-mail informing the City and G&O that it is okay to proceed with design for a new upflow clarifier. Pre-design will be submitted to DOH by end of February. Other improvements needed at the treatment plant to optimize performance are being discussed and prioritized by Nancy Lockett, Daryl Gardner, Dennis Schweizer and others. Some of these improvements will be included in separate schedules in the bid package and will be done if there is sufficient funding.

Sahalee water and sewer line replacement: The city continues to work with USDA on potential funding for this project.

Slide Damage to Infrastructure: The city is submitting an application to USDA ECWAG for potential emergency funding.

Source Water Protection Grant ($30,000 grant): Bids are anticipated to be requested in March.

Source water protection efforts: In addition to the information from Kitty Weisman (DOH), Elaine discussed the meeting held with Longview Timber, CREST and Columbia Land Trust.

2. Water Distribution System
   Continue to identify and fix leaks – Lost water continues to be high. Daryl believes the new meter to be installed to meter water leaving the plant will assist with resolving.

   Cross Connection control – Dennis will be taking his test in the near future. Dave continues to work with Mary at BMI.

3. Water Treatment Plant – Updates
   Computers/Programming – The recent assessment by IFOCUS was discussed and an overall need for some IT oversight.

   Dock to access new intake – The pieces of the dock have been moved near the dam and are awaiting installation.

4. Miscellaneous –
   G&O dropbox – Has been utilized

   Hydrant – Gail Moore questioned when hydrant will be installed. Dave hopes to do it in May.

   The next meeting is scheduled for April 23, 2013 at 1:00 p.m.

D. Adjournment: 2:02 p.m.

_____
David Jensen, Mayor Pro-tem

_____
Elaine McMillan, Treasurer

CITY COUNCIL
Special Council Meeting
Friday, February 15, 2013

A. Call to Order
Mayor Cassinelli opened the special meeting at 9:01 a.m.

B. Present
Councilmembers: Gary Forner, Jon Chambreau, and David Jensen.
Treasurer Elaine McMillan.

C. Approval of Agenda: Motion to approve the agenda (Chambreau/Forner) 3 Ayes 0 Nays 0 Abstain

D. Public Hearing
Funding emergency repairs along Robert Gray Drive and Main Street near Second Avenue - The Mayor opened the Public Hearing at 9:03am. With no one present to testify, the hearing was closed at 9:04am.

E. Business

1. **Funding emergency repairs along Robert Gray Drive and at Main Street near Second Avenue** – Council members present were made aware that there would be only one potential grant of $150,000 available from the USDA. There was brief discussion regarding the interest in installing a bridge versus culverts at Main Street.
   ACTION: Motion to authorize the mayor to submit an application to the USDA Rural Utilities Emergency Community Water Assistance Grant (ECWAG) program for funding of the Robert Gray Drive water lines and Main Street for $150,000 (Forner/Chambreau). 3 Ayes 0 Nays 0 Abstain
2. **Ordinance adjusting sewer bills for water leakage (continued from 2-11-13)** The Mayor explained the legislation drafted by the committee. Councilmember Chambreau acknowledged the need to pass the legislation; however, pointed out that last October was unseasonably warm with some residents still watering, which was increasing their sewer average. **ACTION: Motion to adopt the proposed ordinance amending Chapter 13.04, Water and Sewer Rates and Charges, to modify the procedure to adjust for leaks in sewer averaging and extend the time for application for unreported leaks (Chambreau/Forner). Roll call vote: 3 Ayes 0 Nays 0 Abstain.**
3. **Contract for professional engineering services and Consultant Agreements/Scopes of Work for Elizabeth Avenue Project, First Avenue Sewer Improvements and Sahalee Sewer Improvements**
   ACTION: Motion to approve the mayor to execute the proposed Contract for Professional Engineering Services between the City of Ilwaco and Gray & Osborne, Inc. and to confirm their appointment as City Engineer (Jensen/Chambreau). 3 Ayes 0 Nays 0 Abstain.
   ACTION: Motion to approve the mayor to execute the proposed Consultant Agreement for the TIB funded Elizabeth Avenue Project and the proposed

Amendments for the DOE funded First Avenue Sewer Improvements and Sahalee Sewer Improvements (Jensen/Chambreau). 3 Ayes 0 Nays 0 Abstain.

F. Discussion

1. **Contract for professional engineering services and Consultant Agreements/Scopes of Work for Elizabeth Avenue Project, First Avenue Sewer Improvements and Sahalee Sewer Improvements.** Council member Forner explained the recommendation that the committee was making for Gray and Osborne to be selected as engineer. **ACTION: Motion to move to Business (Jensen/Forner). 3 Ayes 0 Nays 0 Abstain.**

G. Adjournment: Motion to adjourn (Chambreau) 9:25 a.m.

_____
Mike Cassinelli, Mayor

_____
Elaine McMillan, Treasurer

Register

Number	Name	Fiscal Description	Cleared	Amount
35115	Gardner, Daryl W	2013 - February - Second meeting		$1,450.35
35116	Schweizer, Dennis	2013 - February - Second meeting		$1,655.98
ACH Pay - 671	Bell, Helen S.	2013 - February - Second meeting		$542.72
ACH Pay - 673	Gustafson, David M.	2013 - February - Second meeting		$1,451.27
ACH Pay - 674	Hazen, Warren M.	2013 - February - Second meeting		$1,786.15
ACH Pay - 675	Kezele, Pamela J.	2013 - February - Second meeting		$1,369.63
ACH Pay - 676	Mc Kee, David A	2013 - February - Second meeting		$1,682.85
ACH Pay - 677	Mc Millan, Elaine	2013 - February - Second meeting		$1,845.59
ACH Pay - 679	Stierns, Jacob	2013 - February - Second meeting		$1,204.57
EFT 2-20-13	U.S. Treasury Department	2013 - February - Second meeting		$3,859.52
				$16,848.63

We, the undersigned members of the city council of the City of Ilwaco, Pacific County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and the voucher numbers 35115 through 35116 and electronic payments totalling $16,848.63 are approved this 25th day of February, 2013

Council member

Council member

Treasurer

Council member

Register

Number	Name	Print Date	Clearing Date	Amount
Bank of the Pacific	**8023281**			
Check				
35117	Alsco-American Linen Div.	2/25/2013		$34.70
35118	Arthur J Gallagher Rms, Inc.	2/25/2013		$75.00
35119	Art's Auto Parts, Inc.	2/25/2013		$10.34
35120	Beachdog.com Inc	2/25/2013		$20.00
35121	Centurylink	2/25/2013		$1,326.78
35122	Chinook Observer	2/25/2013		$39.50
35123	CREST	2/25/2013		$1,740.00
35124	Dennis CO	2/25/2013		$42.00
35125	Discovery Benefits	2/25/2013		$10.50
35126	Evergreen Septic Service	2/25/2013		$792.12
35127	Gray & Osborne, Inc.	2/25/2013		$33,431.08
35128	HD Fowler Company	2/25/2013		$1,018.79
35129	IFOCUS Consulting Inc.	2/25/2013		$1,136.25
35130	Lindstrom & Son Construction Inc.	2/25/2013		$1,613.77
35131	Michael S. Turner	2/25/2013		$58.70
35132	Pacific Art & Office Supply	2/25/2013		$125.00
35133	Pacific CO Auditor	2/25/2013		$5,596.51
35134	Pacific CO Health Dept.	2/25/2013		$42.32
35135	Pacific County South District Court	2/25/2013		$200.00
35136	Pitney Bowes, Inc.	2/25/2013		$121.00
35137	PUD No 2 of Pacific County	2/25/2013		$10,280.80
35138	Sid's IGA	2/25/2013		$29.00
35139	Tire Hut	2/25/2013		$209.05
35140	Visa	2/25/2013		$480.70
35141	Vision Municipal Solutions, Llc	2/25/2013		$363.04
35142	WA State Dept. of Ecology *	2/25/2013		$320.00
35143	WA State Dept. of Health	2/25/2013		$1,095.54
35144	WA State Fish & Wildlife	2/25/2013		$24.00
35145	Wadsworth Electric	2/25/2013		$2,531.41
35146	Wilcox & Flegel Oil Co.	2/25/2013		$2,257.98
35147	Pacific Art & Office Supply	2/25/2013		$95.86
			Total Check	**$65,121.74**
			Total 8023281	**$65,121.74**
			Grand Total	**$65,121.74**

CERTIFICATION

We, the undersigned do hereby certify under penalty of perjury that the material have been furnished, the services rendered or the labor performed that any advance payment is due and payable purusuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation. The voucher numbers___35117_____ through __35147_ are approved for payment in the amount of: $65,121.74

This _____ day of _____, 2013

_____ Council member

_____ Council member

_____ Treasurer

_____ Council member

Voucher Directory

Vendor	Number	Reference	Account Number	Description	Amount
Alsco-American Linen Div.					
	35117		**2013 - February - Second meeting**		
		Invoice - 2/15/2013 9:58:43 AM			
			LPOR892580		
			001-000-000-576-80-31-00	Office & Operating Supplies	$8.68
			101-000-000-543-30-30-00	Office And Operating	$8.68
			401-000-000-534-00-31-00	Operation & Maintenance	$8.68
			409-000-000-535-00-31-01	Operations And Maintenance	$8.66
		Total Invoice - 2/15/2013 9:58:43 AM			**$34.70**
	Total 35117				**$34.70**
Total Alsco-American Linen Div.					**$34.70**
Arthur J Gallagher Rms, Inc.					
	35118		**2013 - February - Second meeting**		
		Invoice - 2/15/2013 9:59:28 AM			
			405502		
			001-000-000-514-20-31-00	Office & Operating Supplies	$75.00
		Total Invoice - 2/15/2013 9:59:28 AM			**$75.00**
	Total 35118				**$75.00**
Total Arthur J Gallagher Rms, Inc.					**$75.00**
Art's Auto Parts, Inc.					
	35119		**2013 - February - Second meeting**		
		Invoice - 2/19/2013 4:06:29 PM			
			107843		
			001-000-000-576-80-48-00	Repairs & Maintenance	$10.34
		Total Invoice - 2/19/2013 4:06:29 PM			**$10.34**
	Total 35119				**$10.34**
Total Art's Auto Parts, Inc.					**$10.34**
Beachdog.com Inc					
	35120		**2013 - February - Second meeting**		
		Invoice - 2/15/2013 10:12:36 AM			
			18829		
			001-000-000-557-20-41-00	Ilwaco Web Page	$20.00
		Total Invoice - 2/15/2013 10:12:36 AM			**$20.00**
	Total 35120				**$20.00**
Total Beachdog.com Inc					**$20.00**
Centurylink					
	35121		**2013 - February - Second meeting**		
		Invoice - 2/15/2013 10:25:47 AM			
			001-000-000-514-20-42-00	Communication	$290.80
			001-000-000-522-10-42-00	Communication	$349.54
			401-000-000-534-00-42-00	Communications	$290.01
			409-000-000-535-00-42-00	Communications	$396.43
		Total Invoice - 2/15/2013 10:25:47 AM			**$1,326.78**
	Total 35121				**$1,326.78**
Total Centurylink					**$1,326.78**
Chinook Observer					
	35122		**2013 - February - Second meeting**		
		Invoice - 2/15/2013 10:59:26 AM			
			046-13 USDA Grant		
			001-000-000-511-30-44-00	Official Publications	$39.50
		Total Invoice - 2/15/2013 10:59:26 AM			**$39.50**
	Total 35122				**$39.50**
Total Chinook Observer					**$39.50**
CREST					
	35123		**2013 - February - Second meeting**		
		Invoice - 2/15/2013 1:38:31 PM			
			2628		
			001-000-000-558-60-41-00	Planner Services	$1,740.00
		Total Invoice - 2/15/2013 1:38:31 PM			**$1,740.00**
	Total 35123				**$1,740.00**
Total CREST					**$1,740.00**
Dennis CO					
	35124		**2013 - February - Second meeting**		
		Invoice - 2/15/2013 1:47:09 PM			
			417781/2		
			001-000-000-576-80-48-00	Repairs & Maintenance	$6.46

	101-000-000-543-30-30-00	Office And Operating	$6.46
	401-000-000-534-00-31-00	Operation & Maintenance	$6.46
	408-000-000-531-00-31-01	Operations & Maintenance	$6.47
	409-000-000-535-00-31-01	Operations And Maintenance	$6.47
Total Invoice - 2/15/2013 1:47:09 PM			**$32.32**
Invoice - 2/15/2013 1:51:51 PM			
417646/2			
	401-000-000-534-00-31-00	Operation & Maintenance	$9.68
Total Invoice - 2/15/2013 1:51:51 PM			**$9.68**
Total 35124			**$42.00**
Total Dennis CO			**$42.00**
Evergreen Septic Service			
35126	**2013 - February - Second meeting**		
Invoice - 2/15/2013 1:53:07 PM			
13435			
	001-000-000-576-80-47-02	Sewer-Parks, Black Lake	$105.00
Total Invoice - 2/15/2013 1:53:07 PM			**$105.00**
Invoice - 2/15/2013 4:56:54 PM			
	409-000-000-594-63-35-00	Sewer Line Replace/repair	$687.12
Total Invoice - 2/15/2013 4:56:54 PM			**$687.12**
Total 35126			**$792.12**
Total Evergreen Septic Service			**$792.12**
Gray & Osborne, Inc.			
35127	**2013 - February - Second meeting**		
Invoice - 2/19/2013 3:57:18 PM			
12571.00-2			
	001-000-000-558-60-41-00	Planner Services	$282.36
Total Invoice - 2/19/2013 3:57:18 PM			**$282.36**
Invoice - 2/19/2013 3:36:05 PM			
12555.00-5			
	401-000-000-594-34-41-01	Engineering - Plant	$11,902.28
Total Invoice - 2/19/2013 3:36:05 PM			**$11,902.28**
Invoice - 2/19/2013 3:32:49 PM			
12458.00-10			
	401-000-000-594-34-41-01	Engineering - Plant	$393.77
Total Invoice - 2/19/2013 3:32:49 PM			**$393.77**
Invoice - 2/19/2013 3:34:14 PM			
12460.00-11			
	401-000-000-594-34-41-02	Engineering - Distribution	$9,569.27
Total Invoice - 2/19/2013 3:34:14 PM			**$9,569.27**
Invoice - 2/19/2013 3:33:43 PM			
12459.00-11			
	401-000-000-594-34-41-02	Engineering - Distribution	$6,938.26
Total Invoice - 2/19/2013 3:33:43 PM			**$6,938.26**
Invoice - 2/19/2013 3:35:11 PM			
12564.00-5			
	409-000-000-594-63-35-02	Engineering - Collection System	$4,345.14
Total Invoice - 2/19/2013 3:35:11 PM			**$4,345.14**
Total 35127			**$33,431.08**
Total Gray & Osborne, Inc.			**$33,431.08**
HD Fowler Company			
35128	**2013 - February - Second meeting**		
Invoice - 2/15/2013 4:58:02 PM			
	401-000-000-534-00-31-00	Operation & Maintenance	$130.52
Total Invoice - 2/15/2013 4:58:02 PM			**$130.52**
Invoice - 2/15/2013 4:57:52 PM			
13302123			
	401-000-000-534-00-31-00	Operation & Maintenance	$888.27
Total Invoice - 2/15/2013 4:57:52 PM			**$888.27**
Total 35128			**$1,018.79**
Total HD Fowler Company			**$1,018.79**
IFOCUS Consulting Inc.			
35129	**2013 - February - Second meeting**		
Invoice - 2/15/2013 4:58:50 PM			
6262			
	409-000-000-535-00-41-02	Professional Services -	$1,136.25
Total Invoice - 2/15/2013 4:58:50 PM			**$1,136.25**
Total 35129			**$1,136.25**
Total IFOCUS Consulting Inc.			**$1,136.25**
Lindstrom & Son Construction Inc.			
35130	**2013 - February - Second meeting**		
Invoice - 2/15/2013 4:59:35 PM			
13730			
	409-000-000-594-63-35-00	Sewer Line Replace/repair	$1,613.77
Total Invoice - 2/15/2013 4:59:35 PM			**$1,613.77**
Total 35130			**$1,613.77**
Total Lindstrom & Son Construction Inc.			**$1,613.77**
Michael S. Turner			
35131	**2013 - February - Second meeting**		

	Invoice - 2/19/2013 3:31:35 PM		
	2013-105		
	001-000-000-512-40-51-00	Municipal Court Services	$58.70
	Court services		
	Total Invoice - 2/19/2013 3:31:35 PM		**$58.70**
Total 35131			**$58.70**
Total Michael S. Turner			**$58.70**
Pacific Art & Office Supply			
35132	**2013 - February - Second meeting**		
	Invoice - 2/15/2013 5:00:45 PM		
	refund		
	001-000-000-321-60-00-00	Business Licence Tax	$125.00
	Total Invoice - 2/15/2013 5:00:45 PM		**$125.00**
Total 35132			**$125.00**
35147	**2013 - February - Second meeting**		
	Invoice - 2/20/2013 3:10:16 PM		
	001-000-000-514-20-31-00	Office & Operating Supplies	$23.96
	401-000-000-534-00-31-06	Office & Customer Service	$23.96
	408-000-000-531-00-31-01	Operations & Maintenance	$23.97
	409-000-000-535-00-31-01	Operations And Maintenance	$23.97
	Total Invoice - 2/20/2013 3:10:16 PM		**$95.86**
Total 35147			**$95.86**
Total Pacific Art & Office Supply			**$220.86**
Pacific CO Auditor			
35133	**2013 - February - Second meeting**		
	Invoice - 2/15/2013 5:01:10 PM		
	020513		
	001-000-000-511-70-51-00	Election Costs	$5,596.51
	Total Invoice - 2/15/2013 5:01:10 PM		**$5,596.51**
Total 35133			**$5,596.51**
Total Pacific CO Auditor			**$5,596.51**
Pacific CO Health Dept.			
35134	**2013 - February - Second meeting**		
	Invoice - 2/20/2013 11:22:19 AM		
	Q4 2012		
	001-000-000-521-30-00-00	Drug Task Force	$42.32
	Total Invoice - 2/20/2013 11:22:19 AM		**$42.32**
Total 35134			**$42.32**
Total Pacific CO Health Dept.			**$42.32**
Pacific County South District Court			
35135	**2013 - February - Second meeting**		
	Invoice - 2/19/2013 3:53:49 PM		
	1-2013		
	001-000-000-512-50-40-02	Municipal Court Services	$200.00
	Total Invoice - 2/19/2013 3:53:49 PM		**$200.00**
Total 35135			**$200.00**
Total Pacific County South District Court			**$200.00**
Pitney Bowes, Inc.			
35136	**2013 - February - Second meeting**		
	Invoice - 2/15/2013 5:02:08 PM		
	2948447-FB13		
	001-000-000-514-20-45-00	Postage Meter Rental	$121.00
	Total Invoice - 2/15/2013 5:02:08 PM		**$121.00**
Total 35136			**$121.00**
Total Pitney Bowes, Inc.			**$121.00**
PUD No 2 of Pacific County			
35137	**2013 - February - Second meeting**		
	Invoice - 2/15/2013 5:03:03 PM		
	001-000-000-511-50-47-00	Electricity	$137.67
	001-000-000-522-10-47-00	Electricity	$1,001.00
	001-000-000-571-50-40-00	Community Bldg Other - Electri	$656.00
	001-000-000-572-50-47-00	Electricity	$984.00
	001-000-000-576-80-47-00	Electricity	$83.50
	101-000-000-542-63-47-00	Street Light Operating	$551.80
	401-000-000-534-00-47-00	Electricity	$2,278.36
	409-000-000-535-00-47-01	Electricity	$4,588.47
	Total Invoice - 2/15/2013 5:03:03 PM		**$10,280.80**
Total 35137			**$10,280.80**
Total PUD No 2 of Pacific County			**$10,280.80**
Sid's IGA			
35138	**2013 - February - Second meeting**		
	Invoice - 2/20/2013 10:38:14 AM		
	02-19-13		
	409-000-000-535-00-31-01	Operations And Maintenance	$29.00
	Total Invoice - 2/20/2013 10:38:14 AM		**$29.00**
Total 35138			**$29.00**
Total Sid's IGA			**$29.00**
Tire Hut			
35139	**2013 - February - Second meeting**		

	Invoice - 2/15/2013 5:05:02 PM		
	3818		
	001-000-000-576-80-48-00	Repairs & Maintenance	$21.56
	Total Invoice - 2/15/2013 5:05:02 PM		**$21.56**
	Invoice - 2/15/2013 5:05:29 PM		
	3876		
	001-000-000-576-80-48-00	Repairs & Maintenance	$187.49
	Total Invoice - 2/15/2013 5:05:29 PM		**$187.49**
Total 35139			**$209.05**
Total Tire Hut			**$209.05**
Visa			
35140		**2013 - February - Second meeting**	
	Invoice - 2/19/2013 4:10:55 PM		
	001-000-000-514-20-31-00	Office & Operating Supplies	$133.25
	401-000-000-534-00-31-06	Office & Customer Service	$162.52
	409-000-000-535-00-31-08	Office Supplies & Customer	$184.93
	Total Invoice - 2/19/2013 4:10:55 PM		**$480.70**
Total 35140			**$480.70**
Total Visa			**$480.70**
Vision Municipal Solutions, Llc			
35141		**2013 - February - Second meeting**	
	Invoice - 2/15/2013 5:06:00 PM		
	1713		
	401-000-000-534-00-31-06	Office & Customer Service	$121.01
	408-000-000-531-00-31-01	Operations & Maintenance	$121.01
	409-000-000-535-00-31-08	Office Supplies & Customer	$121.02
	Total Invoice - 2/15/2013 5:06:00 PM		**$363.04**
Total 35141			**$363.04**
Total Vision Municipal Solutions, Llc			**$363.04**
WA State Dept. of Ecology *			
35142		**2013 - February - Second meeting**	
	Invoice - 2/15/2013 5:11:03 PM		
	renew labWA01221		
	401-000-000-534-00-31-04	Doe Annual Permit Fee	$320.00
	Total Invoice - 2/15/2013 5:11:03 PM		**$320.00**
Total 35142			**$320.00**
Total WA State Dept. of Ecology *			**$320.00**
WA State Dept. of Health			
35143		**2013 - February - Second meeting**	
	Invoice - 2/15/2013 5:08:57 PM		
	033013		
	401-000-000-534-00-31-04	Doe Annual Permit Fee	$1,095.54
	Total Invoice - 2/15/2013 5:08:57 PM		**$1,095.54**
Total 35143			**$1,095.54**
Total WA State Dept. of Health			**$1,095.54**
WA State Fish & Wildlife			
35144		**2013 - February - Second meeting**	
	Invoice - 2/20/2013 10:39:55 AM		
	application for contest permit		
	001-000-000-573-90-00-01	Black Lake Fishing Derby	$24.00
	Total Invoice - 2/20/2013 10:39:55 AM		**$24.00**
Total 35144			**$24.00**
Total WA State Fish & Wildlife			**$24.00**
Wadsworth Electric			
35145		**2013 - February - Second meeting**	
	Invoice - 2/15/2013 5:07:29 PM		
	401-000-000-534-00-41-03	Professional Services -	$393.20
	Total Invoice - 2/15/2013 5:07:29 PM		**$393.20**
	Invoice - 2/15/2013 5:07:18 PM		
	12176		
	409-000-000-535-00-41-01	Professional Services -	$648.01
	Total Invoice - 2/15/2013 5:07:18 PM		**$648.01**
	Invoice - 2/19/2013 3:29:48 PM		
	12280		
	409-000-000-535-00-41-01	Professional Services -	$185.42
	Total Invoice - 2/19/2013 3:29:48 PM		**$185.42**
	Invoice - 2/19/2013 3:30:10 PM		
	12274		
	409-000-000-535-00-41-01	Professional Services -	$556.25
	Total Invoice - 2/19/2013 3:30:10 PM		**$556.25**
	Invoice - 2/15/2013 5:07:27 PM		
	12178		
	409-000-000-535-00-41-01	Professional Services -	$748.53
	Total Invoice - 2/15/2013 5:07:27 PM		**$748.53**
Total 35145			**$2,531.41**
Total Wadsworth Electric			**$2,531.41**
Wilcox & Flegel Oil Co.			
35146		**2013 - February - Second meeting**	
	Invoice - 2/15/2013 5:09:50 PM		

	101-000-000-543-30-30-01	Gasoline & Oil Products	$320.63
	104-000-000-573-90-44-02	Ilwaco Merchants Association	$112.91
	401-000-000-534-00-32-00	Gasoline	$1,235.11
	408-000-000-531-00-32-00	Gas/Oil Products	$320.63
	409-000-000-535-00-32-00	Gas/oil Products	$268.70
	Total Invoice - 2/15/2013 5:09:50 PM		**$2,257.98**
Total 35146			**$2,257.98**
Total Wilcox & Flegel Oil Co.			**$2,257.98**
Grand Total	**Vendor Count**	**29**	**$65,111.24**

Discovery Benefits		10.5
	35125	$65,121.74

CITY OF ILWACO
CITY COUNCIL AGENDA ITEM BRIEFING

A. Meeting Dates: Council Workshop: Public Hearing:
Council Discussion Item: 1/28/13; 2/11/13 Council Business Item: 2/25/13

B. Issue/Topic: **Renewal of Personal/Professional Services Agreement for City Attorney**

C. Sponsor(s):
1. Mike Cassinelli 2.

D. Background (overview of why issue is before council):
1. The previous contract with the city attorney has expired. A new two-year contract has been proposed.

E. Discussion (specific details relevant to the issue, pros/cons, alternatives and any other decision-making details)
1.

F. Impacts:
1. Fiscal: Billed hourly at $170.00 per hour plus mileage and expense reimbursement when approved in advance by city staff.
2. Legal:
3. Personnel:
4. Service/Delivery:

G. Planning Commission: ☐ Recommended ☒ N/A ☐ Public Hearing on

H. Staff Comments:
1.

I. Time Constraints/Due Dates: Current contract has expired.

J. Proposed Motion: **I move to authorize the mayor to execute the proposed Personal/Professional Services Agreement with Heather Reynolds, Attorney at Law, to provide legal services as requested by the city, and reconfirm her appointment as the city attorney.**

CITY OF ILWACO

PO Box 548
Ilwaco, Washington 98624

Contract No: _____

PERSONAL/PROFESSIONAL SERVICES AGREEMENT

This Agreement is by and between **City of Ilwaco** ("City") and **Heather Reynolds, Attorney at Law** ("Contractor"). Whereas City has need of the services which Contractor has agreed to provide; NOW THEREFORE, in consideration of the sums to be paid to Contractor by City, Contractor agrees to perform between date of execution and December 31, 2014 inclusive, the following specific personal and/or professional services:

Provide legal services when requested by City.

Payment Terms: $170 per hour plus mileage and expense reimbursement when approved in advance by City staff

1. **COMPLETE AGREEMENT**. This Agreement contains the entire understanding of the parties and supersedes all prior agreements, oral or written, and all other communication between the parties relating to the subject matter of this Agreement.

2. **WRITTEN NOTICE**. Any notice of termination or other communication having a material effect on this Agreement shall be served by U.S. Mail on the signatories listed.

3. **GOVERNING LAW/VENUE**. This Agreement shall be governed by the laws of the State of Washington. Any action commenced in connection with this Agreement shall be in the Courts of Pacific County. The prevailing party shall be entitled to reasonable attorney fees and costs, including an appeal. All rights and remedies of City shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to or waiver of any other rights or remedies of City according to law.

4. **COMPLIANCE**. Contractor shall comply with all applicable Federal, State and local laws, rules and regulations.

5. **JUDICIAL RULINGS**. If any provision of this Agreement as applied to either party or to any circumstances shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity of enforceability of the Agreement.

6. **INDEPENDENT CONTRACTOR**. Contractor, in carrying out the services to be provided under this Agreement, is acting as an "independent contractor" and is not an employee of City, and as such accepts full responsibility for taxes or other obligations associated with payment for services under this Agreement. As an "independent contractor", Contractor will not receive any benefits normally accruing to City employees unless required by applicable law. Furthermore, Contractor is free to contract with other parties, on other matters, for the duration of this Agreement.

7. **INDEMNIFICATION**. Contractor shall save harmless, indemnify, and defend City for any and all claims, damages, losses and expenses including but not limited to reasonable attorney's fees arising out of or resulting from Contractor's performance of or failure to perform the obligations of this Agreement to the extent same are caused by the negligence or misconduct of Contractor or her employees or agents.

8. **NONDISCRIMINATION**. No person shall be subjected to discrimination in receipt of the benefits of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, marital status, age or national origin. Any violation of this provision shall be considered a material violation of this Agreement and shall be grounds for cancellation, termination or suspension in whole or in part by City.

9. **TERMINATION OF AGREEMENT**. This Agreement may be terminated under the following conditions:

a. By written mutual agreement of both parties. Termination under this provision may be immediate.

b. Upon fifteen (15) calendar days written notice by either party to the other of intent to terminate.

c. Immediately on breach of the contract.

10. **SUBCONTRACTING/NONASSIGNMENT**. No portion of this Agreement may be contracted to assigned to any other individual, firm, or entity without the express and prior approval of City.

11. **STANDARD OF SERVICES AND WARRANTY**. Contractor agrees to perform its services with that standard of care, skill and diligence normally provided by a professional individual in the performance of similar services. It is understood that Contractor must perform the services based in part on information furnished by City and that Contractor shall be entitled to rely on such information. However, Contractor is given notice that City will be relying on the accuracy, competence and completeness of Contractor's services in utilizing the results of such services. Contractor warrants that the recommendations, guidance and performance of any person assigned under this Agreement shall be in accordance with professional standards and the requirements of this Agreement.

12. **CITY PRIORITIES**. Contractor shall comply promptly with any requests by City relating to the emphasis or relative emphasis to be placed on various aspects of the work or to such other matters pertaining to said work.

13. **OWNERSHIP AND USE OF DOCUMENTS**. All documents, or other material submitted to City by Contractor shall become the sole and exclusive property of City. All material prepared by Contractor under this Agreement may be subject to Washington's Public Records Laws.

FOR CITY:

_____

Signature Date

Title: _____

FOR CONTRACTOR:

_____

Heather Reynolds, Attorney at Law Date
WSBA #15084

CITY OF ILWACO
CITY COUNCIL AGENDA ITEM BRIEFING

A. Meeting Dates: Council Workshop: Council Discussion Item: 2/11/13 Public Hearing: Council Business Item: 2/25/13

B. Issue/Topic: **Washington State Homeland Security Region 3 Mutual Aid Agreement**

C. Sponsor(s):
1. Gary Forner 2.

D. Background (overview of why issue is before council):
1. Homeland Security Region 3, which consists of Pacific, Grays Harbor, Lewis, Mason and Thurston Counties, developed and entered into a mutual aid agreement on the part of the emergency management agencies in 2008. The agreement expired in December of 2012. Since the agreement was due to be re-signed, the region met and language has been added encompassing additional agency/jurisdiction types. The City of Ilwaco is an eligible entity to sign on to the agreement at this time.

E. Discussion (specific details relevant to the issue, pros/cons, alternatives and any other decision-making details)
1. Mutual aid agreements facilitate and encourage assistance among members in the form of supplemental personnel, equipment, materials and other support. Each member may own and maintain equipment and stock materials, and may employ trained personnel for a variety of public services. Under certain conditions, it may be appropriate to lend its supplies, equipment and services to other members in the event of an emergency.

F. Impacts:
1. Fiscal:
2. Legal: Attorney Heather Reynolds has approved the agreement.
3. Personnel:
4. Service/Delivery:

G. Planning Commission: ☐ Recommended ☒ N/A ☐ Public Hearing on

H. Staff Comments:
1.

I. Time Constraints/Due Dates: None

J. Proposed Motion: **I move to approve the mayor to execute the proposed Mutual Aid Agreement (Omnibus Agreement) for Washington State Homeland Security Region.**

Region 3 Mutual Aid Agreement
Omnibus Agreement

This OMNIBUS AGREEMENT is made and entered into by the undersigned counties, cities, tribes, political subdivisions, and state institutions of higher education located in or contiguous with the Washington State Homeland Security Region 3 counties of Grays Harbor, Lewis, Mason, Pacific, and Thurston – hereafter referred to as "Members" - to enable them to provide assistance to each other as requested.

WHEREAS, the Members have expressed a mutual interest in the establishment of an Omnibus Agreement to facilitate and encourage assistance among Members to this agreement; and

WHEREAS, in the event of an emergency, a Member to this Omnibus Agreement may need assistance in the form of supplemental personnel, equipment, materials or other support; and

WHEREAS, each Member may own and maintain equipment, stock materials and employ trained personnel for a variety of public services and shall, under certain conditions, lend its supplies, equipment and services to other Members in the event of an emergency; and

WHEREAS, the proximity of the Members to each other enables them to provide expedited assistance to each other.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, each undersigned Member agrees as follows:

Article 1 - APPLICABILITY

This Omnibus Agreement is available for execution to all counties, cities, tribes, other political subdivisions, and state institutions of higher education located within, or contiguous with, the counties mentioned above. Execution of this Omnibus Agreement shall occur when the Member signs an identical version of this Omnibus Agreement.

Article 2 - DEFINITIONS

A. Asset means anything that has value to the organization. Assets are defined, but not limited to, any function or department, including, but not limited to Law Enforcement, Fire Service, Public Works, Health Services, Social Services, Building Officials, Engineers, Information Services, Adult Detention, and Craft or Tradesmen.

B. Assistance means employees, services, equipment, materials, or supplies offered during incidents, emergencies or disasters by the Lender and accepted by the Borrower to assist in maintaining or restoring normal services when such service has been disrupted by acts of the elements, equipment malfunctions, accidents, terrorism/sabotage and other occurrences where assistance from other Members is necessary or advisable, as

mutually determined by the lending Member and requesting Member. Assistance may also be offered to support training, drills and exercises.

C. Assistance Costs means any expenses that extend beyond the first eight (8) hours (usual and customary costs) incurred by the Lender in providing any asset requested. After eight (8) hours, the borrower incurs all costs associated with the borrowed asset(s). For this Agreement, the computation of time begins when the lending agency agrees to provide resources by mobilizing the same. Further agreements regarding costs are addressed herein in Article 11, "Payment for Services and Assistance".

D. Borrower means a member county, city, tribe, other political subdivision, or state institution of higher education that has adopted, signed and subscribes to this Omnibus Agreement and has made a request for Emergency Assistance and has received commitment(s) to deliver Emergency Assistance pursuant to the terms of this Omnibus Agreement.

E. Contact Person(s) means the person or persons designated by each Member to request Emergency Assistance from or grant Emergency Assistance to another Member pursuant to the terms of this Omnibus Agreement.

F. Counterparts: This Agreement may be executed in counterparts and by facsimile signature with the same force and effect as if all original signatures were set forth in a single document. The Regional Lead Coordinating Agency shall maintain an original and/or a copy of each signature sheet for each participant.

G. Designated representative shall be identified and designated by each Member to serve as the representative of their respective Member in any meeting to work out the language or implementation issues of this Omnibus Agreement.

H. Emergency includes, but is not limited to, any human-caused or natural event or circumstance within the area of operation of any participating Member causing or threatening loss of life, damage to the environment, injury to person or property, human suffering or financial loss, such as: fire, explosion, flood, severe weather, drought, earthquake, volcanic activity, spills or releases of hazardous materials, contamination, utility or transportation emergencies, disease, infestation, civil disturbance, riots, act of terrorism or sabotage; said event being or is likely to be beyond the capacity of any affected Member or Members, in terms of personnel, equipment and facilities, thereby requiring assistance.

I. Emergency Contact Information Form is the form to be submitted to the Regional Lead Coordinating Agency and Designated Representative by each Member listing names, addresses, and 24 hour phone numbers of the Contact Person(s) of each Member. Alternatively, the phone number of a dispatch office staffed 24 hours a day that is capable of contacting the Contact Person(s) is acceptable.

J. Event refers to an incident, emergency, disaster, training, drill or exercise which causes a Borrower to request assistance from a Lender under this Omnibus Agreement.

K. Execution means an action, whereupon the occurrence of which comes after a Member has followed an approved legal process.

L. Institution of higher education means a state university, regional university, The Evergreen State College, community college, or technical college authorized under Title 28B RCW of the State of Washington, Higher Education.

M. Lender means a Member who has subscribed to this Omnibus Agreement and has agreed to deliver assistance to another Member pursuant to the terms and conditions of this Omnibus Agreement.

N. Omnibus Agreement means identical agreements executed in counterparts, which bind the executing Member to its terms and conditions to provide and receive assistance. The terms and conditions of the Omnibus Agreements are all identical and the execution of an Omnibus Agreement by a Member binds that Member to all other Members who have executed an identical Omnibus Agreement in counterparts. To be effective for purposes of receiving assistance, this Omnibus Agreement must be fully executed and received by the Subscribing Member's Designated Representative.

O. Member as a term used in this Agreement refers to any function, agency, department, county or city government and their departments and agencies, tribes, other political subdivisions, and state institutions of higher education, including, but not limited to, Law Enforcement, Fire Service, Public Works, Health Services, Social Services, Building Officials, Engineers, Information Services, Adult Detention, and Craft or Tradesmen.

P. Political Subdivision includes, but is not limited to, any county, city or town, tribe, fire district, port, public utility district, or school district.

Q. Repository Agency is the Regional Lead Coordinating Agency, or Thurston County, in the absence of a regional organization. This agency shall maintain records, lists, etc. relative to this Omnibus Agreement.

R. Termination Date is the date upon which this Agreement terminates pursuant to Article 29, herein.

Article 3 - PARTICIPATION

Participation in this Omnibus Agreement is purely voluntary. Execution of this Agreement is therefore not legally binding on a Member until the Member agrees to become a lender or borrower in accordance with its terms. Once this Omnibus Agreement is executed, Members are obliged to disclose the qualification(s) and training level of personnel identified to provide assistance.

No Member shall be liable to another Member for, or be considered to be in breach of or default under this Omnibus Agreement on account of any delay in or failure to perform any obligation under this

Omnibus Agreement, except to make payment if applicable, as specified in Article 11 of this Omnibus Agreement. However, Members who execute the Omnibus Agreement are encouraged to:

A. Ensure that other Members have their organization's most current Emergency Contact Information, and possess a good understanding about how to request assistance under this Agreement.

B. Participate in scheduled meetings, coordinate training, as well as plan for operations and implementation issues to the extent possible.

C. Operate under the principles of the National Incident Management System (NIMS) and the Incident Command System (ICS).

Article 4 - ROLE OF DESIGNATED REPRESENTATIVE OF MEMBERS

Members agree to identify a Designated Representative who shall serve on behalf of their respective Member to clarify language or implementation issues of this Omnibus Agreement.

The Designated Representative of each Member shall:

A. Participate in any meetings convened on the implementation of this Omnibus Agreement.

B. Obtain and communicate to relevant Member departments the discussion items and decisions of the meeting, as they bear on interoperability among Members.

C. Maintain a copy of this Omnibus Agreement (including amendments) and a list of the Members. The Designated Representative of the Regional Lead Coordinating Agency shall maintain a master copy of the agreement and accompanying original Member signature pages.

D. The Designated Representative of the Regional Lead Coordinating Agency shall ensure that each Member has a copy of the signature page of newly executed Omnibus Agreement(s).

E. The Designated Representative of the Regional Lead Coordinating Agency shall provide each Member with copies of the Emergency Contact Information Forms provided by the other Members. The Designated Representative of each Member shall ensure that the Regional Lead Coordinating Agency has current Emergency Contact Information for their respective Member.

F. The Designated Representative of each Member shall notify the Lead Coordinating Agency in writing upon their Member's termination of participation in this Omnibus Agreement. In turn, the Designated Representative of the Regional Lead Coordinating Agency shall notify all Members whenever a Member terminates its participation in this Omnibus Agreement.

G. Maintain and distribute checklists to assist Members in the planning details associated with being a Borrower or Lender under the terms of this Omnibus Agreement.

Article 5 - REQUESTS FOR ASSISTANCE

A Member may request assistance of other participating Members in preventing, mitigating, responding to and recovering from incidents, emergencies, disasters, or in concert with drills or exercises. Requests for assistance shall be directed to the designated contact person(s) on the contact list provided by the Members. Verbal requests shall be followed up with a written request as soon as practical or within thirty (30) days. The extent to which the Lender provides any assistance shall be at the Lender's sole discretion. In the event the emergency impacts a large geographical area that activates either Federal or State emergency laws, this Agreement shall remain in effect until or unless this Agreement conflicts with such Federal and State laws.

Article 6 - GENERAL NATURE OF ASSISTANCE

Assistance shall be in the form of resources, such as equipment, supplies, and personnel or the direct provision of services. The execution of the Omnibus Agreement shall not create any duty to respond on the part of any Member. A Member shall not be held liable to any other Member for failing to provide assistance. A Member has the absolute discretion to decline to provide any requested assistance and to withdraw resources it has provided at any time without incurring any liability. Resources are "borrowed", with reimbursement (if applicable) and terms of exchange varying with the type of resource as defined in Articles 7 and 8. The Members hereto recognize that time is critical during an emergency and diligent efforts shall be made to respond to a request for resources as rapidly as possible, including any notification(s) that requested resources are not available. A subscribing Member maintains the option of submitting a request for assistance directly to the State or Federal government or through any other mutual aid agreement or compact the Member agency is party to.

Article 7 - LOANS OF EQUIPMENT

At the sole discretion of the Lender, equipment may be made available upon request of a Member. Equipment and tool loans are subject to the following conditions:

A. Assets and equipment of a Lender shall continue under the command and control of the Lender, but shall be under the operational control of the appropriate officials within the incident management system of the Borrower.

B. At the option of the Lender, loaned equipment may be loaned with an operator. See Article 8 for terms and conditions applicable to use of borrowed personnel.

C. Loaned equipment shall be returned to the Lender upon release by the Borrower, or immediately upon the Borrower's receipt of an oral or written notice from the Lender for the return of the equipment. When notified to return equipment to a Lender, the Borrower shall make every effort to return the equipment to the Lender's possession within 24 hours following notification.

D. Borrower shall, at its own expense, provide consumable supplies needed to operate equipment unless mutually agreed upon otherwise. The Borrower shall take proper precaution in its operation, storage and maintenance of Lender's equipment. Members are responsible to ensure that Equipment shall be used only by properly trained and supervised operators. Lender shall endeavor to provide equipment in good working order. All equipment is provided "as is", with no representations or warranties as to its fitness for particular purpose.

E. Lender's cost related to the transportation, handling, and loading/unloading of equipment shall be borne by the Borrower unless mutually agreed upon otherwise. Lender shall provide copies of invoices for such charges where provided by outside sources and shall provide hourly accounting of charges for Lender's employees who perform such services.

F. Without prejudice to a Lender's right to indemnification under Article 12, in the event loaned equipment is lost or damaged while being dispatched to Borrower, or while in the custody and use of the Borrower, or while being returned to the Lender, Borrower shall reimburse the Lender for the reasonable cost of repairing said damaged equipment. If the equipment cannot be repaired within a time period indicated by the Lender, then Borrower shall reimburse Lender for the cost of replacing such equipment with equipment that is of equal condition and capability. Any determinations of what constitutes "equal condition and capability" shall be at the discretion of the Lender. If Lender must lease or rent a piece of equipment while the Lender's equipment is being repaired or replaced, Borrower shall reimburse Lender for such costs. Borrower shall have the right of subrogation for all claims against persons other than Members to this Omnibus Agreement who may be responsible in whole or in part for damage to the equipment. No Member shall be liable for damage caused by the sole negligence of another Member's operator(s).

Article 8 - LOANS OF PERSONNEL

Any Lender personnel providing assistance to Borrower shall remain under the command and control of the Lender, to include medical protocols, standard operating procedures and other protocols. The organizational units shall be under the operational control of the appropriate authorities within the incident management system of the Borrower. Lender shall not be liable for cessation or slowdown of work if Lender's employees decline or are reluctant to perform any assigned tasks if said employees judge such task to be unsafe. A request for loaned personnel to direct the activities of others during a particular response operation does not relieve the Borrower of any responsibility or create any liability on the part of the Lender for decisions and/or consequences of the Borrower's response operation. When supervisory personnel are loaned, the lender may make stipulations on the scope and duties of supervisory personnel loaned.

Any valid licenses, certifications, or other permits issued to Lender personnel by Lender or Lender's state, evidencing qualification in a professional, mechanical or other skill, may be recognized by the Borrower during the term of the event and for purposes related to the event. When notified to return personnel to a Lender, the Borrower shall make every effort to return the personnel to the Lender immediately after notification.

The Lender must ensure that loaned personnel have the ability, skill, and certification necessary to perform the work required and may be obliged to disclose the qualification(s) and training level of personnel identified to provide assistance.

The Members' Designated Representative shall develop planning details associated with being a Borrower or Lender under the terms of this Omnibus Agreement.

Article 9 - RECORD KEEPING

Time sheets and/or daily logs showing hours worked and equipment and materials used or provided by the Lender shall be recorded on a shift-by-shift basis by the Lender and/or the loaned employee(s) and shall be provided to the Borrower as needed. If no personnel are loaned, the Lender shall provide shipping records for materials and equipment, and the Borrower is responsible for any required documentation of use of material and equipment for state or federal reimbursement. Under all circumstances, the Borrower remains responsible for ensuring that the amount and quality of all documentation is adequate to enable disaster reimbursement.

Article 10 - INDEPENDENT CONTRACTOR

Lender shall be and operate as an independent contractor of Borrower in the performance of any assistance. Employees of Lender shall, at all times while providing assistance, continue to be employees of Lender and shall not be deemed employees of Borrower for any purpose. Wages, hours, and other terms and conditions of employment of Lender shall remain applicable to all of its employees who provide assistance. Lender shall be solely responsible for payment of its employees' wages, any required payroll taxes and any benefits or other compensation. Borrower shall not be responsible for paying any wages, benefits, taxes, or other compensation directly to the Lender's employees. The costs associated with borrowed personnel are subject to the reimbursement process outlined in Article 11. In no event, shall Lender or its officers, employees, agents, or representatives be authorized (or represent that they are authorized) to make any representation, enter into any agreement, waive any right or incur any obligation in the name of, on behalf of, or as agent for Borrower under or by virtue of this Omnibus Agreement.

Article 11 - PAYMENT FOR SERVICES AND ASSISTANCE

When a request for assistance is made, the Lender and Borrower will determine if reimbursement for services will be requested. Optimally, payment terms and conditions will be negotiated and agreed on at the time of the initial request, but if more time is necessary, any payment terms must be agreed upon within thirty (30) days of the request. In many cases, the Lender and Borrower will agree no reimbursement is necessary.

When reimbursement has been negotiated, the Borrower shall pay the Lender for all valid and invoiced Assistance Costs within sixty (60) days of receipt of the Lender's invoice. If this presents a hardship, the Borrower can make a request to the Lender to revise the payment timeframe. In the event Lender provides equipment, supplies or parts, the Lender shall have the option to accept payment of cash or in kind for the equipment, supplies or parts supplied.

Verbal requests shall be followed up with a written request as soon as practical or within thirty (30) days.

Article 12 - INDEMNIFICATION AND LIMITATION OF LIABILITY

A. INDEMNIFICATION. Except as provided in section B, to the fullest extent permitted by applicable law, the Borrower releases and shall indemnify, hold harmless and defend each Lender, its officers, employees and agents from and against any and all costs, including costs of defense, claims, judgments or awards of damages asserted or arising directly or indirectly from, on account of, or in connection with providing assistance to the Borrower, whether arising before, during or after performance of the assistance and whether suffered by any of the Members or any other person or entity.

The Borrower agrees that its obligation under this section extends to any claim, demand and/or cause of action brought by or on behalf of any of its employees or agents. For this purpose, the Borrower, by mutual negotiation, hereby waives, as respects any indemnity only, any immunity that would otherwise be available against such claims under the Industrial Insurance provisions of Title 51 RCW of the State of Washington.

B. ACTIVITIES IN BAD FAITH OR BEYOND SCOPE. Any Member shall not be required under this Omnibus Agreement to indemnify, hold harmless and defend any other Member from any claim, loss, harm, liability, damage, cost or expense caused by or resulting from the activities of any Member's officers, employees, or agents acting in bad faith or performing activities beyond the scope of their training or duties.

C. LIABILITY FOR PARTICIPATION. In the event of any liability, claim, demand, action or proceeding, of whatever kind or nature arising out of rendering of assistance through this Omnibus Agreement, the Borrower agrees to indemnify, hold harmless, and defend, to the fullest extent of the law, each signatory to this Omnibus Agreement whose only involvement in the transaction or occurrence which is the subject of such claim, action, demand, or other proceeding, is the execution and approval of this Omnibus Agreement.

D. DELAY/FAILURE TO RESPOND. No Member shall be liable to another Member for, or be considered to be in breach of or default under this Omnibus Agreement on account of any delay in or failure to perform any obligation under this Omnibus Agreement, except to make payment as specified in this Omnibus Agreement.

E. DISPUTE RESOLUTION PROCEDURES. Each Member seeking to be released, indemnified, held harmless or defended under this Article with respect to any claim shall promptly notify the Borrower of such claim and shall not settle such claim without the prior consent of Borrower, which consent shall not be unreasonably withheld. Such Member shall have the right to participate in the defense of said claim to the extent of its own interest. Member's personnel shall cooperate and participate in legal proceedings if so requested by the Borrower, and/or required by a court of competent jurisdiction.

Article 13 - SUBROGATION

A. BORROWER'S WAIVER. Borrower expressly waives any rights of subrogation against the Lender, which it may have on account of, or in connection with, the Lender providing assistance to the Borrower under this Omnibus Agreement.

B. LENDER'S RESERVATION AND WAIVER. Lender expressly reserves its right to subrogation against the Borrower to the extent the Lender incurs any self-insured, self-insured retention or deductible loss. The Lender expressly waives its rights to subrogation for all insured losses only to the extent the Lender's insurance policies permit such waiver.

Article 14 - WORKER'S COMPENSATION AND EMPLOYEE CLAIMS

Lender's employees, officers or agents, made available to Borrower, shall remain the general employee of Lender while engaged in carrying out duties, functions or activities pursuant to this Omnibus Agreement, and each Member shall remain fully responsible as employer for all taxes, assessments, fees, premiums, wages, withholdings, workers' compensation and other direct and indirect compensation, benefits, and related obligations with respect to its own employees. Likewise, each Member shall provide worker's compensation in compliance with statutory requirements of the State of Washington.

Article 15 - GOVERNMENTAL AUTHORITY

This Agreement is subject to laws, rules, regulations, orders, and other requirements, now or as amended, of all governmental authorities having jurisdiction over the events covered by this Omnibus Agreement. A Member and its employees providing assistance under this Agreement shall be entitled to all privileges and immunities from liability as are authorized by the Washington Emergency Management Act, Chapter 38.52 RCW and Federal law.

Article 16 - NO DEDICATION OF FACILITIES

No undertaking by one Member to the other Member under any provision of this Omnibus Agreement shall constitute a dedication of the facilities or assets of such Member, or any portion thereof, to the public or to the other Member. Nothing in this Omnibus Agreement shall be construed to give a Member any right of ownership, possession, use or control of the facilities or assets of the other Member.

Article 17 - NO PARTNERSHIP

This Omnibus Agreement shall not be interpreted or construed to create an association, joint venture or partnership among the Members or to impose any partnership obligation or liability upon any Member. Further, no Member shall have any undertaking for or on behalf of, or to act as or be an agent or representative of, or to otherwise bind any other Member.

Article 18 - NO THIRD MEMBER BENEFICIARY

Nothing in this Omnibus Agreement shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party. This Agreement shall not confer any right, or remedy upon any person other than the Members. This Omnibus Agreement shall not release or discharge any obligation or liability of any third party to any Member.

Article 19 - ENTIRE AGREEMENT

This Agreement constitutes the entire agreement, though prior agreements of the Members may take precedent over certain concepts outlined in this Agreement.

Article 20 - SUCCESSORS AND ASSIGNS

This Omnibus Agreement is not transferable or assignable, in whole or in part, and any Member may terminate its participation in this Omnibus Agreement subject to Article 29.

Article 21 - GOVERNING LAW

This Omnibus Agreement shall be interpreted, construed, and enforced in accordance with the laws of the State of Washington.

Article 22 - VENUE

Any action which may arise out of this Omnibus Agreement shall be brought in the courts of the State of Washington.

Article 23 - TORT CLAIMS

It is not the intention of this Omnibus Agreement to remove from any of the Members any protection provided by any applicable Tort Claims Act. However, between Borrower and Lender, the Borrower retains full liability to the Lender for any claims brought against the Lender as described in other provisions of this Omnibus Agreement.

Article 24 - WAIVER OF RIGHTS

Any waiver at any time by any Member of its rights with respect to a default under this Omnibus Agreement, or with respect to any other matter arising in connection with this Omnibus Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Omnibus Agreement. Any delay in asserting or enforcing any right, except those related to the statutes of limitations, shall not constitute or be deemed a waiver.

Article 25 - SEVERABILITY

Should a court of competent jurisdiction rule any portion, section or subsection of this Omnibus Agreement invalid or nullified, that fact shall not affect or invalidate any other portion, section or subsection; and all remaining portions, sections or subsections shall remain in full force and effect.

Article 26 - NON EXCLUSIVENESS AND ADDITIONAL AGREEMENTS

This Omnibus Agreement is not intended to be exclusive among the Members. Any Member may enter into separate assistance agreements with any other entity. No such separate agreement shall terminate any responsibility under the Omnibus Agreement. To the extent that prior agreements between Members are inconsistent with this Agreement, prior agreements for assistance between the counties, cities, tribes, other political subdivisions, or state institutions of higher education hereto shall supersede this Omnibus Agreement, until and unless any inconsistencies of the prior agreements are reconciled by the Members.

Article 27 - MODIFICATIONS

No provision of this Omnibus Agreement may be modified, altered, or rescinded by any individual Member without 2/3 affirmative concurrence of the Members to this Agreement. Modifications to this Omnibus Agreement must be in writing, must be approved by a 2/3 affirmative vote of the Members, and must be signed by the Designated Representative of each Member.

Article 28 - NOTICES

Any notice, demand, information, report, or item otherwise required, authorized, or provided for in this Omnibus Agreement shall be given in writing and shall be deemed properly given if (i) delivered personally, (ii) transmitted and received by telephone facsimile device and confirmed by telephone, or (iii) sent by United States Mail, postage prepaid, to the Designated Representative or equivalent for all Members at the address designated in the organization's Emergency Contact Information Form.

Article 29 - TERM AND TERMINATION

A. This Omnibus Agreement is effective upon execution by two or more Members commencing January 16, 2013, and shall remain in effect until December 31, 2017. Thereafter, unless otherwise agreed upon, the agreement may be extended in five (5) year increments upon concurrence of the signatory Members.

B. A Member opting to terminate this Omnibus Agreement shall provide written termination notification to the Regional Lead Coordinating Agency for all Members. Notice of termination becomes effective upon receipt by the Regional Lead Coordinating Agency. Any terminating Member shall remain liable for all obligations incurred during its period of participation, until the obligation is satisfied.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Member hereto has caused this Omnibus Agreement for Emergency Assistance to be executed by duly authorized representatives as of the date of their signatures.

ADOPTED: _____
(Date)

AGENCY NAME:

_____

ATTEST:

_____

By: (Title) _____

_____
Signature

_____
Title

APPROVED AS TO FORM:

_____

By: (Title) _____

_____
Signature

_____
Title

_____
Signature

_____
Title

CITY OF ILWACO
CITY COUNCIL AGENDA ITEM BRIEFING

A. Meeting Dates: Council Workshop: Public Hearing:
Council Discussion Item: 2/25/13 Council Business Item:

B. Issue/Topic: **Department of Ecology State Revolving Fund Loan Agreement for First Avenue North Sewer Improvements Project**

C. Sponsor(s):
1. Mike Cassinelli 2.

D. Background (overview of why issue is before council):
1. The DOE provides low-interest loan funds to governments for construction of water pollution control facilities. The First Avenue North Sewer Improvements Project was submitted by the City of Ilwaco for loan funds, and was approved on July 10, 2012.
2. On August 27, 2012, the City Council adopted Resolution 2012-10 authorizing the city to receive SRF loans and take such other actions as are necessary and relevant to the SRF Loan Program.

E. Discussion (specific details relevant to the issue, pros/cons, alternatives and any other decision-making details)
1. The Loan Agreement specifies the general loan information, including project period, loan amount, interest rate and loan term, loan security, project summary, project budget, scope of work and terms and conditions.
2. The project will replace two sewers in First Ave. N. The completed project will eliminate excessive I/I to the WWTP and provide groundwater protection through the elimination of the potential for sewer exfiltration. (See Page 6 for more details.)
3. DOE is still waiting for a letter from EPA that will allow them to sign the agreement to forward to the city for signature. In the final documents, the bottom of Page 5 will be corrected to indicate this is a revenue obligation, not general obligation.
4. The project has been assigned to G & O.

F. Impacts:
1. Fiscal: The total 20-year loan amount is for $794,000 at 2.7%.
2. Legal: Currently under review by City Attorney Heather Reynolds.
3. Personnel:
4. Service/Delivery:

G. Planning Commission: ☐ Recommended ☒ N/A ☐ Public Hearing on

H. Proposed Motion: **I move to authorize the mayor to execute the proposed Washington State Water Pollution Control Revolving Fund Loan Agreement between the State of Washington Department of Ecology and the City of Ilwaco (L1300003) once signed by DOE and reviewed by the attorney.**

DEPARTMENT OF
ECOLOGY
State of Washington

WASHINGTON STATE WATER POLLUTION CONTROL REVOLVING FUND
LOAN AGREEMENT
BETWEEN
THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY
AND
CITY OF ILWACO

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WASHINGTON STATE WATER POLLUTION CONTROL REVOLVING FUND
LOAN AGREEMENT
BETWEEN
THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY
AND
CITY OF ILWACO
FOR
FIRST AVENUE NORTH SEWER IMPROVEMENTS PROJECT

THIS is a binding loan [LOAN] agreement entered into by and between the state of Washington Department of Ecology [DEPARTMENT] and City of Ilwaco [RECIPIENT]. The purpose of this LOAN agreement is to provide funds to the RECIPIENT to carry out the activities for the project [PROJECT] described in this LOAN agreement.

This LOAN agreement consists of 11 pages and 8 attachments.

Capitalized terms used, but not otherwise defined, in this LOAN agreement are defined in ATTACHMENT 5.

PART I. GENERAL INFORMATION

PROJECT Title:	**First Avenue North Sewer Improvement**
PROJECT Period: Effective Date: (*See Attachment 4*)	**November 1, 2012**
Completion Date:	**December 31, 2013**
LOAN Number(s):	**L1300003**
Standard Interest LOAN Amount:	**$794,000**
Interest Rate:	**2.7%**
LOAN Term:	**20 years**
Forgivable Principal Amount:	**-0-**
Total LOAN Amount:	**$794,000**
State Fiscal Year:	**FY2013**

<u>RECIPIENT Information</u>

RECIPIENT Name:	**City of Ilwaco**
Mailing Address:	**P.O. Box 548** **Ilwaco, WA 98624**

FEDERAL TAXPAYER ID NUMBER:	**91-6001443**
Data Universal Numbering System (DUNS) Number:	**00-3206976**
PROJECT Manager:	**Nancy Lockett**
Mailing Address:	Gray & Osborne 701 Dexter Ave N. Suite 200 Seattle, WA 98109
Email Address:	nlockett@g-o.com
Phone Number:	(206)284-0860
Fax Number:	(206)283-3206

DEPARTMENT Project Contact Information

PROJECT Manager:	**Dave Dougherty**
Email Address:	ddou461@ecy.wa.gov
Phone Number:	(360) 407-6278
Fax Number:	(360) 407-6305
Address	WA State Department of Ecology Southwest Regional Office P.O. Box 47775 Olympia, WA 98504-7775
Financial Manager:	**William Hashim**
Email Address:	bhas461@ecy.wa.gov
Phone Number:	(360) 407-6549
Fax Number:	(360) 407-7151
Address	WA State Department of Ecology Water Quality Program, FMS P.O. Box 47600 Olympia, WA 98504-7600

Funding Source(s) for this LOAN agreement:

This LOAN agreement may be funded in part or in full with federal funds (Catalog of Federal Domestic Assistance Number 66.458) passed through to the RECIPEINT by the DEPARTMENT. As a "sub-recipient" of federal funds, OMB Circular A-133 contains certain requirements which may apply. Specifically, if the RECIPIENT or sub-recipient has expended a cumulative total (direct or pass through) of $500,000 or more in federal awards in a fiscal year, an audit may be required in accordance with OMB Circular A-133. If federal funds have been used to reimburse eligible costs incurred for this PROJECT as part of this LOAN agreement, the DEPARTMENT's fiscal office will provide notification in January of each year that identifies the amount of federal funds that have been expended.

(Federal funding for this AGREEMENT is provided from Capitalization Grants and state match for Clean Water State Revolving Funds; Environmental Protection Agency, Office of Water)

Specific Funding Categories:

Loan for Green Project Reserves: ☐ Yes ☒ No

TOTAL Amount: $

Forgivable Principal Subsidy for Green Project Reserves: ☐ Yes ☒ No

TOTAL Amount: $

Loan: ☒ Yes ☐ No

Amount: **$794,000**

Forgivable Principal Subsidy (Hardship): ☐ Yes ☒ No

Amount: $

State Centennial Loan Funds: ☐ Yes ☒ No

GENERAL LOAN INFORMATION:

Increased Oversight: ☐ Yes ☒ No

Useful life of the PROJECT: 20 Years

PROJECT TYPE: *Check all that apply*

Facilities Project: ☒ Yes ☐ No

Stormwater Project: ☐ Yes ☒ No

Green Project Reserves: ☐ Yes ☒ No

Activities Project: ☐ Yes ☒ No

LOAN SECURITY: *Check all that apply*

Does this LOAN agreement and the LOAN to be made constitute Revenue Secured Lien Obligation of the RECIPIENT? ☐ Yes ☒ No

Does this LOAN agreement and the LOAN to be made constitute a general obligation debt of the RECIPIENT or the state of Washington? ☒ Yes ☐ No

Does this LOAN agreement and the LOAN to be made constitute a valid general obligation of the RECIPIENT payable from special assessments? ☐ Yes ☒ No

Is this LOAN secured with dedicated revenue through a Tribal Governmental Enterprise?
☐ Yes ☒ No

IMPORTANT DATES:

Estimated Project Start Date: November 1, 2012

Estimated Initiation of Operation (I of O): ☒ Yes ☐ No If yes, Date: December 31, 2013

Estimated Project Completion Date: February 28, 2014

Other Milestone or Target Dates: ☐ Yes ☒ No

Interim Refinance: ☐ Yes ☒ No If yes, Effective Date:

Post Project Assessment Date (see Part IV and ATTACHMENT 4): Not applicable

LOAN Agreement Effective Date: November 1, 2012

PART II. PROJECT SUMMARY

The PROJECT will replace the two sewers in First Ave. N. The completed PROJECT will eliminate excessive I/I to the WWTP and provide groundwater protection through the elimination of the potential for sewer exfiltration.

Two deteriorated 8-inch sewers lines are located on the east and west sides of First Ave. N in Ilwaco. The sewers are 50+ years old and have been identified through TV inspection as badly deteriorated and a source of Infiltration and Inflow (I/I). A 2008 inspection of the First Ave. N. sewers identified areas of missing pipe on the top barrel sections, pulled gaskets, root intrusion, leaking joints and broken pipe consisting of missing bell pieces at several joints.

The leaking and deteriorated sewers present a water quality risk due to the introduction of I/I during high ground water periods and the resultant impact on downstream facilities including the City's WWTP. The condition of the sewers also presents the potential for exfiltration of sewage during periods of low ground water.

PART III. PROJECT BUDGET

Elements (Tasks)	Total PROJECT Cost	Total Eligible PROJECT Cost	Loan Amount
1. Project Administration/ Management	$5,000	$5,000	$5,000
2. Construction Management	$56,400	$56,400	$56,400
3. Construction	$732,600	$732,600	$732,600
Total	$794,000	$794,000	*$794,000

*The DEPARTMENT'S Fiscal Office will track to the total eligible LOAN amount. However, the RECIPIENT cannot deviate among elements without DEPARTMENT approval.

Other Funding Sources: None

PART IV. GOALS, OUTCOMES, AND POST PROJECT ASSESSMENT

(see Important Dates in Part I and Post Project Assessment in Attachment 4)

A. Financial Assistance Water Quality Project Goals: One or more of the selected following goals apply to this project:

☐ Severe Public Health Hazard or Public Health Emergency eliminated.

☒ Designated beneficial uses will be restored or protected, 303(d)-Listed water bodies restored to water quality standards, and healthy waters prevented from being degraded.

☐ Regulatory compliance with a consent decree, compliance orders, TMDL or waste load allocation achieved.

B. Water Quality Project Outcomes: The following are quantitative results anticipated from the project.

1. Reduce excessive I/I and sewage exfiltration within sanitary sewer system
2. Decrease BOD, TSS, and fecal coliform loading to Baker Bay

C. Does this PROJECT address a TMDL: ☐ Yes ☒ No

D. Environmental Mitigation: ☐ Yes ☒ No If Yes, list the environmental mitigation measures:

PART V. SCOPE OF WORK

Task 1 - Project Administration/Management

A. The RECIPIENT will administer the PROJECT. Responsibilities will include, but not be limited to: maintenance of PROJECT records; submittal of payment vouchers, fiscal forms, progress reports, and the final report; compliance with applicable procurement, contracting, and interlocal agreement requirements; attainment of all required permits, licenses, easements, or property rights necessary for the PROJECT; and submittal of required performance items.

B. The RECIPIENT will manage the PROJECT. Efforts will include: conducting, coordinating, and scheduling PROJECT activities and assuring quality control. Every effort will be made to maintain effective communication with the RECIPIENT's designees; the DEPARTMENT; all affected local, state, or federal jurisdictions; and any

interested individuals or groups. The RECIPIENT will carry out this PROJECT in accordance with any completion dates outlined in this LOAN agreement.

Required Performance:

1. Effective administration and management of this PROJECT.
2. Timely submittal of all required performance items, progress reports, financial vouchers and the final PROJECT report.

Task 2 – Construction Management

A. The RECIPIENT will provide adequate and competent construction management and inspection for the PROJECT. This may involve procuring professional services.

B. The RECIPIENT will develop a detailed Construction Quality Assurance Plan (WAC 173-240-075) and submit it to the DEPARTMENT for approval. This plan must describe the activities which the RECIPIENT will undertake to achieve adequate and competent oversight of all construction work.

C. The RECIPIENT will provide a plan of interim operation for the facility while under construction

D. The RECIPIENT will ensure construction progresses according to a timely schedule developed to meet completion dates indicated in the construction contract. The RECIPIENT will revise or update the schedule whenever major changes occur and resubmit to the DEPARTMENT. In the absence of any major changes, the RECIPIENT will describe progress of the construction in the quarterly progress reports.

E. Upon completion of construction, the RECIPIENT will provide the DEPARTMENT's Project Manager with a set of "as-built" plans (i.e., record construction drawings which reflect changes, modifications, or other significant revisions made to the PROJECT during construction).

F. Upon PROJECT completion, the RECIPIENT will submit the Declaration of Construction Completion form to the DEPARTMENT in accordance with WAC 173-240-090. The form, when signed by a professional engineer, indicates that the PROJECT was completed in accordance with the plans and specifications and major change orders approved by the DEPARTMENT, and is accurately shown on the as-built plans.

Required Performance:

1. Submittal of a copy of all executed contracts for engineering services and construction performed under this task. The RECIPIENT must submit executed contracts before the DEPARTMENT will provide reimbursement for work performed under this task.
2. Documentation of the RECIPIENT's process for procuring engineering services.
3. Submittal of a Construction Quality Assurance Plan.
4. Submittal of a plan of interim operation of the facility while under construction.

5. Submittal of "as-built" plans.
6. Submittal of a Declaration of Construction completion.

Task 3 - Construction

A. The RECIPIENT will include the DEPARTMENT's specification insert in the bid documents. The RECIPIENT will execute a contract with the low responsive responsible bidder to construct the PROJECT.

B. The RECIPIENT will complete the construction in accordance with the approved Plans and Specifications. The construction project will include:
   1. Installation of approximately 1,100 lineal feet of 12-inch diameter sanitary sewer.
   2. Installation of approximately 700 lineal feet of 8-inch diameter sanitary sewer.
   3. Installation of approximately 300 lineal feet of 6-inch diameter side sewer
   4. Installation of approximately 6 sanitary sewer manholes.
   5. Installation of flow meter station.
   6. Abandon existing asbestos concrete sewers.
   7. Surface restoration.

C. The RECIPIENT will conduct a pre-construction conference and invite DEPARTMENT staff.

Required Performance:
1. Satisfactory completion of the PROJECT in conformance with the approved Plans and Specifications.
2. The RECIPIENT will submit all required submittals as described in the General Project Management Guidelines (Attachment 4), including:
   a. Bid Tabs, the Notice of Award, and a copy of the executed contract. The RECIPIENT must submit Bid Tabs, the Notice of Award, and a copy of the executed contract before the DEPARTMENT will provide reimbursement for work performed under this task.
   b. Copy of the advertisement for bids and the affidavit of publication.
   c. Copy of the notice to proceed.
   d. Minutes of the pre-construction meeting.

PART V(a). SPECIAL TERMS AND CONDITIONS

None

PART VI. LOAN INTEREST RATE AND TERMS

Source and Availability; LOAN Amounts; LOAN Terms
This LOAN agreement will remain in effect until the date of final repayment of the LOAN, unless terminated earlier according to the provisions herein.

Subject to all of the terms, provisions, and conditions of this LOAN agreement, and subject to the availability of funds, the DEPARTMENT will loan to the RECIPIENT the sum of seven hundred ninety four thousand dollars ($794,000).

When the PROJECT Completion Date has occurred, the DEPARTMENT and the RECIPIENT will execute an amendment to this LOAN agreement which details the final LOAN amount (Final LOAN Amount), and the DEPARTMENT will prepare a final LOAN repayment schedule, in the form of ATTACHMENT 8. The Final LOAN Amount will be the combined total of actual disbursements made on the LOAN and all accrued interest to the computation date.

The Estimated LOAN amount and the Final LOAN amount (in either case, as applicable, a "LOAN Amount") will bear interest at the rate of 2.7 percent per annum, calculated on the basis of a 365 day year. Interest on the Estimated LOAN Amount will accrue from and be compounded monthly based on the date that each payment is mailed to the RECIPIENT. The Final LOAN Amount will be repaid in equal installments semiannually over a term of 20 years, as provided in ATTACHMENT 8.

PART VII. ALL AGREEMENTS CONTAINED HEREIN

The RECIPIENT will ensure this PROJECT is completed according to the details of this LOAN agreement. The RECIPIENT may elect to use its own forces or it may contract for professional services necessary to perform and complete project-related work, if approved by the DEPARTMENT.

Webpage addresses may be provided throughout this LOAN agreement for your convenience, however, if any of these addresses do not work, it is the responsibility of the RECIPIENT to contact the DEPARTMENT for the updated webpage address or the necessary information.

The following contain the entire understanding between the parties, and there are no other understandings or representations other than as set forth, or incorporated by reference, herein:

- This LOAN agreement
- ATTACHMENT 1: Opinion of RECIPIENT's Legal Counsel
- ATTACHMENT 2: Authorizing Ordinance or Resolution
- ATTACHMENT 3: Preaward Compliance Review Report for All Applicants Requesting Federal Assistance
- ATTACHMENT 4: General Project Management Requirements
- ATTACHMENT 5: Agreement Definitions
- ATTACHMENT 6: LOAN General Terms and Conditions (Pertaining to Grant and Loan Agreements) of the Department of Ecology
- ATTACHMENT 7: The Federal Funding Accountability and Transparency Act (FFATA) & The Clean Water State Revolving Fund Initial Data Reporting Sheet
- ATTACHMENT 8: Estimated LOAN Repayment Schedule

- The effective edition, at the signing of this LOAN agreement, of the DEPARTMENT's "*Administrative Requirements for Ecology Grants and Loans*"
- The associated funding guidelines that correspond to the Fiscal Year in which the project is funded
- The applicable statutes and regulations
- As a subrecipient of federal funds (Catalogue of Federal Domestic Assistance Number 66.458) , the RECIPIENT must comply with the following federal regulations:
  OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
  OMB Circular A-133, Compliance Supplement
  OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
  OMB Circular A-102, Uniform Administrative Requirements

No changes, additions, or deletions to this LOAN agreement will be authorized without a formal written amendment, EXCEPT that in response to a request from the RECIPIENT, the DEPARTMENT may redistribute the loan budget. The DEPARTMENT or the RECIPIENT may change their respective staff contacts without the concurrence of either party.

By signing this LOAN agreement, the RECIPIENT acknowledges that opportunity to thoroughly review the terms of this LOAN agreement, the attachments, all incorporated or referenced documents, as well as all applicable statutes, rules, or guidelines mentioned in this LOAN agreement was given.

IN WITNESS WHEREOF, the DEPARTMENT and the RECIPIENT have signed this LOAN agreement as of the dates set forth below, to be effective as provided above.

STATE OF WASHINGTON DEPARTMENT OF ECOLOGY	CITY OF ILWACO
_____	_____
KELLY SUSEWIND, P.E., P.G. DATE WATER QUALITY PROGRAM MANAGER	MIKE CASINELLI DATE MAYOR

APPROVED AS TO FORM ONLY
ASSISTANT ATTORNEY GENERAL
(October 29, 2009)

Boilerplate Update July 2, 2012

ATTACHMENT 1: OPINION OF RECIPIENT'S LEGAL COUNSEL

I am an attorney at law admitted to practice in the state of Washington and the duly appointed attorney of City of Ilwaco [the RECIPIENT], and I have examined any and all documents and records pertinent to the LOAN agreement.

Based on the foregoing, it is my opinion that:

A. The RECIPIENT is a duly organized and legally existing municipal corporation or political subdivision under the laws of the state of Washington or a federally recognized Indian tribe;

B. The RECIPIENT has the power and authority to execute and deliver and to perform its obligations under the LOAN agreement;

C. The LOAN agreement has been duly authorized and executed by RECIPIENT's authorized representatives and, to my best knowledge and after reasonable investigation, all other necessary actions have been taken to make the LOAN agreement valid, binding, and enforceable against the RECIPIENT in accordance with its terms, except as such enforcement is affected by bankruptcy, insolvency, moratorium, or other laws affecting creditors' rights and principles of equity if equitable remedies are sought;

D. To my best knowledge and after reasonable investigation, the LOAN agreement does not violate any other agreement, statute, court order, or law to which the RECIPIENT is a party or by which it or its properties are bound;

E. There is currently no litigation seeking to enjoin the commencement or completion of the PROJECT or to enjoin the RECIPIENT from entering into the LOAN agreement or from accepting or repaying the LOAN. The RECIPIENT is not a party to litigation which will materially affect its ability to repay such LOAN on the terms contained in the LOAN agreement; and

F. The LOAN agreement constitutes a valid general obligation of the RECIPIENT payable from annual *ad valorem* taxes to be levied within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.

Capitalized terms used herein will have the meanings ascribed thereto in the LOAN agreement between the RECIPIENT and the DEPARTMENT.

_____

RECIPIENT's Legal Counsel Date

ATTACHMENT 2: AUTHORIZING ORDINANCE OR RESOLUTION

CITY OF ILWACO
RESOLUTION NO. 2012-10

A RESOLUTION OF THE CITY OF ILWACO, WASHINGTON, AUTHORIZING RECEIPT OF STATE REVOLVING FUND (SRF) LOANS

WHEREAS, the Department of Ecology, a Washington State agency, has established a State Revolving Fund (SRF) for providing financial assistance for the construction of water pollution control facilities; and

WHEREAS, the City of Ilwaco desires to participate in loans from said SRF; and

WHEREAS, a requirement to participate requires a resolution of the governing body authorizing the City of Ilwaco to receive SRF loans.

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

Section 1. The City of Ilwaco desires to participate in the SRF Loan Program for the following projects:

a. First Avenue North Sewer Improvements
b. Wastewater Plant Debt Refinance
c. Sahalee Sewer Improvement Project

Section 2. The City Council of the City of Ilwaco does hereby authorize the city to receive SRF loans and to take such other actions as are necessary and relevant to the SRF Loan Program.

Section 3. This resolution, being an exercise of power specifically delegated to the city legislative body, is not subject to referendum and shall take effect five (5) days after passage by the City Council.

PASSED BY THE CITY COUNCIL OF THE CITY OF ILWACO, AND SIGNED IN AUTHENTIFICATION OF ITS PASSAGE THIS 27TH DAY OF AUGUST, 2012.

Mike Cassinelli, Mayor

ATTEST:

PJ Kezele, Deputy City Clerk

VOTE	Jensen	Mulinix	Marshall	Chambreau	Forner	Cassinelli
Ayes	X	X	X	X	X	
Nays						
Abstentions						
Absent						

EFFECTIVE: September 1, 2012

FORM Approved By OMB: No. 2030-0020 Expires 04-30-2012

ATTACHMENT 3: PREAWARD COMPLIANCE REVIEW REPORT FOR ALL APPLICANTS REQUESTING FEDERAL ASSISTANCE

Form available electronically at: http://www.epa.gov/ogd/forms/forms.htm

(Super crosscutter: required for all loans, except Centennial)

Preaward Compliance Review Report for
All Applicants and Recipients Requesting EPA Financial Assistance
Note: Read instructions on other side before completing form.

I. Applicant/Recipient (Name, Address, State, Zip Code).
City of Ilwaco, PO Box 548, 120 First Avenue N, Ilwaco, WA 98624

DUNS No.
00-3206976

II. Is the applicant currently receiving EPA assistance?
Yes- Drinking Water State Revolving Loan from Washington State Dept. of Health

III. List all civil rights lawsuits and administrative complaints pending against the applicant/recipient that allege discrimination based on race, color, national origin, sex, age, or disability. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.)
None known.

IV. List all civil rights lawsuits and administrative complaints decided against the applicant/recipient within the last year that allege discrimination based on race, color, national origin, sex, age, or disability and enclose a copy of all decisions. Please describe all corrective action taken. (Do not include employment complaints not covered by 40 C.F.R. Parts 5 and 7. See instructions on reverse side.)
None known.

V. List all civil rights compliance reviews of the applicant/recipient conducted by any agency within the last two years and enclose a copy of the review and any decisions, orders, or agreements based on the review. Please describe any corrective action taken. (40 C.F.R. § 7.80(c)(3))
May 24, 2011

VI. Is the applicant requesting EPA assistance for new construction? If no, proceed to VII; if yes, answer (a) and/or (b) below.
Yes ✓ No

a. If the grant is for new construction, will all new facilities or alterations to existing facilities be designed and constructed to be readily accessible to and usable by persons with disabilities? If yes, proceed to VII; if no, proceed to VI(b). Yes No

b. If the grant is for new construction and the new facilities or alterations to existing facilities will not be readily accessible to and usable by persons with disabilities, explain how a regulatory exception (40 C.F.R. § 7.70) applies. Yes No

VII.* Does the applicant/recipient provide initial and continuing notice that it does not discriminate on the basis of race, color, national origin, sex, age, or disability in its programs or activities? (40 C.F.R. § 5.140 and § 7.95) ✓ Yes No

a. Do the methods of notice accommodate those with impaired vision or hearing? Yes ✓ No

b. Is the notice posted in a prominent place in the applicant's offices or facilities or, for education programs and activities, in appropriate periodicals and other written communications? ✓ Yes No

c. Does the notice identify a designated civil rights coordinator? ✓ Yes No

VIII.* Does the applicant/recipient maintain demographic data on the race, color, national origin, sex, age, or handicap of the population it serves? (40 C.F.R. § 7.85(a))
Yes

IX.* Does the applicant/recipient have a policy/procedure for providing access to services for persons with limited English proficiency? (40 C.F.R. Part 7, E.O. 13166)
Yes

X.* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it designated an employee to coordinate its compliance with 40 C.F.R. Parts 5 and 7? Provide the name, title, position, mailing address, e-mail address, fax number, and telephone number of the designated coordinator.
Not applicable

XI* If the applicant/recipient is an education program or activity, or has 15 or more employees, has it adopted grievance procedures that assure the prompt and fair resolution of complaints that allege a violation of 40 C.F.R. Parts 5 and 7? Provide a legal citation or Internet address for, or a copy of, the procedures.
Not applicable

For the Applicant/Recipient

I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law. I assure that I will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized Official	B. Title of Authorized Official	C. Date
[signature]	Mayor	8/2/2012

For the U.S. Environmental Protection Agency

I have reviewed the information provided by the applicant/recipient and hereby certify that the applicant/recipient has submitted all preaward compliance information required by 40 C.F.R. Parts 5 and 7; that based on the information submitted, this application satisfies the preaward provisions of 40 C.F.R. Parts 5 and 7; and that the applicant has given assurance that it will fully comply with all applicable civil rights statutes and EPA regulations.

A. Signature of Authorized EPA Official	B. Title of Authorized EPA Official	C. Date
See ** note on reverse side		

General

Recipients of Federal financial assistance from the U.S. Environmental Protection Agency must comply with the following statutes and regulations.

Title VI of the Civil Rights Acts of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Act goes on to explain that the statute shall not be construed to authorize action with respect to any employment practice of any employer, employment agency, or labor organization (except where the primary objective of the Federal financial assistance is to provide employment).

Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act provides that no person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under the Federal Water Pollution Control Act, as amended. Employment discrimination on the basis of sex is prohibited in all such programs or activities.

Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified individual with a disability in the United States shall solely by reason of disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Employment discrimination on the basis of disability is prohibited in all such programs or activities.

The Age Discrimination Act of 1975 provides that no person on the basis of age shall be excluded from participation under any program or activity receiving Federal financial assistance. Employment discrimination is not covered. Age discrimination in employment is prohibited by the Age Discrimination in Employment Act administered by the Equal Employment Opportunity Commission.

Title IX of the Education Amendments of 1972 provides that no person in the United States on the basis of sex shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance. Employment discrimination on the basis of sex is prohibited in all such education programs or activities. Note: an education program or activity is not limited to only those conducted by a formal institution.

40 C.F.R. Part 5 implements Title IX of the Education Amendments of 1972.

40 C.F.R. Part 7 implements Title VI of the Civil Rights Act of 1964, Section 13 of the 1972 Amendments to the Federal Water Pollution Control Act, and Section 504 of The Rehabilitation Act of 1973.

The Executive Order 13166 (E.O. 13166) entitled; "Improving Access to Services for Persons with Limited English Proficiency" requires Federal agencies work to ensure that recipients of Federal financial assistance provide meaningful access to their LEP applicants and beneficiaries.

Items

"Applicant" means any entity that files an application or unsolicited proposal or otherwise requests EPA assistance. 40 C.F.R. §§ 5.105,7.25.

"Recipient" means any entity, other than applicant, which will actually receive EPA assistance. 40 C.F.R. §§ 5.105, 7.25.

"Civil rights lawsuits and administrative complaints" means any lawsuit or administrative complaint alleging discrimination on the basis of race, color, national origin, sex, age, or disability pending or decided against the applicant and/or entity which actually benefits from the grant, but excluding employment complaints not covered by 40 C.F.R. Parts 5 and 7. For example, if a city is the named applicant but the grant will actually benefit the Department of Sewage, civil rights lawsuits involving both the city and the Department of Sewage should be listed.

"Civil rights compliance review" means any review assessing the applicant's and/or recipient's compliance with laws prohibiting discrimination on the basis of race, color, national origin, sex, age, or disability.

Submit this form with the original and required copies of applications, requests for extensions, requests for increase of funds, etc. Updates of information are all that are required after the initial application submission.

If any item is not relevant to the project for which assistance is requested, write "NA" for "Not Applicable."

In the event applicant is uncertain about how to answer any questions, EPA program officials should be contacted for clarification.

* Questions VII – XI are for informational use only and will not affect an applicant's grant status. However, applicants should answer all questions on this form. (40 C.F.R. Parts 5 and 7).

** Note: Signature appears in the Approval Section of the EPA Comprehensive Administrative Review For Grants/Cooperative AGREEMENTs & Continuation/Supplemental Awards form.

Approval indicates, in the reviewer's opinion, questions I – VI of Form 4700-4 comply with the preaward administrative requirements for EPA assistance.

"Burden Disclosure Statement"

EPA estimates public reporting burden for the preparation of this form to average 30 minutes per response. This estimate includes the time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding the burden estimate, including suggestions for reducing this burden, to:

U.S. EPA, Attn: Collection Strategies Division (MC 2822T), Office of Information Collection, 1200 Pennsylvania Ave., NW, Washington, D.C. 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

The information on this form is required to enable the U.S. Environmental Protection Agency to determine whether applicants and prospective recipients are developing projects, programs and activities on a nondiscriminatory basis as required by the above statutes and regulations.

ATTACHMENT 4: GENERAL PROJECT MANAGEMENT REQUIREMENTS

FOR THE WASHINGTON STATE WATER POLLUTION CONTROL REVOLVING FUND
AND CENTENNIAL CLEAN WATER PROGRAM PROJECTS
(UNLESS MODIFIED BY A SPECIAL TERM AND CONDITION IN PART V.)

ACCOUNTING STANDARDS

The RECIPIENT will maintain accurate records and accounts for the PROJECT ("PROJECT Records") in accordance with Chapter 43.09.200 RCW "Local Government Accounting - Uniform System of Accounting."

These PROJECT Records will be separate and distinct from the RECIPIENT's other records and accounts (General Accounts). Eligible costs will be audited every other year or annually if more than $500,000 of federal funds are received in any given year. Audits will be performed by an independent, certified accountant or state auditor, which may be part of the annual audit of the General Accounts of the RECIPIENT. If the annual audit includes an auditing of this PROJECT, a copy of such audit, including all written comments, recommendations, and findings, will be furnished to the DEPARTMENT within 30 days after receipt of the final audit report.

ACTIVITIES PROJECTS: TECHNICAL ASSISTANCE

Technical assistance for agriculture activities provided under the terms of this LOAN will be consistent with the current U.S. Natural Resource Conservation Service ("NRCS") Field Office Technical Guide for Washington State. However, technical assistance, proposed practices, or PROJECT designs that do not meet these standards may be accepted if approved in writing by the NRCS and the DEPARTMENT.

ACTIVITIES PROJECTS: BEST MANAGEMENT PRACTICES

Best Management Practices (BMPs) intended primarily for production, operation, or maintenance are not eligible. BMPs must be pre approved by the DEPARTMENT.

AUTHORITY

Authority of RECIPIENT

This LOAN agreement is authorized by the Constitution and laws of the state of Washington, including the RECIPIENT's authority, and by the RECIPIENT pursuant to the ordinance or resolution attached as ATTACHMENT 2.

Opinion of RECIPIENT's Legal Counsel

The DEPARTMENT has received an opinion of legal counsel to the RECIPIENT in the form and substance of Attachment 1.

CERTIFICATIONS

The RECIPIENT certifies by signing this LOAN agreement that all negotiated interlocal agreements necessary for the PROJECT are, or will be, consistent with the terms of this LOAN agreement and Chapter 39.34 RCW, "Interlocal Cooperation Act." The RECIPIENT will submit a copy of each interlocal agreement necessary for the PROJECT to the DEPARTMENT.

The RECIPIENT certifies by signing this LOAN agreement that all applicable requirements have been satisfied in the procurement of professional services and that eligible and ineligible costs are separated and identifiable. The RECIPIENT will submit a copy of the final negotiated agreement to the DEPARTMENT for eligibility determination.

The RECIPIENT certifies by signing this LOAN agreement that the requirements of Chapter 39.80 RCW, "Contracts for Architectural and Engineering Services," have been, or will be, met in procuring

qualified architectural/engineering services. The RECIPIENT will identify and separate eligible and ineligible costs in the final negotiated agreement and submit a copy of the agreement to the DEPARTMENT.

CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION:

1. The RECIPIENT, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT will provide immediate written notice to the DEPARTMENT if at any time the RECIPIENT learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. The RECIPIENT may contact the DEPARTMENT for assistance in obtaining a copy of those regulations.
4. The RECIPIENT agrees it will not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
5. The RECIPIENT further agrees by signing this agreement, that it will include this clause titled "CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION" without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. Pursuant to 2CFR180.330, the RECIPIENT is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. The RECIPIENT acknowledges that failing to disclose the information required in the Code of Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.
8. The RECIPIENT agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to the DEPARTMENT before requests for reimbursements will be approved for payment. The RECIPIENT must run a search in www.epls.gov and print a copy of completed searches to document proof of compliance.

CLEAN WATER STATE REVOLVING FUND DATA REPORTING SHEET (DATA REPORTING SHEET)

The RECIPIENT will submit the completed Data Reporting Sheet to the DEPARTMENT. The completed and signed Data Reporting Sheet will be included in this LOAN agreement as ATTACHMENT 7 (see ATTACHMENT 7 for further instructions).

COMMENCEMENT OF WORK

The DEPARTMENT reserves the right to terminate this LOAN agreement if work does not commence on the project within 4 months after the DEPARTMENT's deadline for signing this LOAN agreement.

COVENANTS AND AGREEMENTS

Acceptance
The RECIPIENT accepts and agrees to comply with all terms, provisions, conditions, and commitments of this LOAN agreement, including all incorporated and referenced documents, and to fulfill all assurances, declarations, representations, and commitments made by the RECIPIENT in its application, accompanying documents, and communications filed in support of its request for a LOAN.

Accounts and Records
The RECIPIENT will keep proper and separate accounts and records in which complete and separate entries will be made of all transactions relating to this LOAN agreement. The RECIPIENT will keep such records for six years after receipt of final LOAN disbursement.

Alteration and Eligibility of PROJECT
During the term of this LOAN agreement, the RECIPIENT (i) will not materially alter the design or structural character of the PROJECT without the prior written approval of the DEPARTMENT and (ii) will take no action which would adversely affect the eligibility of the PROJECT as defined by applicable funding program rules and state statutes, or which would cause a violation of any covenant, condition, or provision herein.

Collection of ULID Assessments (if used to secure the repayment of this LOAN)
All ULID Assessments in the ULID will be paid into the LOAN Fund and used to pay the principal of and interest on the LOAN. The ULID Assessments in the ULID may be deposited into the Reserve Account to satisfy a Reserve Requirement if a Reserve Requirement is applicable.

Free Service
The RECIPIENT will not furnish Utility service to any customer free of charge if providing that free service will affect the RECIPIENT's ability to meet the obligations of this LOAN agreement.

Insurance
The RECIPIENT will at all times carry fire and extended coverage, public liability and property damage, and such other forms of insurance with responsible insurers and with policies payable to the RECIPIENT on such of the buildings, equipment, works, plants, facilities, and properties of the Utility as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, and against such claims for damages as are ordinarily carried by municipal or privately-owned utilities engaged in the operation of like systems, or it will self-insure or will participate in an insurance pool or pools with reserves adequate, in the reasonable judgment of the RECIPIENT, to protect it against loss.

Levy and Collection of Taxes (if used to secure the repayment of this LOAN)
For so long as the LOAN is outstanding, the RECIPIENT irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of its electors on all of the taxable property within the boundaries of the RECIPIENT in an amount sufficient, together with other money legally available and to be used therefore, to pay when due the principal of and interest on the LOAN, and the full faith, credit and resources of the RECIPIENT are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Maintenance and Operation of a Funded Utility
The RECIPIENT will at all times maintain and keep a funded Utility in good repair, working order and condition and also will at all times operate the Utility and the business in an efficient manner and at a reasonable cost.

Pledge of Net Revenue and ULID Assessments in the ULID (if used to secure the repayment of this LOAN)
For so long as the LOAN is outstanding, the RECIPIENT irrevocably pledges the Net Revenue of the

Utility, including applicable ULID Assessments in the ULID, to pay when due the principal of and interest on the LOAN.

Reserve Requirement
For loans that are Revenue-Secured Debt with terms greater than five years, the RECIPIENT must accumulate a reserve for the LOAN equivalent to at least the Average Annual Debt Service on the LOAN during the first five years of the repayment period of the LOAN. This amount will be deposited in a Reserve Account in the LOAN Fund in approximately equal annual payments commencing within one year after the Initiation of Operation or the PROJECT Completion Date, whichever comes first.

"Reserve Account" means, for a LOAN that constitutes Revenue-Secured Debt, an account of that name created in the LOAN Fund to secure the payment of the principal and interest on the LOAN. The amount on deposit in the Reserve Account may be applied by the RECIPIENT (i) to make, in part or in full, the final repayment to the DEPARTMENT of the LOAN Amount or, (ii) if not so applied, for any other lawful purpose of the RECIPIENT once the LOAN Amount, plus interest and any other amounts owing to the DEPARTMENT, have been paid in full.

Sale or Disposition of Utility
The RECIPIENT will not sell, transfer, or otherwise dispose of any of the works, plant, properties, facilities or other part of the Utility, or any real or personal property comprising a part of the Utility unless one of the following applies:

1. The facilities or property transferred are not material to the operation of the Utility; or have become unserviceable, inadequate, obsolete, or unfit to be used in the operation of the Utility; or are no longer necessary, material, or useful to the operation of the Utility.
2. The aggregate depreciated cost value of the facilities or property being transferred in any fiscal year comprises no more than three percent of the total assets of the Utility.
3. The RECIPIENT receives from the transferee an amount which will be in the same proportion to the net amount of Senior Lien Obligations and this LOAN then outstanding (defined as the total amount outstanding less the amount of cash and investments in the bond and LOAN Funds securing such debt) as the Gross Revenue of the Utility from the portion of the Utility sold or disposed of for the preceding year bears to the total Gross Revenue for that period.

The proceeds of any transfer under this paragraph will be used (i) to redeem promptly or irrevocably set aside for the redemption of, Senior Lien Obligations and to redeem promptly the LOAN, or (ii) to provide for part of the cost of additions to and betterments and extensions of the Utility.

CULTURAL AND HISTORIC RESOURCES PROTECTION

The RECIPIENT must comply with all requirements listed in Executive Order 05-05 and, if federally funded, Section 106 of the National Historic Preservation Act prior to implementing any project that involves ground disturbing activities.

The RECIPIENT must conduct and submit a cultural resources survey or complete and submit an EZ-1 Form to the DEPARTMENT's project manager prior to any ground disturbing activities. The DEPARTMENT will contact the Department of Archaeology and Historic Preservation (DAHP) and affected tribes regarding the proposed project activities in order to fulfill Executive Order 05-05/Section 106 requirements. Any prior communication between the RECIPIENT, the DAHP, and the tribes is not sufficient to meet requirements. Any mitigation measures as an outcome of this process will be requirements of this LOAN agreement.

Another agency's cultural resources review must have prior approval from the DEPARTMENT in order to meet Executive Order 05-05/Section 106 requirements for the project.

Any ground disturbing activities that occur prior to the completion of the Executive Order 05-

05/Section 106 processes will not be eligible for reimbursement. Activities associated with cultural resources review are loan and grant eligible and reimbursable.

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

General Compliance, 40 CFR, Part 33. The RECIPIENT agrees to comply with the requirements of the Environmental Protection Agency's Program for Utilization of Small, Minority, and Women's Business Enterprises (MBE/WBE) 40CFR, Part 33 in procurement under this LOAN agreement.

Non-discrimination Provision. The RECIPIENT will not discriminate on the basis of race, color, national origin or sex in the performance of this LOAN agreement. The RECIPIENT will carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the RECIPIENT to carry out these requirements is a material breach of this LOAN agreement which may result in the termination of this contract or other legally available remedies.

The RECIPIENT will comply with all federal and state nondiscrimination laws, including, but not limited to Title VI and VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and Chapter 49.60 RCW, Washington's Law Against Discrimination, and 42 U.S.C. 12101 et seq, the Americans with Disabilities Act (ADA).

In the event of the RECIPIENT's noncompliance or refusal to comply with any applicable nondiscrimination law, regulation, or policy, this LOAN agreement may be rescinded, canceled, or terminated in whole or in part, and the RECIPIENT may be declared ineligible for further funding from the DEPARTMENT. The RECIPIENT will, however, be given a reasonable time in which to cure this noncompliance.

Fair Share Objective/Goals, 40 CFR, Part 33, Subpart D. If the dollar amount of this LOAN agreement or the total dollar amount of all of the RECIPIENT's financial assistance agreements in the current federal fiscal year from the Revolving Fund is over $250,000, the RECIPIENT accepts the applicable MBE/WBE fair share objectives/goals negotiated with EPA by the **Office of Minority Women Business Enterprises** as follows:

Construction	10.00% MBE	6.00% WBE
Supplies	8.00% MBE	4.00% WBE
Services	10.00% MBE	4.00% WBE
Equipment	8.00% MBE	8.00% WBE

By signing this LOAN agreement the RECIPIENT is accepting the fair share objectives/goals stated above and attests to the fact that it is purchasing the same or similar construction, supplies, services and equipment, in the same or similar relevant geographic buying market as **Office of Minority Women Business Enterprises**.

Six Good Faith Efforts, 40 CFR, Part 33, Subpart C. The RECIPIENT agrees to make the following good faith efforts whenever procuring construction, equipment, services and supplies under this LOAN agreement. Records documenting compliance with the following six good faith efforts will be retained:

1) Ensuring Disadvantaged Business Enterprises are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing Disadvantaged Business Enterprises on solicitation lists and soliciting them whenever they are potential sources. *Qualified Women and Minority business enterprises may be found on the Internet at www.omwbe.wa.gov or by contacting the Washington State Office of Minority and Women's Enterprises at 360-704-1181.*

2) Making information on forthcoming opportunities available to Disadvantaged Business Enterprises and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by Disadvantaged Business Enterprises in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of thirty (30) calendar days before the bid or proposal closing date.
3) Considering in the contracting process whether firms competing for large contracts could subcontract with Disadvantaged Business Enterprises. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by Disadvantaged Business Enterprises in the competitive process.
4) Encourage contracting with a consortium of Disadvantaged Business Enterprises when a contract is too large for one of these firms to handle individually.
5) Using services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
6) If the prime contractor awards subcontracts, requiring the subcontractors to take the five good faith efforts in paragraphs 1 through 5 above.

MBE/WBE Reporting, 40 CFR, Part 33, Sections 33.302, 33.502 and 33.503. The RECIPIENT agrees to provide forms: EPA Form 6100-2 DBE Subcontractor Participation Form and EPA Form 6100-3 DBE Subcontractor Performance Form to all its DBE subcontractors, and EPA Form 6100-4 DBE Subcontractor Utilization Form to all its prime contractors. These forms may be obtained from the DEPARTMENT's Water Quality Program financial assistance website.

EPA Form 6100-2 – The RECIPIENT must document that this form was received by DBE subcontractor. DBE subcontractors may submit the completed form to the EPA Region 10 DBE coordinator in order to document issues or concerns with their usage or payment for a subcontract.

EPA Form 6100-3 – This form must be completed by DBE subcontractor(s), submitted with bid, and kept with the contract.

EPA Form 6100-4 – This form must be completed by the prime contractor, submitted with bid, and kept with the contract.

The RECIPIENT also agrees to submit the DEPARTMENT's MBE/WBE participation report - Form D with each payment request.

Contract Administration Provisions, 40 CFR, Section 33.302. The RECIPIENT agrees to comply with the contract administration provisions of 40 CFR, Section 33.302. The RECIPIENT also agrees to ensure that recipients of identified loans also comply with provisions of 40CFR, Section 33.302. The RECIPIENT will include the following terms and conditions in contracts with all contractors, subcontractors, engineers, vendors, and any other entity for work or services pertaining to this LOAN agreement.

"The Contractor will not discriminate on the basis of race, color, national origin or sex in the performance of this Contract. The Contractor will carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under Environmental Protection Agency financial agreements. Failure by the Contractor to carry out these requirements is a material breach of this Contract which may result in termination of this Contract or other legally available remedies."

Bidder List, 40 CFR, Section 33.501(b) and (c). The RECIPIENT agrees to create and maintain a bidders list. The bidders list will include the following information for all firms that bid or quote on prime contracts, or bid or quote subcontracts, including both MBE/WBEs and non-MBE/WBEs.

1. Entity's name with point of contact;

2. Entity's mailing address, telephone number, and e-mail address;
3. The procurement on which the entity bid or quoted, and when; and
4. Entity's status as an MBE/WBE or non-MBE/WBE.

EFFECTIVE DATE:

The Effective Date of this LOAN agreement is the date agreed to by the DEPARTMENT and the RECIPIENT during the development of this LOAN agreement and should be no earlier than the date the RECIPIENT began incurring eligible PROJECT costs. Any work performed prior to the Effective Date of this LOAN agreement will be at the sole expense and risk of the RECIPIENT. Reimbursement for eligible costs incurred will not be released by the DEPARTMENT until the LOAN agreement is signed.

FACILITIES PROJECTS: DELIVERABLES (IF APPLICABLE)

Planning documents developed by the RECIPIENT must meet the requirements of Chapter 173-240 WAC, "Submission of Plans and Reports for Construction of Wastewater Facilities" and incorporate the State Environmental Review Process (SERP) review.

State Environmental Review Process (SERP) and Federal Cross-Cutters.
The RECIPIENT must comply with applicable SERP and federal cross cutting requirements. Costs incurred for construction activities prior to DEPARTMENT concurrence are not eligible for reimbursement.

Investment Grade Efficiency Audit (IGEA). The RECIPIENT is required to obtain an IGEA for projects involving repair, replacement, or improvement of a wastewater treatment facility or other public works facility. The IGEA must include an analysis of potential energy and water efficiency measures and identify cost-effective measures for the RECIPIENT's facility.

Plans and Specifications. Plans and specifications developed by the RECIPIENT must be reviewed and approved by Water Quality Program staff of the DEPARTMENT and be consistent with:

1. Requirements stated in Chapter 173-240 WAC, "Submission of Plans and Reports for Construction of Wastewater Facilities," as related to plans and specifications.
2. Good engineering practices and generally recognized engineering standards, including, but not limited to, the *State of Washington's Criteria for Sewage Works Design* (2008 or more recent edition), the *Stormwater Management Manual for Western Washington* (2005), the *Stormwater Management Manual for Eastern Washington* (2001), and the Washington State Department of Transportation *Hydraulics Manual* (2010).
3. The approved facilities plan.
4. Other reports approved by the DEPARTMENT which pertain to the facilities design.

Specification Insert. The RECIPIENT will include the *Washington State Department of Ecology Water Pollution Control Revolving Fund Specifications Insert* as a special condition in the construction contract specifications. Contact the DEPARTMENT for the required specification inserts.

RECIPIENT Approval. The plans, specifications, construction contract documents, and addenda must be approved by the RECIPIENT prior to submittal for DEPARTMENT review.

Bid and Award Submittals (as applicable). The RECIPIENT will submit to the DEPARTMENT the following documents relating to bidding and award of any contract funded by this agreement:

1. A copy of the advertisement for bids.
2. A tabulation of all bids received, and a copy of the bid proposal from the successful bidder,
3. A copy of the Notice of Award, a copy of the executed contract, and a copy of the Notice to Proceed.

Construction Cost Estimate. A current, updated, detailed construction cost estimate will be submitted

along with each plan/specification submittal. The project manager may request a spreadsheet in electronic file format.

Form of Plans. All construction plans submitted to the DEPARTMENT for review and approval will be reduced to no larger than 11" x 17" in size. They may, at the RECIPIENT's option, be bound with the specifications or related construction contract documents or bound as a separate document. All reduced drawings must be completely legible. The project manager may request plans be submitted in either PDF or AutoCAD electronic format, and specifications in a searchable PDF or Microsoft Word electronic file. All PDF documents submitted will be at a resolution of 300 dpi or better.

DEPARTMENT Approval. The RECIPIENT will not proceed with any construction-related activities until all necessary plans and specifications are approved in writing by the DEPARTMENT.

Bids and Awards. DEPARTMENT approval of the plans, specifications, and construction documents authorizes the RECIPIENT to solicit bids and award the construction contract (or reject bids) without further DEPARTMENT authorization or approval. However, any additional costs resulting from successful bid protests or other claims due to improper bid solicitation and award procedures will not be considered eligible for LOAN participation.

Plan of Interim Operation. The plan of interim operation must be updated, as appropriate, throughout the PROJECT.

Construction Quality Assurance Plan. A detailed construction quality assurance plan will be submitted at least 30 days prior to the commencement of construction in compliance with WAC 173-240-075. This plan must describe how adequate and competent construction inspection will be provided for the PROJECT.

Construction Schedule. A construction schedule will be submitted to the DEPARTMENT within 30 days of the start of construction. The construction schedule will be revised and updated whenever major changes occur and resubmitted to the DEPARTMENT. When changes in the construction schedule affect previous cash flow estimates, revised cash flow projections must also be submitted to the DEPARTMENT. The project manager may request this schedule in an electronic file format.

Change Orders. Change orders that are a significant deviation from the approved plans/specifications must be submitted in writing for DEPARTMENT review and approval, prior to execution. All other change orders must be submitted within 30 days after execution.

The DEPARTMENT may approve, through formal amendment to this LOAN agreement, funding for change orders for up to five percent of the eligible portion of the low responsive responsible construction bid(s).

Adjusted Construction Budget. The construction budget, as reflected in the LOAN, will be adjusted once actual construction bids are received. If the low responsive responsible construction bid(s) exceed the engineer's estimate of construction costs, the DEPARTMENT may approve funding increases for up to ten percent of the engineer's original estimate. If the low responsive responsible construction bid(s) are lower than estimated the DEPARTMENT may reduce funding to reflect the low bid amount. The DEPARTMENT may also reassess the LOAN amount based on additional funding from other sources received by the RECIPIENT after negotiation of this LOAN agreement. All changes to the LOAN amount will be done by formal amendment to this LOAN agreement.

Record Drawings. Upon completion of construction, the RECIPIENT will provide the DEPARTMENT's Project Manager with a set of record drawings (i.e., record construction drawings which reflect changes, modifications, or other significant revisions made to the project during construction) in AutoCAD electronic format, and in reduced (11"x17") paper copy format.

Declaration of Construction Completion. Along with the set of record drawings, the RECIPIENT will provide certification in the form contained in WAC 173-240-095, signed by a professional engineer, indicating that the PROJECT was completed in accordance with the plans and specifications and major

change orders approved by the DEPARTMENT.

Final Project Report. The RECIPIENT will complete and submit a Final Project Report upon completion of the PROJECT. A template is available on the DEPARTMENT's website at: http://www.ecy.wa.gov/programs/wq/funding/GrantLoanMgmtDocs/GrantLoanMgmtTools.html.

Operations and Maintenance Manual. An Operations and Maintenance Manual ("O&M Manual") will be prepared in conformance with WAC 173-240-080, "Operation and Maintenance Manual" or other applicable guidance and submitted to the DEPARTMENT for approval. The O&M Manual will be updated as necessary following start-up to reflect actual operating experience. The DEPARTMENT's project manager may request the O&M Manual be submitted in either paper format, PDF format, Microsoft Word, or other electronic file format acceptable to the DEPARTMENT's project manager. All PDF documents submitted will be at a resolution of 300 dpi or better.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING REQUIREMENTS:

In order to comply with the FFATA, the RECIPIENT must complete the Data Reporting Form (see Attachment 7 for further instructions) and return it to the DEPARTMENT. The DEPARTMENT will report basic agreement information, including the required DUNS number, for all federally-funded agreements at www.fsrs.gov . This information will be made available to the public at www.usaspending.gov. RECIPIENTS who do not have a DUNS number can find guidance at www.grants.gov . Please note that the DEPARTMENT will not sign this LOAN agreement until it has received the completed FFATA Data Collection Form. The RECIPIENT will submit this form electronically as well as provide a hard copy to the DEPARTMENT (see ATTACHMENT 7 for detailed instructions).

Any RECIPIENT that meets each of the criteria below must also report compensation for its five top executives, using the DEPARTMENT's Federal Funding Accountability and Transparency Act (FFATA) Data Collection Form.

- Receives more than $25,000 in federal funds under this award; and
- Receives more than 80 percent of its annual gross revenues from federal funds; and
- Receives more than $25,000,000 in annual federal funds

See www.fsrs.gov for details of this requirement. If your organization falls into this category, you must report the required information to Ecology.

FORCE ACCOUNT

Prior to using its own forces to accomplish eligible PROJECT work, the RECIPIENT must request DEPARTMENT approval. The request must include a dollar amount and general description of the force account work. The request must also include a certification that the RECIPIENT has the legal authority to perform the work and adequate and technically qualified staff to perform the work without compromising other government functions. The RECIPIENT agrees to track and report the force account work submitted to the DEPARTMENT for reimbursement.

FUNDING RECOGNITION

All site-specific projects must have a sign of sufficient size to be seen from nearby roadways acknowledging department financial assistance and left in place throughout the life of the project or facility. Department logos must be on all signs and documents. Logos will be provided as needed.

GROWTH MANAGEMENT PLANNING

The RECIPIENT certifies by signing this LOAN agreement that it is in compliance with the requirements of Chapter 36.70A RCW, "Growth Management—Planning by Selected Counties and Cities." If the status of compliance changes, either through RECIPIENT or legislative action, the

RECIPIENT will notify the DEPARTMENT in writing of this change within 30 days.

INCREASED OVERSIGHT (IF APPLICABLE)

The RECIPIENT will submit all backup documentation with each payment request submittal. In addition, the DEPARTMENT's Project Manager will establish a schedule for additional site visits to provide technical assistance to the RECIPIENT and verify progress or payment information.

INTERIM REFINANCE (IF APPLICABLE)

The RECIPIENT agrees to use the funding from this LOAN agreement to pay-off existing debt for eligible costs incurred to complete this PROJECT, and to fund all or part of the remaining tasks outlined for this PROJECT. The RECIPIENT will maintain clear documentation of the debt pay-off and make such documentation available to the DEPARTMENT upon request.

LOAN REPAYMENT

Sources of LOAN Repayment

1. Nature of RECIPIENT's Obligation. The obligation of the RECIPIENT to repay the LOAN from the sources identified below and to perform and observe all of the other agreements and obligations on its part contained herein will be absolute and unconditional, and will not be subject to diminution by setoff, counterclaim, or abatement of any kind. To secure the repayment of the LOAN from the DEPARTMENT, the RECIPIENT agrees to comply with all of the covenants, agreements, and attachments contained herein.
2. For General Obligation. This LOAN is a General Obligation Debt of the RECIPIENT.
3. For General Obligation Payable from Special Assessments. This LOAN is a General Obligation Debt of the RECIPIENT payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.
4. For Revenue-Secured; Lien Position. This LOAN is a Revenue-Secured Debt of the RECIPIENT's Utility. This LOAN will constitute a lien and charge upon the Net Revenue junior and subordinate to the lien and charge upon such Net Revenue of any Senior Lien Obligations.

   In addition, if this LOAN is also secured by Utility Local Improvement Districts (ULID) Assessments, this LOAN will constitute a lien upon ULID Assessments in the ULID prior and superior to any other charges whatsoever.
5. Other Sources of Repayment. The RECIPIENT may repay any portion of the LOAN from any funds legally available to it.
6. Defeasance of the LOAN. So long as the DEPARTMENT will hold this LOAN, the RECIPIENT will not be entitled to, and will not affect, an economic Defeasance of the LOAN. The RECIPIENT will not advance refund the LOAN.

   If the RECIPIENT defeases or advance refunds the LOAN, it will be required to use the proceeds thereof immediately upon their receipt, together with other available RECIPIENT funds, to repay both of the following:

   (i) the LOAN Amount with interest
   (ii) any other obligations of the RECIPIENT to the DEPARTMENT under this LOAN agreement, unless in its sole discretion the DEPARTMENT finds that repayment from those additional sources would not be in the public interest.

Failure to repay the LOAN Amount plus interest within the time specified in the DEPARTMENT's notice to make such repayment will incur Late Charges and will be treated as a LOAN Default.

7. Refinancing or Early Repayment of the PROJECT. So long as the DEPARTMENT will hold this LOAN, the RECIPIENT will give the DEPARTMENT thirty days written notice if the RECIPIENT intends to refinance or make early repayment of the LOAN.

Method and Conditions on Repayments

1. Semiannual Payments. Notwithstanding any other provision of this LOAN agreement, the first semiannual payment of principal and interest on this LOAN will be paid no later than one year after the PROJECT Completion Date or Initiation of Operation Date.

   Equal payments will be due every six months thereafter.

   If the due date for any semiannual payment falls on a Saturday, Sunday, or designated holiday for Washington State agencies, the payment will be due on the next business day for Washington State agencies.

   Payments will be mailed to:

   Department of Ecology
   Cashiering Unit
   P.O. Box 47611
   Olympia WA 98504-7611

   In lieu of mailing payments, electronic fund transfers can be arranged by working with the DEPARTMENT's Financial Manager.

   No change to the amount of the semiannual principal and interest payments will be made without a formal amendment to this LOAN agreement. The RECIPIENT will continue to make semiannual payments based on this LOAN agreement until the amendment is effective, at which time the RECIPIENT's payments will be made pursuant to the amended LOAN agreement.

2. Late Charges. If any amount of the Final LOAN Amount or any other amount owed to the DEPARTMENT pursuant to this LOAN agreement remains unpaid after it becomes due and payable, the DEPARTMENT may assess a Late Charge. The Late Charge will be one percent per month on the past due amount starting on the date the debt becomes past due and until it is paid in full.

3. Repayment Limitations. Repayment of the LOAN is subject to the following additional limitations, among others: those on Defeasance, refinancing and advance refunding, termination, and default and recovery of payments.

4. Prepayment of LOAN. So long as the DEPARTMENT will hold this LOAN, the RECIPIENT may prepay the entire unpaid principal balance of and accrued interest on the LOAN or any portion of the remaining unpaid principal balance of the LOAN Amount. Any prepayments on the LOAN will be applied first to any accrued interest due and then to the outstanding principal balance of the LOAN Amount. If the RECIPIENT elects to prepay the entire remaining unpaid balance and accrued interest, the RECIPIENT will first contact the DEPARTMENT's Revenue/Receivable Manager of the Fiscal Office.

LOCAL LOAN FUND PROJECTS (IF APPLICABLE)

Local Loan Fund. The RECIPIENT will use the funds received from the DEPARTMENT under this LOAN agreement to establish and administer a local loan fund.

Local Loan Fund Servicing. The RECIPIENT will be responsible for local loan servicing and collecting and tracking local loan payments, but may contract for such services through a lending institution. The RECIPIENT will officially approve or deny the local loan request and will establish the local loan interest rate and the repayment period.

Schedule. A schedule for PROJECT completion, including milestone dates for loan marketing activities, numbers of loan applications and closures, disbursements, application deadlines, etc., will be submitted by the RECIPIENT with each quarterly progress report.

MODIFICATIONS TO AGREEMENT

No subsequent amendments to this LOAN agreement will be of any force or effect unless reduced to a writing and signed by authorized representatives of the RECIPIENT and the DEPARTMENT, and made part hereof, except:

Insubstantial modifications may be approved in writing by the Department's Project Manager without a formal amendment. Insubstantial changes include:

- LOAN agreement contact
- Contact for billing/invoice questions
- The DEPARTMENT'S Project Manager or Financial Manager
- Frequency and number of required submittals
- Budget allocations not affecting the total LOAN Amount
- Similar changes requested by the RECIPIENT

No amendment to this LOAN agreement will be effective until accepted or affirmed in writing by the DEPARTMENT. In no event will any oral agreement or oral commitment be effective to amend this LOAN agreement.

PAYMENT REQUEST SUBMITTALS

Equipment Purchase
Equipment not included in a construction plans and specification approval must be pre-approved by the DEPARTMENT's project manager.

Requests for Reimbursement
Instructions for submitting payment requests are found in ADMINISTRATIVE REQUIREMENTS, PART IV. A copy of this document will be furnished to the RECIPIENT.

1. Procedure. Payment requests will be submitted by the RECIPIENT to the Financial Manager of the DEPARTMENT.

2. Cost Reimbursable Basis: Payments to the RECIPIENT will be made on a "reimbursable basis" no more often than once per month unless allowed by the DEPARTMENT's Financial Manager. The DEPARTMENT's Financial Manager may require the RECIPIENT to submit regular payment requests to ensure efficient and timely use of funds.

3. Documentation: Each request for payment will be submitted by the RECIPIENT, along with documentation of the expenses per the DEPARTMENT's ADMINISTRATIVE REQUIREMENTS.

4. Required Forms: The RECIPIENT will submit all forms and supportive documentation to the DEPARTMENT's Financial Manager. Invoice voucher submittals will include:

    - State of Washington Invoice Voucher Form A19-1A
    - Form B2 (ECY 060-7)
    - Form C2 (ECY 060-9)
    - Form D (ECY 060-11)

5. Period of Payment. Payments will only be made for eligible costs of the PROJECT pursuant to the LOAN agreement and performed after the effective date and prior to the expiration date of the LOAN agreement, unless those dates are specifically modified in this LOAN agreement.

6. Ineligible Costs. Payments will be made only for eligible PROJECT costs incurred and will not exceed the Estimated LOAN Amount. If any audit identifies LOAN funds which were used to support ineligible costs, such funds may be immediately due and payable to the DEPARTMENT notwithstanding any provision to the contrary herein.

7. Overhead Costs. No payment for overhead costs in excess of 25 percent of salaries and benefits of the RECIPIENT will be allowed.

8. Certification. Each payment request will constitute a certification by the RECIPIENT to the effect that all representations and warranties made in this LOAN agreement remain true as of the date of the request and that no adverse developments, affecting the financial condition of the RECIPIENT or its ability to complete the PROJECT or to repay the principal of or interest on the LOAN, have occurred since the date of this LOAN agreement. Any changes in the RECIPIENT's financial condition will be disclosed in writing to the DEPARTMENT by the RECIPIENT in its request for payment.

POST PROJECT ASSESSMENT SURVEY

The RECIPIENT agrees to participate in a brief survey regarding the key PROJECT results or water quality PROJECT outcomes and the status of long-term environmental results or goals from the PROJECT approximately three years after PROJECT completion. A representative from the DEPARTMENT's Water Quality Program will contact the RECIPIENT to request this data. The DEPARTMENT may also conduct site interviews and inspections, and may otherwise evaluate the PROJECT, as part of this assessment.

PREVAILING WAGE

Prevailing Wage (Davis-Bacon Act):
The RECIPIENT agrees, by signing this LOAN agreement, to comply with the Davis-Bacon Act prevailing wage requirements. This applies to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by the State Revolving Fund as authorized by Section 513, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1372). Laborers and mechanics employed by contractors and subcontractors will be paid wages not less often than once a week and at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor.

The RECIPIENT will obtain the wage determination for the area in which the PROJECT is located prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation). These wage determinations will be incorporated into solicitations and any subsequent contracts. The RECIPIENT will ensure that the required EPA contract language regarding Davis-Bacon Wages is in all contracts and sub contracts in excess of $2,000. The RECIPIENT will maintain records sufficient to document compliance with the Davis-Bacon Act, and make such records available for review upon request.

The RECIPIENT also agrees, by signing this LOAN agreement, to comply with State Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable. Compliance may include the determination whether the PROJECT involves "public work" and inclusion of the applicable prevailing wage rates in the bid specifications and contracts. The RECIPIENT agrees to maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and make such records available for review upon request.

PROCUREMENT

The RECIPIENT is responsible for procuring professional, personal, and other services using sound business judgment and good administrative procedures. This includes issuance of invitation of bids, requests for proposals, selection of contractors, award of subagreements, and other related procurement matters. The RECIPIENT will follow State procurement laws.

PROGRESS REPORTS

The RECIPIENT will submit progress reports to the DEPARTMENT at least quarterly or such other schedule as set forth herein. The RECIPIENT will submit a copy of each progress report to both the Financial Manager and the Project Manager of the DEPARTMENT. Quarterly reports will cover the periods:

January 1 through March 31
April 1 through June 30
July 1 through September 30
October 1 through December 31

Quarterly reports are due 15 days following the end of the quarter being reported. Payment requests will not be processed without a current Progress Report. A progress report must be submitted even if no progress has occurred.

A Progress Report Form is available on the DEPARTMENT's website at *http://www.ecy.wa.gov/programs/wq/funding/GrantLoanMgmtDocs/GrantLoanMgmtTools.html*. At a minimum, all progress reports must contain the items outlined in the DEPARTMENT's Progress Report Form. The DEPARTMENT may request additional information as necessary.

The RECIPIENT will also report in writing to the DEPARTMENT any problems, delays, or adverse conditions which will materially affect its ability to meet PROJECT objectives or time schedules. This disclosure will be accompanied by a statement of the action taken or proposed and any assistance needed from the DEPARTMENT to resolve the situation.

REFINANCE (SEE ALSO INTERIM REFINANCE)

The RECIPIENT agrees to use the funding from this LOAN agreement to pay-off existing debt for eligible costs incurred. The RECIPIENT will maintain clear documentation of the debt pay-off and make such documentation available to the DEPARTMENT upon request.

REPRESENTATIONS AND WARRANTIES

The RECIPIENT represents and warrants to the DEPARTMENT as follows:

A. Existence; Authority.
It is a duly formed and legally existing municipal corporation or political subdivision of the state of Washington or a federally recognized Indian tribe. It has full corporate power and authority to execute, deliver, and perform all of its obligations under this LOAN agreement and to undertake the PROJECT identified herein.

B. Application; Material Information.
All information and materials submitted by the RECIPIENT to the DEPARTMENT in connection with its LOAN application were, when made, and are, as of the date the RECIPIENT executes this LOAN agreement, true and correct. There is no material adverse information relating to the RECIPIENT, the PROJECT, the LOAN, or this LOAN agreement known to the RECIPIENT which has not been disclosed in writing to the DEPARTMENT.

C. Litigation; Authority.
No litigation is now pending or, to the RECIPIENT'S knowledge, threatened, seeking to restrain, or

enjoin:

(i) the execution of this LOAN agreement; or

(ii) the fixing or collection of the revenues, rates, and charges or the formation of the ULID and the levy and collection of ULID Assessments therein pledged to pay the principal of and interest on the LOAN (for revenue secured lien obligations); or

(iii) the levy and collection of the taxes pledged to pay the principal of and interest on the LOAN (for general obligation-secured loans and general obligation payable from special-assessment-secured loans); or

(iii) in any manner questioning the proceedings and authority under which the LOAN agreement, the LOAN, or the PROJECT are authorized. Neither the corporate existence or boundaries of the RECIPIENT nor the title of its present officers to their respective offices is being contested. No authority or proceeding for the execution of this LOAN agreement has been repealed, revoked, or rescinded.

D. Not an Excess Indebtedness

For LOANs secured with a general obligation pledge or a general obligation pledge on special assessments: The RECIPIENT agrees that this LOAN agreement and the LOAN to be made do not create an indebtedness of the RECIPIENT in excess of any constitutional or statutory limitations.

E. Due Regard

For LOANs secured with a Revenue Obligation: The RECIPIENT has exercised due regard for Maintenance and Operation Expense and the debt service requirements of the Senior Lien Obligations and any other outstanding obligations pledging the Gross Revenue of the Utility, and it has not obligated itself to set aside and pay into the LOAN Fund a greater amount of the Gross Revenue of the Utility than, in its judgment, will be available over and above such Maintenance and Operation Expense and those debt service requirements.

SEWER-USER ORDINANCES AND USER-CHARGE SYSTEM (IF APPLICABLE)

Sewer-Use Ordinance or Resolution

If not already in existence, the RECIPIENT will adopt and will enforce a sewer-use ordinance or resolution. The sewer use ordinance must include provisions to: 1) prohibit the introduction of toxic or hazardous wastes into the RECIPIENT's sewer system; 2) prohibit inflow of stormwater; 3) require that new sewers and connections be properly designed and constructed; and 4) require all existing and future residents to connect to the sewer system. Such ordinance or resolution will be submitted to the DEPARTMENT upon request by the DEPARTMENT.

User-Charge System

The RECIPIENT certifies that it has the legal authority to establish and implement a user-charge system and will adopt a system of user-charges to assure that each user of the utility will pay its proportionate share of the cost of operation and maintenance, including replacement during the design life of the PROJECT.

In addition, the RECIPIENT will regularly evaluate the user-charge system, at least annually, to ensure the system provides adequate revenues necessary to operate and maintain the utility, to establish a reserve to pay for replacement, to establish the required LOAN Reserve Account, and to repay the LOAN.

SMALL COMMERCIAL ON-SITE SEWAGE SYSTEM REPAIR AND REPLACEMENT (IF APPLICABLE)

On-site sewage system repair or replacement funding may be provided to eligible small commercial enterprises. The definition of "small commercial" requires that the average daily flows from any one single business cannot exceed 3,500 gallons per day. These enterprises may include public lodging

(including motels, hotels, and bed and breakfast establishments), rentals (apartments, duplexes, or houses), small restaurants, stores, or taverns.

The DEPARTMENT may adjust interest rates to below 2.6 percent based on evaluation of the RECIPIENT's total portfolio of local on-site sewage system loans issued to homeowners and small commercial enterprises.

The following is the Revolving Fund interest rate schedule for loans targeted to homeowners at three levels of county median household income:

	Revolving fund Adjustable Interest Rate Schedule	
County Median Household Income*	5-Year Term	20-Year Term
Above 80%	1.4%	2.7 %
50 – 80%	0.7%	1.4%
Below 50%	0%	0.7 %

The following is the Revolving Fund interest rate schedule for loans targeted to small commercial enterprises at three levels of annual gross revenue:

	Revolving Fund Adjustable Interest Rate Schedule	
Small Commercial Enterprise Annual Gross Revenue	5-Year Term	20-Year Term
Above $100,000	1.4%	2.7 %
$50,000 - $100,000	0.7%	1.4%
Below $50,000	0%	0.7 %

In order for a small commercial enterprise to be considered for extreme hardship, the business must provide documentation to substantiate that annual gross revenue is less than $100,000.

The RECIPIENT agrees to submit a final compilation of the local loans provided to homeowners and small commercial enterprises throughout the duration of the PROJECT. The list will include information provided by the RECIPIENT regarding the number and final dollar amounts of loans funded in the following respective homeowner income and small commercial enterprise revenue levels:

- County Median Household Income
  - Above 80 %
  - 50 to 80 %
  - Below 50 %
- Small Commercial Enterprise Annual Gross Revenue
  - Above $100,000
  - $50,000 to $100,000
  - Below $50,000

TERMINATION AND DEFAULT; REMEDIES

A. Termination and Default Events

1. For Insufficient DEPARTMENT or RECIPIENT Funds. This LOAN agreement may be terminated by the DEPARTMENT for insufficient DEPARTMENT or RECIPIENT funds.

2. For Failure to Commence Work. This LOAN agreement may be terminated by the DEPARTMENT for failure of the RECIPIENT to commence PROJECT work.

3. Past Due Payments. The RECIPIENT will be in default of its obligations under this LOAN agreement when any LOAN repayment becomes 60 days past due.

4. Other Cause. The obligation of the DEPARTMENT to the RECIPIENT is contingent upon

satisfactory performance in full by the RECIPIENT of all of its obligations under this LOAN agreement. The RECIPIENT will be in default of its obligations under this LOAN agreement if, in the opinion of the DEPARTMENT, the RECIPIENT has unjustifiably failed to perform any obligation required of it by this LOAN agreement.

B. Procedures for Termination

If this LOAN agreement is terminated prior to PROJECT completion, the DEPARTMENT will provide to the RECIPIENT a written notice of termination at least five working days prior to the effective date of termination (the "Termination Date"). The written notice of termination by the DEPARTMENT will specify the Termination Date and, when applicable, the date by which the RECIPIENT must repay any outstanding balance of the LOAN and all accrued interest (the "Termination Payment Date").

C. Termination and Default Remedies

1. No Further Payments. On and after the Termination Date, or in the event of a default event, the DEPARTMENT may, in its sole discretion, withdraw the LOAN and make no further payments under this LOAN agreement.

2. Repayment Demand. In response to a DEPARTMENT initiated termination event, or in response to a LOAN default event, the DEPARTMENT may in its sole discretion demand that the RECIPIENT repay the outstanding balance of the LOAN Amount and all accrued interest.

3. Interest after Repayment Demand. From the time that the DEPARTMENT demands repayment of funds, amounts owed by the RECIPIENT to the DEPARTMENT will accrue additional interest at the rate of one percent per month, or fraction thereof.

4. Accelerate Repayments. In the event of a default, the DEPARTMENT may in its sole discretion declare the principal of and interest on the LOAN immediately due and payable, subject to the prior lien and charge of any outstanding Senior Lien Obligations upon the Net Revenue. Repayments not made immediately upon such acceleration will incur Late Charges.

5. Late Charges. All amounts due to the DEPARTMENT and not paid by the RECIPIENT by the Termination Payment Date or after acceleration following a default event, as applicable, will incur Late Charges.

6. Intercept State Funds. In the event of a default event and in accordance with RCW 90.50A.060, "Defaults," any state funds otherwise due to the RECIPIENT may, in the DEPARTMENT's sole discretion, be withheld and applied to the repayment of the LOAN.

7. Property to DEPARTMENT. In the event of a default event and at the option of the DEPARTMENT, any property (equipment and land) acquired under this LOAN agreement may, in the DEPARTMENT's sole discretion, become the DEPARTMENT's property. In that circumstance, the RECIPIENT's liability to repay money will be reduced by an amount reflecting the fair value of such property.

8. Documents and Materials. If this LOAN agreement is terminated, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT will, at the option of the DEPARTMENT, become DEPARTMENT property. The RECIPIENT will be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

9. Collection and Enforcement Actions. In the event of a default event, the state of Washington reserves the right to take any actions it deems necessary to collect the amounts due, or to become due, or to enforce the performance and observance of any obligation by

the RECIPIENT, under this LOAN agreement.

10. Fees and Expenses. In any action to enforce the provisions of this LOAN agreement, reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of legal staff) will be awarded to the prevailing party as that term is defined in RCW 4.84.330, "Actions on contract or lease . . .—Waiver prohibited."

11. Damages. Notwithstanding the DEPARTMENT's exercise of any or all of the termination or default remedies provided in this LOAN agreement, the RECIPIENT will not be relieved of any liability to the DEPARTMENT for damages sustained by the DEPARTMENT and/or the state of Washington because of any breach of this LOAN agreement by the RECIPIENT. The DEPARTMENT may withhold payments for the purpose of setoff until such time as the exact amount of damages due the DEPARTMENT from the RECIPIENT is determined.

WATER QUALITY MONITORING

Quality Assurance Project Plan (QAPP):
Prior to initiating water quality monitoring activities, the RECIPIENT must prepare a Quality Assurance Project Plan (QAPP). The QAPP must follow the DEPARTMENT's "Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies," (Ecology Publication No. 04-03-030). The RECIPIENT may also reference the "Technical Guidance for Assessing the Quality of Aquatic Environments," revised February 1994 (Ecology Publication No. 91-78).

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ATTACHMENT 5: AGREEMENT DEFINITIONS

Unless otherwise provided, the following terms will have the respective meanings for all purposes of this LOAN agreement:

"Administrative Requirements" means the effective edition of DEPARTMENT's ADMINISTRATIVE REQUIREMENTS FOR ECOLOGY GRANTS AND LOANS at the signing of this LOAN.

"Annual Debt Service" for any calendar year means for any applicable bonds or loans including the LOAN, all interest plus all principal due on such bonds or loans in such year.

"Average Annual Debt Service" means, at the time of calculation, the sum of the Annual Debt Service for the remaining years of the LOAN to the last scheduled maturity of the LOAN divided by the number of those years.

"Contract Documents" means the contract between the RECIPIENT and the construction contractor for construction of the PROJECT.

"Cost Effective Analysis" means a comparison of the relative cost-efficiencies of two or more potential ways of solving a water quality problem as described in WAC 173-98-730.

"Defease" or **"Defeasance"** means the setting aside in escrow or other special fund or account of sufficient investments and money dedicated to pay all principal of and interest on all or a portion of an obligation as it comes due.

"DEPARTMENT" means the state of Washington, Department of Ecology, or any successor agency or department.

"Estimated LOAN Amount" means the initial amount of funds loaned to the RECIPIENT.

"Final LOAN Amount" means all principal of and interest on the LOAN from the PROJECT Start Date through the PROJECT Completion Date.

"General Obligation Debt" means an obligation of the RECIPIENT secured by annual *ad valorem* taxes levied by the RECIPIENT and by the full faith, credit, and resources of the RECIPIENT.

"General Obligation Payable from Special Assessments Debt" means an obligation of the RECIPIENT secured by a valid general obligation of the Recipient payable from special assessments to be imposed within the constitutional and statutory tax limitations provided by law without a vote of the electors of the RECIPIENT on all of the taxable property within the boundaries of the RECIPIENT.

"Gross Revenue" means all of the earnings and revenues received by the RECIPIENT from the maintenance and operation of the Utility and all earnings from the investment of money on deposit in the LOAN Fund, except (i) Utility Local Improvement Districts (ULID) Assessments, (ii) government grants, (iii) RECIPIENT taxes, (iv) principal proceeds of bonds and other obligations, or (v) earnings or proceeds (A) from any investments in a trust, Defeasance, or escrow fund created to Defease or

refund Utility obligations or (B) in an obligation redemption fund or account other than the LOAN Fund until commingled with other earnings and revenues of the Utility or (C) held in a special account for the purpose of paying a rebate to the United States Government under the Internal Revenue Code.

"Guidelines" means the DEPARTMENT's Funding Guidelines that that correlate to the State Fiscal Year in which the PROJECT is funded.

"Initiation of Operation" is the actual date the Water Pollution Control Facility financed with proceeds of the LOAN begins to operate for its intended purpose.

"LOAN" means the Washington State Water Pollution Control Revolving Fund Loan or Centennial Clean Water Fund (Centennial) Loan made pursuant to this LOAN agreement.

"LOAN Amount" means either an Estimated LOAN Amount or a Final LOAN Amount, as applicable.

"LOAN Fund" means the special fund of that name created by ordinance or resolution of the RECIPIENT for the repayment of the principal of and interest on the LOAN.

"Maintenance and Operation Expense" means all reasonable expenses incurred by the RECIPIENT in causing the Utility to be operated and maintained in good repair, working order, and condition including payments to other parties, but will not include any depreciation or RECIPIENT levied taxes or payments to the RECIPIENT in lieu of taxes.

"Net Revenue" means the Gross Revenue less the Maintenance and Operation Expense.

"Principal and Interest Account" means, for a LOAN that constitutes Revenue-Secured Debt, the account of that name created in the LOAN Fund to be first used to repay the principal of and interest on the LOAN.

"PROJECT" means the PROJECT described in this LOAN agreement.

"PROJECT Completion Date" is the date specified in the LOAN agreement as that on which the Scope of Work will be fully completed.

"PROJECT Schedule" is that schedule for the PROJECT specified in the LOAN agreement.

"Reserve Account" means, for a LOAN that constitutes Revenue-Secured Debt, the account of that name created in the LOAN Fund to secure the payment of the principal of and interest on the LOAN.

"Revenue-Secured Debt" means an obligation of the RECIPIENT secured by a pledge of the revenue of a utility and one not a general obligation of the RECIPIENT.

"Scope of Work" means the tasks and activities constituting the PROJECT.

"Senior Lien Obligations" means all revenue bonds and other obligations of the RECIPIENT outstanding on the date of execution of this LOAN agreement (or subsequently issued on a parity therewith, including refunding obligations) or issued after the date of execution of this LOAN

agreement having a claim or lien on the Gross Revenue of the Utility prior and superior to the claim or lien of the LOAN, subject only to Maintenance and Operation Expense.

"State Water Pollution Control Revolving Fund (Revolving Fund)" means the water pollution control revolving fund established by RCW 90.50A.020.

"Termination Date" means the effective date of the DEPARTMENT's termination of the LOAN agreement.

"Termination Payment Date" means the date on which the RECIPIENT is required to repay to the DEPARTMENT any outstanding balance of the LOAN and all accrued interest.

"Total Eligible PROJECT Cost" means the sum of all costs associated with a water quality project that have been determined to be eligible for DEPARTMENT grant or loan funding.

"Total PROJECT Cost" means the sum of all costs associated with a water quality project, including costs that are not eligible for DEPARTMENT grant or loan funding.

"ULID" means any utility local improvement district of the RECIPIENT created for the acquisition or construction of additions to and extensions and betterments of the Utility.

"ULID Assessments" means all assessments levied and collected in any ULID. Such assessments are pledged to be paid into the LOAN Fund (less any prepaid assessments permitted by law to be paid into a construction fund or account). ULID Assessments will include principal installments and any interest or penalties which may be due.

"Utility" means the sewer system, stormwater system, or the combined water and sewer system of the RECIPIENT, the Net Revenue of which is pledged to pay and secure the LOAN.

(Revised September 2007)

ATTACHMENT 6: LOAN GENERAL TERMS AND CONDITIONS PERTAINING TO GRANT AND LOAN AGREEMENTS OF THE DEPARTMENT OF ECOLOGY

A. RECIPIENT PERFORMANCE

All activities for which grant/LOAN Funds are to be used shall be accomplished by the RECIPIENT and RECIPIENT's employees. The RECIPIENT shall only use contractor/consultant assistance if that has been included in the LOAN agreement's final scope of work and budget.

B. SUBGRANTEE/CONTRACTOR COMPLIANCE

The RECIPIENT must ensure that all subgrantees and contractors comply with the terms and conditions of this LOAN agreement.

C. THIRD PARTY BENEFICIARY

The RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this LOAN agreement, the state of Washington is named as an express third-party beneficiary of such subcontracts with full rights as such.

D. CONTRACTING FOR SERVICES (BIDDING)

Contracts for construction, purchase of equipment and professional architectural and engineering services shall be awarded through a competitive process, if required by State law. RECIPIENT shall retain copies of all bids received and contracts awarded, for inspection and use by the DEPARTMENT.

E. ASSIGNMENTS

No right or claim of the RECIPIENT arising under this LOAN agreement shall be transferred or assigned by the RECIPIENT.

F. COMPLIANCE WITH ALL LAWS

1. The RECIPIENT shall comply fully with all applicable Federal, State and local laws, orders, regulations and permits. Prior to commencement of any construction, the RECIPIENT shall secure the necessary approvals and permits required by authorities having jurisdiction over the project, provide assurance to the DEPARTMENT that all approvals and permits have been secured, and make copies available to the DEPARTMENT upon request.
2. Discrimination. The DEPARTMENT and the RECIPIENT agree to be bound by all Federal and State laws, regulations, and policies against discrimination. The RECIPIENT further agrees to affirmatively support the program of the Office of Minority and Women's Business Enterprises to the maximum extent possible. If the LOAN agreement is federally-funded, the RECIPIENT shall report to the DEPARTMENT the percent of grant/LOAN Funds available to women or minority owned businesses.
3. Wages and Job Safety. The RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.

4. Industrial Insurance. The RECIPIENT certifies full compliance with all applicable state industrial insurance requirements. If the RECIPIENT fails to comply with such laws, the DEPARTMENT shall have the right to immediately terminate this LOAN agreement for cause as provided in Section K.1, herein.

G. KICKBACKS

The RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this project to give up any part of the compensation to which he/she is otherwise entitled or, receive any fee, commission or gift in return for award of a subcontract hereunder.

H. AUDITS AND INSPECTIONS

1. The RECIPIENT shall maintain complete program and financial records relating to this LOAN agreement. Such records shall clearly indicate total receipts and expenditures by fund source and task or object. All grant/loan records shall be kept in a manner which provides an audit trail for all expenditures. All records shall be kept in a common file to facilitate audits and inspections.

   Engineering documentation and field inspection reports of all construction work accomplished under this LOAN agreement shall be maintained by the RECIPIENT.

2. All grant/loan records shall be open for audit or inspection by the DEPARTMENT or by any duly authorized audit representative of the State of Washington for a period of at least three years after the final grant payment/loan repayment or any dispute resolution hereunder. If any such audits identify discrepancies in the financial records, the RECIPIENT shall provide clarification and/or make adjustments accordingly.

3. All work performed under this LOAN agreement and any equipment purchased, shall be made available to the DEPARTMENT and to any authorized state, federal or local representative for inspection at any time during the course of this LOAN agreement and for at least three years following grant/loan termination or dispute resolution hereunder.

4. RECIPIENT shall meet the provisions in OMB Circular A-133 (Audits of States, Local Governments & Non Profit Organizations), including the compliance Supplement to OMB Circular A-133, if the RECIPIENT expends $500,000 or more in a year in Federal funds. The $500,000 threshold for each year is a cumulative total of all federal funding from all sources. The RECIPIENT must forward a copy of the audit along with the RECIPIENT'S response and the final corrective action plan to the DEPARTMENT within ninety (90) days of the date of the audit report.

I. PERFORMANCE REPORTING

The RECIPIENT shall submit progress reports to the DEPARTMENT with each payment request or such other schedule as set forth in the Special Conditions. The RECIPIENT shall also report in writing to the DEPARTMENT any problems, delays or adverse conditions which will materially affect their ability to meet project objectives or time schedules. This disclosure shall be accompanied by a statement of the action taken or proposed and any assistance needed from the DEPARTMENT to resolve the situation. Payments may be withheld if required progress reports are not submitted. Quarterly reports shall cover the periods January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be due within thirty (30) days following the end of the quarter being reported.

J. COMPENSATION

1. Method of compensation. Payment shall normally be made on a reimbursable basis as specified in the LOAN agreement and no more often than once per month. Each request for payment will be submitted by the RECIPIENT on State voucher request forms provided by the DEPARTMENT along with documentation of the expenses. Payments shall be made for each task/phase of the project, or portion thereof, as set out in the Scope of Work when completed by the RECIPIENT and approved as satisfactory by the Project Officer. The payment request form and supportive documents must itemize all allowable costs by major elements as described in the Scope of Work.

   Instructions for submitting the payment requests are found in "Administrative Requirements for Ecology Grants and Loans", part IV, published by the DEPARTMENT. A copy of this document shall be furnished to the RECIPIENT. When payment requests are approved by the DEPARTMENT, payments will be made to the mutually agreed upon designee. Payment requests shall be submitted to the DEPARTMENT and directed to the Project Officer assigned to administer this LOAN agreement.

2. Period of Compensation. Payments shall only be made for actions of the RECIPIENT pursuant to the grant/LOAN agreement and performed after the effective date and prior to the expiration date of this LOAN agreement, unless those dates are specifically modified in writing as provided herein.

3. Final Request(s) for Payment. The RECIPIENT should submit final requests for compensation within forty-five (45) days after the expiration date of this LOAN agreement and within fifteen (15) days after the end of a fiscal biennium. Failure to comply may result in delayed reimbursement.

4. Performance Guarantee. The DEPARTMENT may withhold an amount not to exceed ten percent (10%) of each reimbursement payment as security for the RECIPIENT's performance. Monies withheld by the DEPARTMENT may be paid to the RECIPIENT when the project(s) described herein, or a portion thereof, have been completed if, in the DEPARTMENT's sole discretion, such payment is reasonable and approved according to this LOAN agreement and, as appropriate, upon completion of an audit as specified under section J.6. herein.

5. Unauthorized Expenditures. All payments to the RECIPIENT may be subject to final audit by the DEPARTMENT and any unauthorized expenditure(s) charged to this grant/loan shall be refunded to the DEPARTMENT by the RECIPIENT.

6. Mileage and Per Diem. If mileage and per diem are paid to the employees of the RECIPIENT or other public entities, it shall not exceed the amount allowed under state law for state employees.

7. Overhead Costs. No reimbursement for overhead costs shall be allowed unless provided for in the Scope of Work hereunder.

K. TERMINATION

1. For Cause. The obligation of the DEPARTMENT to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this LOAN agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of the DEPARTMENT, to perform any obligation required of it by this LOAN agreement, the DEPARTMENT may refuse to pay any further funds there under and/or terminate this LOAN agreement by giving written notice of termination.

   A written notice of termination shall be given at least five working days prior to the effective date of termination. In that event, all finished or unfinished documents, data studies, surveys, drawings,

maps, models, photographs, and reports or other materials prepared by the RECIPIENT under this LOAN agreement, at the option of the DEPARTMENT, shall become Department property and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Despite the above, the RECIPIENT shall not be relieved of any liability to the DEPARTMENT for damages sustained by the DEPARTMENT and/or the State of Washington because of any breach of LOAN agreement by the RECIPIENT. The DEPARTMENT may withhold payments for the purpose of setoff until such time as the exact amount of damages due the DEPARTMENT from the RECIPIENT is determined.

2. Insufficient Funds. The obligation of the DEPARTMENT to make payments is contingent on the availability of state and federal funds through legislative appropriation and state allotment. When this LOAN agreement crosses over state fiscal years the obligation of the DEPARTMENT is contingent upon the appropriation of funds during the next fiscal year. The failure to appropriate or allot such funds shall be good cause to terminate this LOAN agreement as provided in paragraph K.1 above.

   When this LOAN agreement crosses the RECIPIENT's fiscal year, the obligation of the RECIPIENT to continue or complete the project described herein shall be contingent upon appropriation of funds by the RECIPIENT's governing body; provided, however, that nothing contained herein shall preclude the DEPARTMENT from demanding repayment of ALL funds paid to the RECIPIENT in accordance with Section O herein.

3. Failure to Commence Work. In the event the RECIPIENT fails to commence work on the project funded herein within four months after the effective date of this LOAN agreement, or by any date agreed upon in writing for commencement of work, the DEPARTMENT reserves the right to terminate this LOAN agreement.

L. WAIVER

Waiver of any RECIPIENT default is not a waiver of any subsequent default. Waiver of a breach of any provision of this LOAN agreement is not a waiver of any subsequent breach and will not be construed as a modification of the terms of this LOAN agreement unless stated as such in writing by the authorized representative of the DEPARTMENT.

M. PROPERTY RIGHTS

1. Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property, the RECIPIENT may copyright or patent the same but the DEPARTMENT retains a royalty-free, nonexclusive and irrevocable license to reproduce, publish, recover or otherwise use the material(s) or property and to authorize others to use the same for federal, state or local government purposes. Where federal funding is involved, the federal government may have a proprietary interest in patent rights to any inventions that are developed by the RECIPIENT as provided in 35 U.S.C. 200-212.

2. Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish information of the DEPARTMENT; present papers, lectures, or seminars involving information supplied by the DEPARTMENT; use logos, reports, maps or other data, in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to the DEPARTMENT.

3. Tangible Property Rights. The DEPARTMENT's current edition of "Administrative Requirements for Ecology Grants and Loans", Part V, shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by the DEPARTMENT in the absence of state, federal statute(s), regulation(s), or policy(s) to the contrary or upon specific instructions with respect thereto in the Scope of Work.
4. Personal Property Furnished by the DEPARTMENT. When the DEPARTMENT provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to the DEPARTMENT prior to final payment by the DEPARTMENT. If said property is lost, stolen or damaged while in the RECIPIENT's possession, the DEPARTMENT shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.
5. Acquisition Projects. The following provisions shall apply if the project covered by this LOAN agreement includes funds for the acquisition of land or facilities:
    a. Prior to disbursement of funds provided for in this LOAN agreement, the RECIPIENT shall establish that the cost of land/or facilities is fair and reasonable.
    b. The RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this LOAN agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses contemplated by this LOAN agreement.
6. Conversions. Regardless of the contract termination date shown on the cover sheet, the RECIPIENT shall not at any time convert any equipment, property or facility acquired or developed pursuant to this LOAN agreement to uses other than those for which assistance was originally approved without prior written approval of the DEPARTMENT. Such approval may be conditioned upon payment to the DEPARTMENT of that portion of the proceeds of the sale, lease or other conversion or encumbrance which monies granted pursuant to this LOAN agreement bear to the total acquisition, purchase or construction costs of such property.

N. SUSTAINABLE PRODUCTS

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is encouraged to implement sustainable practices where and when possible. These practices include use of clean energy, and purchase and use of sustainably produced products (e.g., recycled paper). For more information, see http://www.ecy.wa.gov/sustainability/.

O. RECOVERY OF PAYMENTS TO RECIPIENT

The right of the RECIPIENT to retain monies paid to it as reimbursement payments is contingent upon satisfactory performance of this LOAN agreement including the satisfactory completion of the project described in the Scope of Work. In the event the RECIPIENT fails, for any reason, to perform obligations required of it by this LOAN agreement, the RECIPIENT may, at the DEPARTMENT's sole discretion, be required to repay to the DEPARTMENT all grant/LOAN Funds disbursed to the RECIPIENT for those parts of the project that are rendered worthless in the opinion of the DEPARTMENT by such failure to perform. Interest shall accrue at the rate of twelve percent (12%) per year from the time the DEPARTMENT demands repayment of funds. If payments have been discontinued by the DEPARTMENT due to insufficient funds as in Section K.2 above, the RECIPIENT shall not be obligated to repay monies which had been paid to the

RECIPIENT prior to such termination. Any property acquired under this AGREEMENT, at the option of the DEPARTMENT, may become the DEPARTMENT'S property and the RECIPIENT'S liability to repay monies shall be reduced by an amount reflecting the fair value of such property.

P. PROJECT APPROVAL

The extent and character of all work and services to be performed under this LOAN agreement by the RECIPIENT shall be subject to the review and approval of the DEPARTMENT through the Project Officer or other designated official to whom the RECIPIENT shall report and be responsible. In the event there is a dispute with regard to the extent and character of the work to be done, the determination of the Project Officer or other designated official as to the extent and character of the work to be done shall govern. The RECIPIENT shall have the right to appeal decisions as provided for below.

Q. DISPUTES

Except as otherwise provided in this LOAN agreement, any dispute concerning a question of fact arising under this LOAN agreement which is not disposed of in writing shall be decided by the Project Officer or other designated official who shall provide a written statement of decision to the RECIPIENT. The decision of the Project Officer or other designated official shall be final and conclusive unless, within thirty days from the date of receipt of such statement, the RECIPIENT mails or otherwise furnishes to the Director of the DEPARTMENT a written appeal. In connection with appeal of any proceeding under this clause, the RECIPIENT shall have the opportunity to be heard and to offer evidence in support of this appeal. The decision of the Director or duly authorized representative for the determination of such appeals shall be final and conclusive. Appeals from the Director's determination shall be brought in the Superior Court of Thurston County. Review of the decision of the Director will not be sought before either the Pollution Control Hearings Board or the Shoreline Hearings Board. Pending final decision of dispute hereunder, the RECIPIENT shall proceed diligently with the performance of this LOAN agreement and in accordance with the decision rendered.

R. CONFLICT OF INTEREST

No officer, member, agent, or employee of either party to this LOAN agreement who exercises any function or responsibility in the review, approval, or carrying out of this LOAN agreement, shall participate in any decision which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is, directly or indirectly interested; nor shall he/she have any personal or pecuniary interest, direct or indirect, in this LOAN agreement or the proceeds thereof.

S. INDEMNIFICATION

1. The DEPARTMENT shall in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.
2. To the extent that the Constitution and laws of the State of Washington permit, each party shall indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this LOAN agreement.

T. GOVERNING LAW

This LOAN agreement shall be governed by the laws of the State of Washington.

U. SEVERABILITY

If any provision of this LOAN agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this LOAN agreement which can be given effect without the invalid provision, and to this end the provisions of this LOAN agreement are declared to be severable.

V. PRECEDENCE

In the event of inconsistency in this LOAN agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable Federal and State statutes and regulations; (b) Scope of Work; (c) Special Terms and Conditions; (d) Any terms incorporated herein by reference including the "Administrative Requirements for Ecology Grants and Loans"; and (e) the General Terms and Conditions.

SS-010 Rev. 04/04

ATTACHMENT 7: THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) & EPA DATA REPORTING SHEET (DATA REPORTING SHEET)

Instructions

The RECIPIENT is required to complete and submit the Data Reporting Sheet to the DEPARTMENT as ATTACHMENT 7 of this LOAN agreement. The information provided in the Data Reporting Sheet 1) fulfills the FFATA reporting requirements (see FFATA Reporting Requirements, ATTACHMENT 4); and 2) gathers additional information required to be reported to the Environmental Protection Agency (EPA)

The RECIPIENT will please:

1. *Access the Data Reporting Sheet Form on the DEPARTMENT's Water Quality Program financial management website.*
2. *Fill out the form completely, including compensation information (if all FFATA criteria are met).*
3. *Print a copy of the completed form.*
4. *Get the appropriate signature on the form and submit as ATTACHMENT 7 of this LOAN agreement.*
5. *Send the electronic copy to the DEPARTMENT's Project Manager and Financial Manager.*

DEPARTMENT OF ECOLOGY
State of Washington

Clean Water State Revolving Fund
Initial Data Reporting Sheet

General Project Information

Loan Agreement Number: L1300003

Project Title: **Ilwaco First Avenue North Sewer Improvements**

Name of Recipient Organization: **City of Ilwaco**

Recipient's Project Manager Contact Information (Name, Address, Telephone, Email):
Elaine McMillan, Treasurer
City of Ilwaco
PO Box 548
Ilwaco, WA 98624
(360)642-3145
treasurer@ilwaco-wa.gov

Ecology Project Contacts:

Project Manager:
Dave Dougherty
ddou461@ecy.wa.gov
(360) 407-6278
WA State Department of Ecology
P.O. Box 47775
Olympia, WA 98504-7775

Financial Manager:
William Hashim
bhas461@ecy.wa.gov
(360) 407-6549
WA State Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Project Start Date:	**November 1st, 2012**
Anticipated Project Completion Date:	**December 31, 2013**
Anticipated Initiation of Operation Date (if applicable):	**September 30, 2013**

Total Project Cost:	**$794,000**
Total Committed Ecology Loan Funding:	**$794,000**

NOTE: Guidance document for the questions below can be found at:

http://www.ecy.wa.gov/programs/wq/funding/GrantLoanMgmtDocs/GuidanceSRFInitialReport.doc

Project Details

Categories for the Project (choose all that are involved in the scope of work of this project. And the percentage, by cost, of the project work involved in each of those categories.) (See Guidance document for the Category descriptions):

☐ Planning and Design Only

Clean Water State Revolving Fund
Initial Data Reporting Sheet

Wastewater Treatment Works Categories

- ☐ Category I %
- ☐ Category II %
- ☒ Category IIIA 100 %
- ☐ Category IIIB %
- ☐ Category IVA %
- ☐ Category IVB %
- ☐ Category V %
- ☐ Category VI %
- ☐ Category X %

Nonpoint Source Categories

- ☐ Category VII-A %
- ☐ Category VII-B %
- ☐ Category VII-C %
- ☐ Category VII-D %
- ☐ Category VII-E %
- ☐ Category VII-F %
- ☐ Category VII-G %
- ☐ Category VII-H %
- ☐ Category VII-I %
- ☐ Category VII-J %
- ☐ Category VII-K %
- ☐ Category VII-L %

Population Served by the Recipient Organization:
936

Population Served by the Project (Nonpoint/Activity projects skip this question):
2100

Population Served by the total System (Nonpoint/Activity projects skip this question):
2100

Wastewater Volume (Design Flow) for the Project, (in Millions of Gallons per Day, MGD) (Nonpoint/Activity projects skip this question):
.25

Wastewater Volume (Design Flow) for the total System, (in Millions of Gallons per Day, MGD) (Nonpoint/Activity projects skip this question):
1.1

Check all that this project involves:

- ☐ Ocean Outfall
- ☒ Estuary/Coastal Bay
- ☐ Wetland
- ☐ Surface Water (Stream, River, Lake)

Clean Water State Revolving Fund
Initial Data Reporting Sheet

- ☐ Groundwater
- ☐ Land Application
- ☐ Eliminates Discharge
- ☒ Involves No Change in Discharge
- ☐ Discharge is Seasonal
- ☐ No Discharge Involved

National Pollutant Discharge Elimination System (NPDES) Permit number (if applicable):
WA0023159

Other Permit (as applicable), such as State Discharge permit, Phase I/Phase II Stormwater permit, etc
Enter the type of permit and its number:

Type: Industrial Stormwater General Permit Number:WAR125118

Name of the most primary Receiving Waterbody (if applicable):
Baker Bay

For Facility projects, identify the Latitude and Longitude (in Decimal Degrees) of the facility by its outfall location, or where it is impacting the primary Receiving Waterbody:

Latitude: 46.30484 Longitude: -124.03140

Primary Receiving Waterbody's Federal NHD 12-Digit HUC Code: **12170800060500**
(Important EPA reporting element. The following Internet page will allow you to drag over to Washington State and double-click to zoom in and locate the 12 digit HUC code for the area where the project is located: http://viewer.nationalmap.gov/viewer/nhd.html?p=nhd)

Contribution to Water Quality

(Please choose only one) - Project contributes to water quality
- ☐ Improvement
- ☒ Maintenance

(Please choose only one) – Project will allow the system to
- ☐ Achieve Compliance
- ☒ Maintain Compliance
- ☐ Progress Toward Achieving Compliance
- ☐ Not Applicable (for Nonpoint projects)

(Please choose only one) – The primary affected waterbody is
- ☒ Meeting Standards
- ☐ Impaired
- ☐ Threatened
- ☐ Not Yet Assessed

Clean Water State Revolving Fund
Initial Data Reporting Sheet

(Please choose only one) – Project allows the system to address

- ☐ Existing TMDL
- ☐ Projected TMDL
- ☐ Watershed Management Plan

Clean Water State Revolving Fund
Initial Data Reporting Sheet

Designated Surface Water Uses This Project Helps Protect or Restore

Identify the Designated Surface Water Uses, Other Uses, and Outcomes that this project helps to protect or restore. If the project maintains or improves water quality, or if it increases effluent loadings but meets its permit, it contributes to **protection** of the uses you find when matching pollutants. If the project reduces loadings of a pollutant that is impairing a designated use (303(d) list), the project contributes to **restoration** of that use.

Select all applicable Uses and Outcomes (and if the project is Protecting it or Restoring it), and identify which one is the Primary one that the project is intended to protect or restore (check only one of them as the Primary):

☐ **Water Supply - Domestic**
- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Water Supply - Industrial**
- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Water Supply – Agricultural/Stock Watering**
- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☒ **Salmonid Migration, Growth, and Harvesting**
- ☒ Protect
- ☐ Restore
- ☐ **Primary**

☒ **Other Fish Migration, Growth, and Harvesting**
- ☒ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Clam, Oyster, and Mussel Growth and Harvesting**
- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Crustaceans/Other Shellfish Growth and Harvesting**
- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☒ **Wildlife Habitat**
- ☒ Protect
- ☐ Restore
- ☐ **Primary**

Clean Water State Revolving Fund
Initial Data Reporting Sheet

☒ **Primary Contact Recreation**
- ☒ Protect
- ☐ Restore
- ☐ **Primary**

☒ **Secondary Contact Recreation, Boating**
- ☒ Protect
- ☐ Restore
- ☐ **Primary**

☒ **Aesthetic Enjoyment**
- ☒ Protect
- ☐ Restore
- ☐ **Primary**

☒ **Commerce and Navigation**
- ☒ Protect
- ☐ Restore
- ☐ **Primary**

☒ **Infrastructure Improvement**
- ☒ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Regionalization/Consolodation**
- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Water Reuse/Recycling/Conservation**
- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Groundwater Protection**
- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☐ **Drinking Water Supply**
- ☐ Protect
- ☐ Restore
- ☐ **Primary**

☒ **Other Public Health/Pathogen Reduction**
- ☒ Protect
- ☐ Restore
- ☐ **Primary**

Clean Water State Revolving Fund (CWSRF)
Federal Funding Accountability and Transparency Act (FFATA)
Reporting Form

CWSRF funding requires compliance with the Federal Funding Accountability and Transparency Act by both Ecology and recipients of CWSRF funding. The purpose of the Transparency Act is to make information available online for the public to see how recipients are spending federal funds.
One key requirement is for your organization to have a Data Universal Numbering System (DUNS) number and to supply it via the FFATA reporting process. If you do not already have one, you may get a DUNS number free of charge by contacting Dun and Bradstreet at www.dnb.com.

CWSRF Funding Agreement Number: L1300003

Recipient Information

1. Legal Name City of Ilwaco	2. DUNS Number 00-3206976
3. Principle Place of Performance First Avenue North	
3a. City Ilwaco	3b. State WA
3c. Zip+4 98624	3d. Country United States

4. In the preceding fiscal year did your organization:
   a. Receive 80% or more of annual gross revenue from federal contracts, subcontracts, grants, loans, subgrants, and/or cooperative agreements; **and**
   b. $25,000,000 or more in annual gross revenues from federal contracts, subcontracts, grants, loans, subgrants, and/or cooperative agreements; **and**
   c. The public does not have access to information about the compensation of the executives through periodic reports filed with the IRS or the Security and Exchange Commission per 2 CFR Part 170.330.

☐ NO. Skip to signature block, sign and date, complete page 2, and return.

☒ YES. You must report the following information for the five (5) most highly compensated executives in your organization. Sign, date and return.

Name Of Official	Position Title	Total Compensation Amount*
1. Mike Cassinelli	Mayor	5500.00
2. David Jensen	Council member	2200.00
3. Fred Marshall	Councilmember	2200.00
4. Gary Forner	Councilmember	4600.00
5. Aldrich Smith	Councilmember	1300.00

***Note:** "Total compensation" means the cash and noncash dollar value earned by the executive during the subrecipient's past fiscal year. (For more information, see 17 CFR 229.402 (C)(2)).

By signing this document, the Authorized Representative attests to the information above.

Signature of Authorized Representative	Print Name	Date
Mike Cassinelli	Mike Cassinelli	

Please submit this completed form (both pages) using the instructions in your CWSRF agreement for completion of its Attachment #7. The Department of Ecology will not authorize the CWSRF funding agreement without this form properly completed and submitted per those instructions.

Clean Water State Revolving Fund (CWSRF)
Federal Funding Accountability and Transparency Act (FFATA)
Reporting Form

CWSRF Funding Agreement Number
Project Description (instructions and example below) **Ilwaco First Avenue North Sewer Improvement:The project will replace the two AC sewers in First Avenue North with a single HDPE or PVC sewer and the Ash Street sewer with HDPE or PVC sewer. The completed project will eliminate excessive I/I to the wastewater treatement plant and provide groundwater protection through the elimination of the potential for sewer exfiltration.**

Instructions for Subaward Project Description:

In the first line of the description, provide a title for the subaward that captures the main purpose of the subrecipient's work. Then, indicate the name of the subrecipient and provide a brief description that captures the overall purpose of the subaward, how the funds will be used, and what will be accomplished.

Example of a Subaward Project Description:

Increase Healthy Behaviors: Educational Services District XYZ will provide training and technical assistance to chemical dependency centers to assist the centers to integrate tobacco use into their existing addiction treatment programs. Funds will also be used to assist centers in creating tobacco-free treatment environments.

Dept. of Ecology

ESTIMATED LOAN REPAYMENT SCHEDULE

ATTACHMENT 8

Loan Number	L1300003	**Loan Amount**	$794,000.00
Recipient Name	City of Ilwaco	**Term of Loan**	39 Payments
Amortization Method	Compound-365 D/Y	**Annual Int. Rate**	2.700 %
Project Completion Date	12/31/2013	**Interest Compounded**	Monthly
Initiation of Operations	12/31/2013	**Loan Date**	12/31/2013

Loan Number L1300003 **Department of Ecology**

Recipient Name City of Ilwaco **Date Created** 01/28/2013

Payment #	Due Date	Payment Amount	Interest	Principal	Balance
1	12/31/2014	$26,709.75	$21,554.63	$5,155.12	$788,844.88
SubTotal	**2014**	**$26,709.75**	**$21,554.63**	**$5,155.12**	
2	06/30/2015	$26,709.75	$10,709.49	$16,000.26	$772,844.62
3	12/31/2015	$26,709.75	$10,492.27	$16,217.48	$756,627.14
SubTotal	**2015**	**$53,419.50**	**$21,201.76**	**$32,217.74**	
4	06/30/2016	$26,709.75	$10,272.10	$16,437.65	$740,189.49
5	12/31/2016	$26,709.75	$10,048.94	$16,660.81	$723,528.68
SubTotal	**2016**	**$53,419.50**	**$20,321.04**	**$33,098.46**	
6	06/30/2017	$26,709.75	$9,822.75	$16,887.00	$706,641.68
7	12/31/2017	$26,709.75	$9,593.48	$17,116.27	$689,525.41
SubTotal	**2017**	**$53,419.50**	**$19,416.23**	**$34,003.27**	
8	06/30/2018	$26,709.75	$9,361.11	$17,348.64	$672,176.77
9	12/31/2018	$26,709.75	$9,125.58	$17,584.17	$654,592.60
SubTotal	**2018**	**$53,419.50**	**$18,486.69**	**$34,932.81**	
10	06/30/2019	$26,709.75	$8,886.86	$17,822.89	$636,769.71
11	12/31/2019	$26,709.75	$8,644.89	$18,064.86	$618,704.85
SubTotal	**2019**	**$53,419.50**	**$17,531.75**	**$35,887.75**	
12	06/30/2020	$26,709.75	$8,399.64	$18,310.11	$600,394.74
13	12/31/2020	$26,709.75	$8,151.06	$18,558.69	$581,836.05
SubTotal	**2020**	**$53,419.50**	**$16,550.70**	**$36,868.80**	
14	06/30/2021	$26,709.75	$7,899.10	$18,810.65	$563,025.40
15	12/31/2021	$26,709.75	$7,643.73	$19,066.02	$543,959.38

Loan Number	L1300003		**Department of Ecology**
Recipient Name	City of Ilwaco	**Date Created**	01/28/2013

Payment #	Due Date	Payment Amount	Interest	Principal	Balance
SubTotal	**2021**	**$53,419.50**	**$15,542.83**	**$37,876.67**	
16	06/30/2022	$26,709.75	$7,384.88	$19,324.87	$524,634.51
17	12/31/2022	$26,709.75	$7,122.52	$19,587.23	$505,047.28
SubTotal	**2022**	**$53,419.50**	**$14,507.40**	**$38,912.10**	
18	06/30/2023	$26,709.75	$6,856.61	$19,853.14	$485,194.14
19	12/31/2023	$26,709.75	$6,587.08	$20,122.67	$465,071.47
SubTotal	**2023**	**$53,419.50**	**$13,443.69**	**$39,975.81**	
20	06/30/2024	$26,709.75	$6,313.89	$20,395.86	$444,675.61
21	12/31/2024	$26,709.75	$6,036.99	$20,672.76	$424,002.85
SubTotal	**2024**	**$53,419.50**	**$12,350.88**	**$41,068.62**	
22	06/30/2025	$26,709.75	$5,756.33	$20,953.42	$403,049.43
23	12/31/2025	$26,709.75	$5,471.87	$21,237.88	$381,811.55
SubTotal	**2025**	**$53,419.50**	**$11,228.20**	**$42,191.30**	
24	06/30/2026	$26,709.75	$5,183.54	$21,526.21	$360,285.34
25	12/31/2026	$26,709.75	$4,891.29	$21,818.46	$338,466.88
SubTotal	**2026**	**$53,419.50**	**$10,074.83**	**$43,344.67**	
26	06/30/2027	$26,709.75	$4,595.08	$22,114.67	$316,352.21
27	12/31/2027	$26,709.75	$4,294.85	$22,414.90	$293,937.31
SubTotal	**2027**	**$53,419.50**	**$8,889.93**	**$44,529.57**	
28	06/30/2028	$26,709.75	$3,990.54	$22,719.21	$271,218.10
29	12/31/2028	$26,709.75	$3,682.10	$23,027.65	$248,190.45
SubTotal	**2028**	**$53,419.50**	**$7,672.64**	**$45,746.86**	
30	06/30/2029	$26,709.75	$3,369.47	$23,340.28	$224,850.17
31	12/31/2029	$26,709.75	$3,052.60	$23,657.15	$201,193.02
SubTotal	**2029**	**$53,419.50**	**$6,422.07**	**$46,997.43**	
32	06/30/2030	$26,709.75	$2,731.43	$23,978.32	$177,214.70
33	12/31/2030	$26,709.75	$2,405.90	$24,303.85	$152,910.85
SubTotal	**2030**	**$53,419.50**	**$5,137.33**	**$48,282.17**	
34	06/30/2031	$26,709.75	$2,075.94	$24,633.81	$128,277.04
35	12/31/2031	$26,709.75	$1,741.51	$24,968.24	$103,308.80

Loan Number	L1300003	**Department of Ecology**	
Recipient Name	City of Ilwaco	**Date Created**	01/28/2013

Payment #	Due Date	Payment Amount	Interest	Principal	Balance
SubTotal	**2031**	**$53,419.50**	**$3,817.45**	**$49,602.05**	
36	06/30/2032	$26,709.75	$1,402.54	$25,307.21	$78,001.59
37	12/31/2032	$26,709.75	$1,058.96	$25,650.79	$52,350.80
SubTotal	**2032**	**$53,419.50**	**$2,461.50**	**$50,958.00**	
38	06/30/2033	$26,709.75	$710.72	$25,999.03	$26,351.77
39	12/31/2033	$26,709.53	$357.76	$26,351.77	$0.00
SubTotal	**2033**	**$53,419.28**	**$1,068.48**	**$52,350.80**	
Grand Total		**$1,041,680.03**	**$247,680.03**	**$794,000.00**	

CITY OF ILWACO
CITY COUNCIL AGENDA ITEM BRIEFING

A. Meeting Dates: Council Workshop: Public Hearing:
Council Discussion Item: 02/25/13 Business Item:

B. Issue/Topic: Contract for professional IT services

C. Sponsor(s):
1. Mayor Cassinelli 2.

D. Background (overview of why issue is before council):
1. The city recently had an assessment completed by IFOCUS (attached) followed by the recommended Network Administration Support Agreement. Currently, the water plant and sewer plant receive assistance from Shannon Calvert, located in Spokane, WA, with issues related to the software and equipment operating the plants. For the past two years, the financial, payroll and billing software have resided on a server at city hall. Email for all city email accounts is not stored in one central location. It appears that significant time is taken away from plant operators, the city clerk, treasurer and public works supervisor when they attempt to deal with computer system issues on their own. For 2013, the staff would like to implement the backup recommendations from the assessment, which would include entering into an un-budgeted agreement with IFOCUS for server maintenance. Both the Port of Ilwaco and City of Astoria use IFOCUS.

E. Discussion (specific details relevant to the issue, pros/cons, alternatives and any other decision-making details)
1. The city would like to enter into a contract for professional IT services to assist with server monitoring. By having an ongoing relationship for IT assistance, the city would have priority to non-contract customers and a lower hourly rate for other services. The following are some of the benefits of entering into the agreement:
   a. Response from a Microsoft Silver Certified Partner Company with several Microsoft Certified Professionals on staff.
   b. Priority response to critical situations (example: Waste Water Treatment Plant).
   c. Lower billable rate than non-contract clients. On-site time billed in one-hour increments vs. two-hour increments for non-contract clients.
   d. Remote and phone support were appropriate. If we can resolve issues remotely, they will not come on-site and bill for drive time.
   e. Remote and phone support billed at 15-minute increments.
   f. After-hours support.
   g. Proactive monitoring of server environment: overall health, backup status, etc.
   h. Maintenance of server environment: windows updates, troubleshooting backups, labor for firmware/driver updates (as needed), and labor for hardware replacement (as needed) included.
   i. Disaster recovery coverage for server environment. Labor for server crash or general troubleshooting included. Provided backup system and manufacturer's hardware warranty is in place.

j. Proactive recommendations and access to consulting services to address other needs or issues that arise.

F. Impacts:
1. Fiscal: The agreement includes a monthly fee of $360 per month, or $4320 for a year.
2. Legal:
3. Personnel: None
4. Service/Delivery: None

G. Planning Commission: ☐ Recommended ☒ N/A ☐ Public Hearing on

H. Time Constraints/Due Dates:

I. Proposed Motion: **I move to approve the mayor to execute the proposed iFocus Consulting Agreement for Network Administration.**

City of Ilwaco, WA
Network Audit

Presented by:

Marcus Handy
iFocus Consulting, Inc.

iFOCUS CONSULTING

December 17, 2012

Microsoft Partner
Silver Midmarket Solution Provider
Silver Desktop

Microsoft Small Business Specialist

EXECUTIVE SUMMARY

iFocus Consulting, Inc. was contracted to perform an audit of the City of Ilwaco's current network environment. The purpose of the audit was to ensure future infrastructure stability, identify primary areas of concern, and document specific recommendations for modifying and enhancing the network and application infrastructure.

Overall, the City of Ilwaco has a functional network environment that spans 5 physical sites and includes both domain and workgroup PCs running various versions of Microsoft Windows (see **APPENDIX A**). In summary:

The primary area of concern identified by the audit was backup\disaster recovery of critical environments (server and SCADA). Though measures are in place to protect (and/or provide redundancy for) critical environments, backups are inconsistent and there are no mechanisms for alerting when backup jobs fail.

A second area of concern identified by the audit is backups of files and email. With few exceptions, file and email backups are not being done.

A third area of concern identified by the audit was inconsistent security of the Windows Environment across the enterprise. PCs are unnecessarily vulnerable due to inconsistent Windows Updates, inconsistent updates to common web browser add-ons (Java/Flash), non-standard Anti-virus Software, and lack of use of other defensive measures (such as Web Filtering).

The final area of concern revealed by the audit was that efficient collaboration is hampered in the enterprise by conditions such as non-standard software, the inability to efficiently share files, and other factors (such as poor response time by ISP to internet outages). In addition, a general status of PC condition in the environment is provided as well as guidelines to facilitate prioritized replacement. A detailed summary with specific recommendations for replacement is found in **APPENDIX D**.

Other miscellaneous discrepancy items that were identified are noted as well.

Solutions recommended by iFocus as a result of this audit provide a platform to unify workstations, users, shared resources, and files improving available file redundancy, data integrity, and security. This plan builds on existing assets and infrastructure and creates a system that will be scalable and robust enough to meet the demands of future network growth. **APPENDICES B & C** provide an amplifying visual summary of solutions.

RECOMMENDED SOLUTIONS

Critical Environment Backup & Disaster Recovery:

Server Environment (City Hall)/Status:
A full backup of the server environment (including System State, Active Directory, files/folders and Finance SQL Database) is scheduled nightly using HP RDX Continuous Protection Software to onboard HP RDX Tape drive. Tapes are switched out regularly and storage protected in the vault at City Hall. At the time of the audit, backups on the server had been failing for over a week due to insufficient space on the disk. In addition, the server does not have manufacturer hardware support (warranty expired 08-2010). Finally, while the server is logged onto periodically and Windows Updates are regular, there is no proactive monitoring of it's overall health status (Windows environment, RAID array, backups, etc)

Analysis & Recommendations:
The importance of consistent backups cannot be understated. HP RDX Continuous Protection Software doesn't provide a user friendly means of identifying or whether or not backups have completed successfully, nor does it provide email alerting when jobs complete or fail. **Recommend purchase of Symantec System Recovery for Windows Server. This product supports email alerts and has an easy visual indicator so you can know the status of backups at a glance (APPENDIX B.1).**

Having a manufacturer's warranty in place on your server is crucial insurance that save you from extended downtime while you search for correct parts (and await their arrival) or even the cost of having to buy a new server before end of life. **Recommend purchase HP 3 year Next business day ProLiant ML110 G5 Hardware Support (U4433E). This warranty will provide adequate manufacturer parts and labor support for the duration of server platform's service life (APPENDIX B.2).**

Proactive monitoring of server infrastructure by a Microsoft Certified Professional is highly recommended. Professional server monitoring supports continuity of operations by allowing critical error conditions to be identified early, and response coordinated before they paralyze operations. In the event of unavoidable or sudden disaster, having a professional familiar with the environment will make disaster recovery response much more efficient. **Recommend an umbrella coverage network maintenance agreement with iFocus Consulting, Inc. to provide for proactive monitoring and response for on premises server asset. Some of the additional benefits of this agreement include: prioritized response, lower billable rates for on-site service, remote service, after-hours response, and access to our IT consulting expertise (APPENDIX B.3).**

Critical Environment Backup & Disaster Recovery (Continued):

SCADA Environment/Status:

Water Treatment Plan:
No regular backup of the Windows environment is being executed. However, an emergency replacement PC (cloned) is available in the vault at City Hall. The SCADA PC runs on custom built hardware with no manufacturer's warranty in place.

Waste Water Treatment Plant:
A regular Windows Volume-based Backup to external hard drive is scheduled. However, at the time of the audit backups to the external hard drive had been failing for months due to insufficient space on the disk. In case of a failure, the secondary SCADA PC can be repurposed to fulfill the primary SCADA role. The SCADA PC runs on custom built hardware with no manufacturer's warranty in place.

Analysis and Recommendations:
Given the availability of spare hardware that's readily configurable, immediate action on this item is not considered critical.

However, for greater assurance of disaster recovery I recommend one or both of the below be considered in the near term (subject to budget constraints/cost-benefit):

(1) **Recommend purchase of Symantec System Recovery Desktop Edition to safeguard the historical telemetry data, provide email alerting of backup job status, and support restore of the Windows environment to dissimilar hardware. Also I recommend the purchase of USB external hard drives (where required) for backup targets (APPENDIX B.1).**
(2) **Recommend coordinating an operational test of the spare hardware with SCADA support.**

For future reference: Custom hardware is difficult to support and can be difficult to find parts for. **Recommend all future SCADA hardware purchased as a part of Filter Upgrade be branded hardware with manufacturer warranty (Dell, HP, ect) in place for the planned service life of the PC (5 yrs).**

Backup of Files & Email:

File Backup/Status:
Throughout the client network, there is significant storage of files on local PCs, rather than a centralized server. Some of this is by necessity, given the decentralized nature of the network. However, broadly speaking backups of files are ineffective: on 3 of the 4 pcs with external media in place for regular backups, backups had been failing for some time due to insufficient disk space. What's worse, at several sites, backup of files is not being attempted. The general attitude is that the potential loss of files would not have a large impact.

Analysis and Recommendations:
The importance of consistent backups cannot be understated. Despite what users may feel, it is difficult to determine the impact of losing files until the loss actually occurs.

Recommend Sugarsync.com (APPENDIX B.4). Sugarsync provides up to 5 GB of free cloud-synchronized and continuous backup of files. A paid, commercial subscription to sugarsync enables users to take advantage of larger chunks of pooled storage (think cloud-based file server). Other benefits include: the ability to share folders and files with internal or external users (via hyper-link), cloud-based access to files, and access files on mobile devices. This solution is flexible in that could be tested using the free client and if found effective, converted to a commercial solution.

Email Backup/Status:
Email is pulled from Beachdog's servers and stored on the local PCs with no backup. Even if backups were in place, backups of email files often fail when users forget to close their email client software.

Analysis and Recommendation: Recommend Microsoft Exchange Online Plan E2 (APPENDIX B.5). Put your email in the cloud where you don't have to worry about backup! If offline access to email is important, users with Microsoft Outlook 2007 (or newer version of Outlook) can synchronize email between the cloud and their desktop. Other users without Outlook can use the web interface for accessing their email. Email, contacts, and calendars can also be shared and synchronized to mobile phones and tablets.

PC Security:

Status:
Security status of PCs was found to be inconsistent across the enterprise. Some PCs had Windows Automatic Updates enabled and some did not. Almost all PCs had out of date browser plug-ins (Java/Flash Player). Most of the PCs had anti-virus software installed. Those that did have anti-virus software installed are running a hodgepodge of free and paid anti-virus client software with no centralized management. No web filtering is in place to protect PCs from malware.

Analysis and Recommendations:
Achieving a greater degree of PC security is difficult with a non-technical and distributed user base. However, awareness of best practices and use of software tools can greatly contribute to a "layered defense" and support increased security / decreased probability of malware infection. The below list of recommendations is roughly sorted by priority and lowest cost:

Windows Updates
Recommend changes to Windows Update & Power Management Settings. On most PCs, Windows Updates should be set to run automatically every day timed shortly after the work day ends. Also, Power Management settings should be changed so that the PC doesn't sleep prior to updates!

Special exception: SCADA PCs. Windows Updates are only recommended to be done on these PCs in accordance with SCADA software support's instructions. Unfortunately, that makes these PCs significantly more vulnerable online. Water and Waste Water Treatment personnel wisely limit web surfing on SCADA PCs to a minimum.

Update Plug-ins
Even with up to date anti-virus you can still be easily infected by malware if your Java Runtime Environment is out of date. At present, out-of-date Java is the most commonly exploited vulnerability on a computer running ANY operating system (Windows, Mac, Linux are all vulnerable). Adobe Flash Player is another. **Recommend updates to Java and Flash be downloaded and installed whenever they are available.**

Anti-virus
It is crucial that Windows PCs have up-to-date anti-virus software installed.
Recommend Trendmicro Worry-Free Business Security Services (APPENDIX B.6). This is a cloud-managed anti-virus security suite that will provide centralized management and service to all PCs in the enterprise.

PC Security (Continued):

Analysis and Recommendations (Continued):

Web Filter
A web filter is an effective component of a "layered defense" approach to PC security. It serves element to limit exposure to risky web sites and limit the extent of damage malware can inflict by preventing it from calling out to known/malicious command and control servers. Given the decentralized nature of the City's network, a cloud-based and cloud-administered product would be the only reasonable solution. **Recommend purchase of a subscription to OpenDNS web filtering to support category based web filtering at each site (APPENDIX B.7). This will also necessitate purchase of a static IP at each site that currently does not have one in place.**

Collaboration Efficiency:

Status:
A combination of factors negatively affect efficient collaboration at the City of Ilwaco. First, given the decentralized nature of the City's network, email is a primary tool collaboration between sites. However, email client software in use was found to be different on most of the PCs in the enterprise. In addition, wireless devices broadcast different network ids at each site surveyed and do not have the ability to broadcast guest networks or throttle bandwidth for connected devices. Finally, it has been reported that ISP response to internet outages at the City Hall / Public Works site has been "inconsistent" and "untimely".

Analysis & Recommendations:

File Sharing & Email Software
Sharing files via email attachments gets the job done, but it isn't very efficient. Collaborating in this way generates large email files and creates storage inefficiencies when files are sent to multiple people in an organization. In addition, the wide variety of email client software hinders users from assisting each other and prevents all users from taking advantage of modern collaboration features such as appointment invitation integration with calendars and sharing of organizational calendars and contacts. **Recommend Sugarsync.com and Microsoft Exchange Online (see "Backup of Files and Email", page 6) to improve collaboration efficiency (APPENDIX B.4-5).**

Wireless
Using relatively inexpensive, cloud-managed hardware, wireless networks can broadcast the same network ids at each physical site, including separate network ids for City users, and guest users. Guest networks would be firewalled to prevent access to the local area network and throttled to prevent over consumption of bandwidth. **Recommend an OpenMesh Wireless Access Point at each site (APPENDIX B.8).**

Efficiency and Productivity (Continued):

Analysis and Recommendations (Continued):

Internet Connectivity; City Hall / Public Works

Charter Communications has been confirmed to provide internet service at the City Hall / Public Works site. **Recommend Charter Business Internet Connection (APPENDIX C) as an alternative to the current ISP (CRESTCOM/REACHONE) with a minimum 16/2 Mbps circuit with a single static IP address. Switching to Charter Communications as a telephone service provider (bundling phones) could provide additional cost efficiency.**

Point of Contact:
Tim Flaigg
Broadband Technician
Charter Communications
Mobile: 503-468-8361

Additional notes & recommendations:
(1) Since City Hall and Public Works share a single internet connection by means of a wireless bridge (provided by the current ISP), changing over to Charter Business would necessitate this infrastructure be replaced. In addition, since CRESTCOM also provides internet routing through their hardware, City Hall should purchase a new router. **Recommend purchase of a new Edge Router for City Hall/Public Works, Ubiquity Wireless Hardware, switching hardware, and power protection to ensure end-to-end connectivity.**

(2) If line-of-site exists between the Public Works building and the Fire Hall, the local area network and internet connection at City Hall could potentially be extended to serve the Fire Hall as well, allowing for even greater long term cost efficiency. **Recommend purchase of Ubiquity Wireless and switching hardware.**

(3) **NOTES:** iFocus is qualified to configure replacement hardware, but will have to sub-contract low voltage electrical work and exterior mounting of hardware.

Efficiency and Productivity (Continued):

Analysis and Recommendations (Continued):

Overall PC Condition

An effective evaluation of PC condition will take into account general guidelines for PC replacement (such as hardware aging and specifications), as well as specific performance needs of the end-user weighted by job requirements (persons in key positions who must work in front of a computer most of the day). The result of an effective evaluation will result in a prioritized replacement plan for PCs that contributes to higher overall productivity.

In order to maintain a productive end-user experience, given that users become less productive as PC hardware and software age, **the recommended PC and monitor service-life should be no more than 5 years.** Further, it is recommended that PCs and monitors be replaced for key personnel and/or personnel with duties that require most of the day spent in front of a computer **no less frequently than every 3 years.**

Although age is a major factor evaluating PC condition, evaluating existing specifications is another key dimension. PCs running the Windows XP Operating system, PCs utilizing CPUs that multi-task poorly (Intel Atom & Intel Celeron chips), and PCs with less than 2 GB of RAM (memory) or less should be prioritized for replacement.

As a precautionary note, when looking at replacement hardware, it's easy to be tempted by low-priced PCs, sold with short (or no) manufacturer's warranty that run with the minimum recommended hardware specifications. These may perform well initially, but typically lose their responsiveness prior to end of service-life as additional software and updates are installed.

To sufficiently "future-proof" PC hardware, it is recommended new PCs be purchased with Windows Professional edition (Example: Windows 7 or 8), and a minimum of a dual-core 2 ghz CPU (Example: Core i3), 4 GB of RAM, 250 GB hard disk, and a 3-year manufacturer's warranty with next business day on-site service.

APPENDIX D contains a detailed status of PC condition in the environment along with specific recommendations for replacement.

Miscellaneous Discrepancies:

The following is a brief list of discrepancy items that include deviations from best practices, deficient conditions, or areas where greater efficiency could be achieved. These items are considered lower in priority for redress than items identified in primary areas of concern in that, at present, they have little or no impact on operations.

Location	Discrepancy Item	Impact
All Sites	Default LAN Subnet configured on Centurylink modems.	Current configuration effectively prevents site-to-site VPN from being possible.
All Sites	Default security configuration (none) on LAN side of Centurylink modems.	Modems are vulnerable to tampering by any user on the LAN.
WWTP, WaterTP	No passwords / weak passwords on SCADA systems.	Not in accordance with best practices.
City Hall	Cityclerk PC hard disk nearly full! 4% free space vs. minimum of 15% recommended.	Degraded performance of PC.
City Hall	Billingclerk PC, primary user uses local rather than domain logon.	Windows auditing and group policy features are less effective.
Fire Hall	Phone / Network Room lacks Ethernet switch.	Ethernet runs in conferences room have no connectivity.
Fire Hall	Two backup batteries charging, but not protecting any electronic gear.	Underutilized assets.

WHY SELECT IFOCUS CONSULTING?

Project Management Philosophy

We partner with our clients to ensure success. Industry standards are changing and new trends force continual incremental improvements to maintain successful network systems. Our proactive consultant/client relationships allows us to strategically look forward to new technology and to recommend and implement solutions that produce increased productivity and streamlined workflow, thus creating a positive return on investment for our clients.

Qualifications

Our objective is to achieve successful and proactive solutions by providing quality professional representation. Our staff of experienced network engineers is focused on understanding and meeting the requirements of our clients with services that go beyond repair to include: design, development, implementation, consulting and support. We are a local Clatsop County solution to your information technology needs.

ABOUT iFOCUS CONSULTING

Company History and Overview

A local company dedicated to serving its clients, iFocus Consulting, Inc. has been providing professional business technology solutions since 1999. From the beginning, our approach has been to focus on our clients' individual needs and to meet them effectively. We take the time to examine and understand our clients' business environments and to offer customized solutions designed with business size, budget, and anticipated growth in mind.

As a result of our dedication to providing client focused applications of current technologies, we have enjoyed long-term relationships with our clients. We recognize that for businesses striving to be successful, keeping up with the rapid pace of technology development is an ongoing challenge. We understand that our role in providing professional support does not end with the successful completion of a project, and for this reason, we offer our clients a full range of technology services, including custom application development, web development, web hosting, and database solutions in addition to network services.

SUPPORTING INFORMATION

Client References

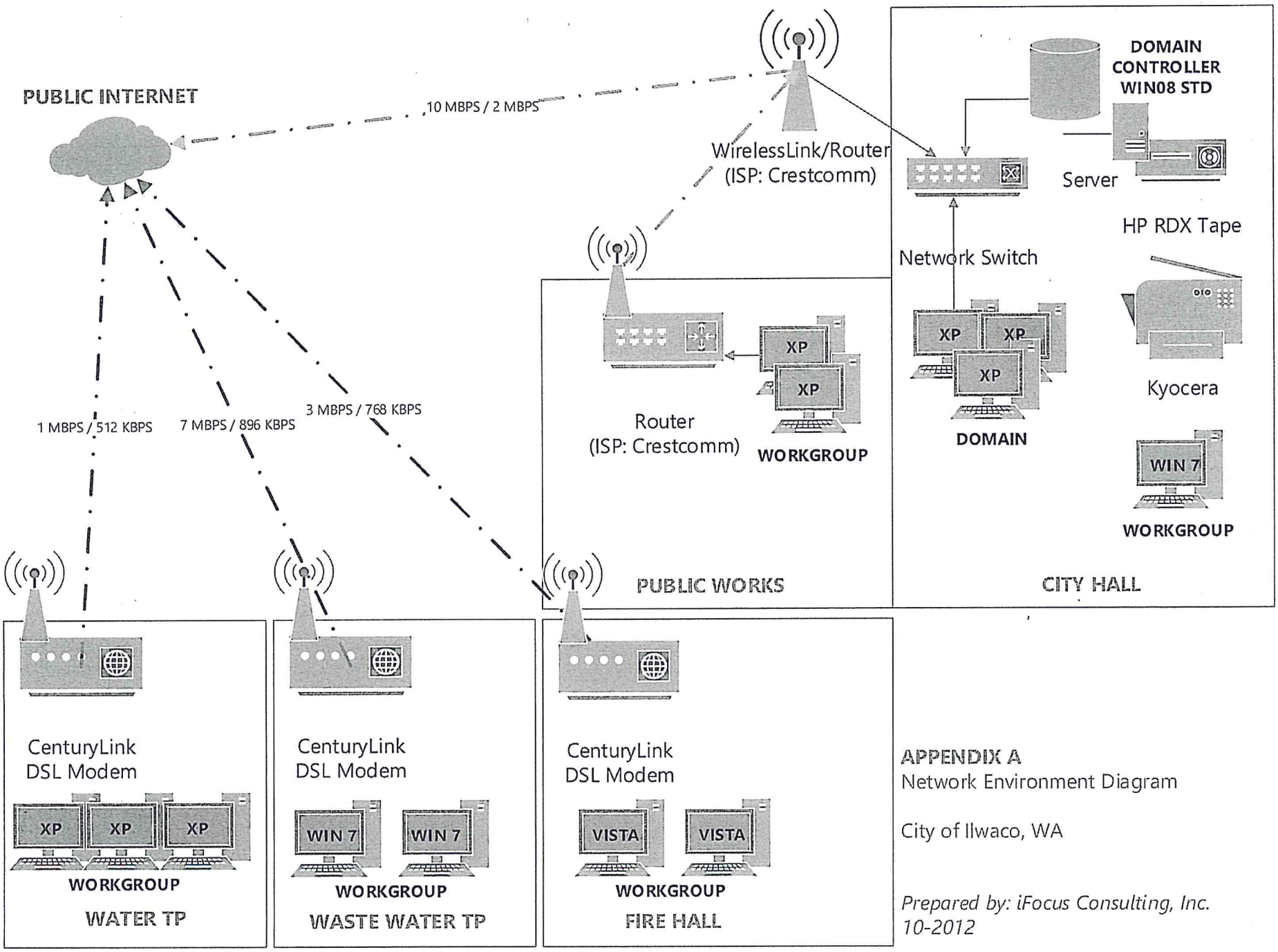
Explorastore, LLC. *Melissa Kiefer, Operations Manager* *1315 S Hemlock Street* Cannon Beach, OR 97110 (503) 436-1844 *Projects: Networking, Web Development, Database*	**Stephen C. Allen CPAs** Steve Allen, Owner 990 Astor Street Astoria, OR 97103 (503) 325-2171 *Projects: Networking, Web Hosting*
Bergerson Construction, Inc. http://www.bergerson-const.com *Greg Morrill, Owner* *55 Portway* *Astoria, OR 91703* (503) 325-7130 *Projects: Networking, Web Development*	**Oregon Fishermen's Cable Committee** *http://ofcc.com* *Scott McMullen, Chairman* 2021 Marine Drive Astoria, OR 97103 (503) 325-2285 *Projects: Networking, Web Development*
Port of Ilwaco *Guy Glenn, Director of Finance* PO Box 307 Ilwaco, WA 98624 (360) 642-3143 *Projects: Networking*	**City of Astoria** *Mark Carlson, Director of Finance* 1095 Duane Street Astoria, OR 97103 (503) 325-5821 *Projects: Networking, Web Development*

iFOCUS CONSULTING

www.ifocus-consulting.com

Microsoft Partner
Silver Midmarket Solution Provider
Silver Desktop

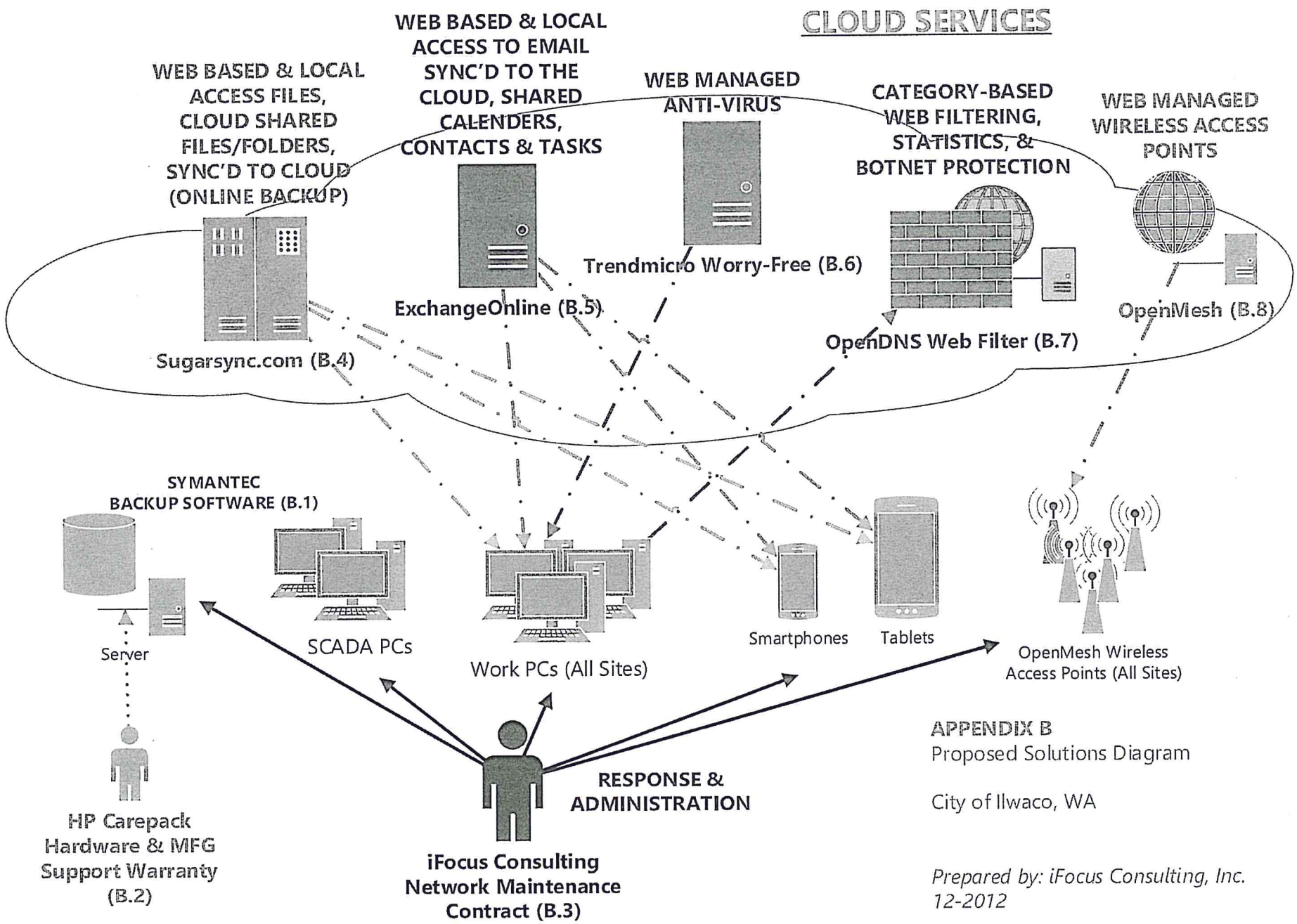
Microsoft Small Business Specialist



APPENDIX A
Network Environment Diagram

City of Ilwaco, WA

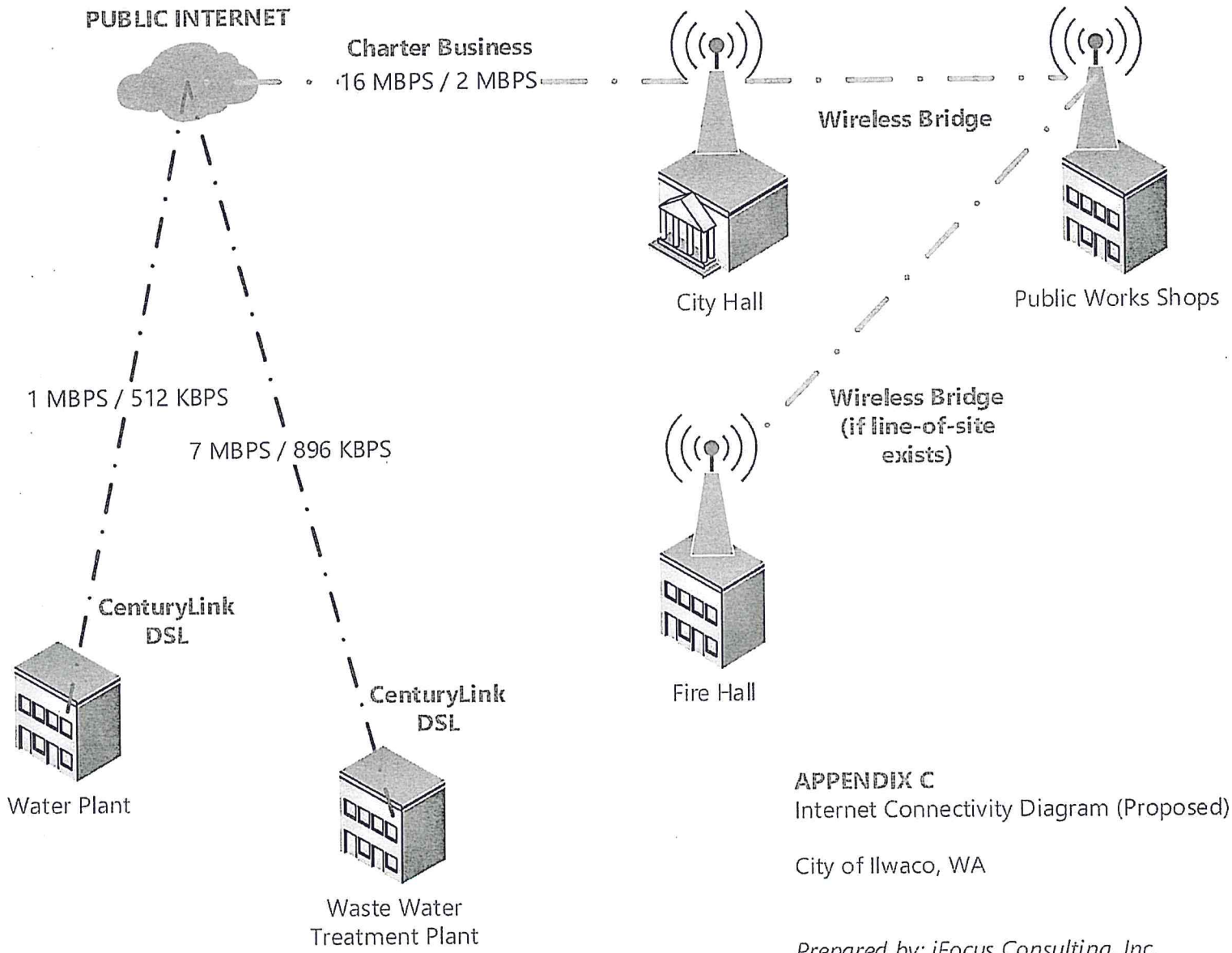
Prepared by: iFocus Consulting, Inc.
10-2012



APPENDIX B
Proposed Solutions Diagram

City of Ilwaco, WA

Prepared by: iFocus Consulting, Inc.
12-2012



APPENDIX C
Internet Connectivity Diagram (Proposed)

City of Ilwaco, WA

Prepared by: iFocus Consulting, Inc.
12-2012

APPENDIX D - PC Condition, City of Ilwaco, WA

SITE: City Hall

Description	Model	Specs	Purpose / Usage.	Status / Recommendations
TREAS-PC (domain); aka Elaine's PC.	CTL 'GoToPC' small form factor.	OS: XP Pro SP3 CPU: Atom CPU 1.6 ghz 2 gb ram	Office, web/email & accounting.	Legacy OS, under-powered CPU/RAM & small hard disk. Key person / PC intensive job. **Top priority for replacement in next budget cycle.**
CITYCLERK (domain); aka PJ's PC	CTL Tower	OS: XP Pro SP3 CPU: Pentium D 2.8 Ghz 2 gb ram	Office, web/email, accounting, & web page edits.	Legacy OS, under-powered RAM, small hard disk. Key person / PC intensive job. **Top priority for replacement in next budget cycle.** Hard disk nearly full, migrate existing files to external or cloud-based media.
Mayor-PC (workgroup)	HP p6210t	OS: Win 7 Home Premium w SP1, 64 bit CPU: Pentium D, 2.6 ghz 4 gb ram	Office, web/email & accounting.	**Purchase MS Office Home and Business 2010 to add Outlook functionality.**
BILLINGCLERK (domain); aka Helen's PC.	CTL 'GoToPC' small form factor.	OS: XP Pro SP3 CPU: Atom CPU 1.6 ghz 2 gb ram	Office, web/email, accounting, meter data download.	Legacy OS with under-powered CPU/RAM & small hard disk. Part-time position. **Recommend replacement in future budget cycle.**

SITE: Public Works

Description	Model	Specs	Purpose / Usage.	Status / Recommendations
DAVE (workgroup)	Dell Dimension 2300	OS: XP Home SP3 CPU: Celeron, 1.79 Ghz 2 gb ram	Office, email and web.	Legacy OS, under-powered RAM. PC is nearly 10 years old! **Schedule replacement for next budget cycle.**
TREAS-PC (domain); aka Dave's PC	Gateway GM5259E	OS: XP SP3 CPU: PentiumD, 2.8 ghz 4 gb ram	GoToMyPC to remotely access Water Treatment Plant.	PC hardware appropriate for purpose. Repurpose hardware as necessary to maintain this functionality.

APPENDIX D - PC Condition, City of Ilwaco, WA

SITE: Fire Hall

Description	Model	Specs	Purpose / Usage.	Status / Recommendations
IFD-PC (workgroup)	Gateway GT5405E	OS: Vista Home Premium 32-bit CPU: Pentium-D Ram 1 gb	Office, Web/email, Fire Reports online using FEMA site.	Under-powered RAM. Upgrade RAM and apply Microsoft Windows Vista Service Pack 2.

SITE: Water Plant

Description	Model	Specs	Purpose / Usage.	Status / Recommendations
WTP (workgroup); aka Computer#2	Custom built tower (Generic hardware)	OS: XP Pro SP3 CPU: Core i3 2 gb ram	SCADA Software for filters 1 & 2. No web surfing.	Replace with hardware in conjunction with filter replacement project.
WATERPLANT (workgroup); aka Computer#3	Custom built tower (Generic hardware)	OS: XP Pro SP3 CPU: Core 2 Duo 2 gb ram	SCADA for filter 3. No web surfing.	Replace with hardware in conjunction with filter replacement project.
PROJECT (workgroup)	Dell Dimension 8300	OS: XP Home SP3 CPU: Pentium 4 RAM: 768 MB	Email, web access, MS Office.	Legacy OS, under-powered RAM. PC is nearly 10 years old! Schedule replacement for next budget cycle.

SITE: Waste Water Treatment Plant

Description	Model	Specs	Purpose / Usage.	Status / Recommendations
WWTP1 (workgroup)	Custom built tower (Generic hardware)	OS: Win 7 Pro, 32-bit CPU: AMD Phenom IIx4 3.2 Ghz 4 gb ram	Office, Sewer Control, SCADA Telemetry from lift stations, telemetry from water plant. No web surfing.	PC hardware appropriate for purpose. Replace on 5 year schedule.
Warren-PC (workgroup)	Custom built tower (Generic hardware)	OS: Win 7 Pro SP1, 32-bit CPU: Intel Core2 6600, 2.4 ghz, 4 gb ram	Office, email/web, monitor electrical system. Backup SCADA.	PC hardware appropriate for purpose. Replace on 5 year schedule.

iFOCUS CONSULTING

QUOTE

DATE	QUOTE NO.
12/11/2012	00009155

BILL To:
City of Ilwaco **Attn: Elaine McMillan** **P.O. Box 548** **Ilwaco, WA 98624**

DATE	UNITS	DESCRIPTION	RATE	AMOUNT
		Critical Environment Backup & Disaster Recovery: Server (Audit pg. 4)		
12/11/2012	1	Software; Symantec Backup Exec System Recovery, Windows Server Edition. Includes one year MFG services and support (annual software support cost estimated at $250).	$775.99	$775.99
12/11/2012	4	Network Service; Installation and configuration of Symantec Backup Exec System Recovery on Windows Server.	$105.00	$420.00
12/11/2012	1	HP 3 year Next Business day Proliant Server Hardware Support (Appendix B.2). Server (SN MX2932010K), HP Carepack # U3A26E	$469.00	$469.00
12/11/2012	1	Network Maintenance Agreement (Appendix B.3). Proactive Support for Server (Billed Monthly, 1 Year Term). See Appendix D; Draft Contract.	$360.00	$360.00
		Critical Environment Backup & Disaster Recovery: WWTP & WTP SCADA PCs (Audit pg. 5)		
12/11/2012	2	Symantec Backup Exec System Recovery Desktop Edition. Includes one year MFG services and support.	$85.71	$171.42
12/11/2012	4	Network Service; Installation and configuration of Symantec System Recovery Desktop Edition on SCADA PCs.	$105.00	$420.00
		Backup of Files: Sugarsync.com (Audit pgs. 6,8)		
12/11/2012	1	Software; Sugarsync.com, online file-sync (backup) and sharing software. Annual pricing for a corporate account with 100 GB of online storage and 3 user accounts sharing the pool.	$299.99	$299.99
12/11/2012	1	AlwaysUp software. Allows sugarsync software to run on server environment as a windows service.	$65.00	$65.00
12/11/2012	5	Installation, configuration, and user training on sugarsync software (billed hourly, estimated at 5 hours).	$105.00	$525.00

Labor exceeding the scope of this project will be billed on an hourly basis. ***Notification will be given of any extra labor charges before additional services are performed.*** ***Prices Quoted Valid for 30 Days.***	**TOTAL AMOUNT:**

Offered bv: Marcus Handy

Client Signature:	**Date:**

Phone: (503) 223-3089 100 39th Street, Suite 201 - Astoria, OR 97103 Fax: (503) 338-2919

iFOCUS CONSULTING

QUOTE

DATE	QUOTE NO.
12/11/2012	00009155

BILL To:
City of Ilwaco **Attn: Elaine McMillan** **P.O. Box 548** **Ilwaco, WA 98624**

DATE	UNITS	DESCRIPTION	RATE	AMOUNT
		Backup of email: Microsoft Exchange Online (Audit pgs. 6,8)		
12/11/2012	9	Exchange Online Plan E2. Hosted email solution from Microsoft billed at $8 per mailbox user per month.	$8.00	$72.00
12/11/2012	1	Network Service; Exchange Environment Administration/Support (billed monthly).	$105.00	$105.00
12/11/2012	10	Network Consulting; migration existing email accounts and data to Exchange Online.	$105.00	$1,050.00
		PC Security: Anti-virus (Audit pg. 7)		
12/11/2012	13	Antivirus Software; Trendmicro Worry-Free Business Security Services, 1 year term. Billed at $ 26.99 per PC per year.	$26.99	$350.87
12/11/2012	6	Network Service; Antivirus Software Installation / Configuration.	$105.00	$630.00
		PC Security: Web Filter (Audit pg. 8)		
12/11/2012	1	Software; OpenDNS Web Filter subscription (billed annually).	$600.00	$600.00
12/11/2012	3	Network Consulting; Configuration routers to use OpenDNS Web Filter at all sites (5).	$105.00	$315.00
		Collaboration Efficiency: Wireless (Audit pg. 8)		
12/11/2012	5	Hardware; OpenMesh cloud-controlled wireless access point.	$99.99	$499.95
12/11/2012	4	Network Consulting; installation and configuration of wireless access points.	$105.00	$420.00

Labor exceeding the scope of this project will be billed on an hourly basis. ***Notification will be given of any extra labor charges before additional services are performed.*** ***Prices Quoted Valid for 30 Days.***	**TOTAL AMOUNT:**

Offered by: Marcus Handy

Client Signature:	**Date:**

Phone: (503) 223-3089 100 39th Street, Suite 201 - Astoria, OR 97103 Fax: (503) 338-2919

iFOCUS CONSULTING

QUOTE

DATE	QUOTE NO.
12/11/2012	00009155

BILL To:
City of Ilwaco **Attn: Elaine McMillan** **P.O. Box 548** **Ilwaco, WA 98624**

DATE	UNITS	DESCRIPTION	RATE	AMOUNT
		Connectivity & Productivity: Internet Connectivity City Hall - Public Works(Audit pg. 9)		
12/11/2012	2	Hardware; Ubiquiti wireless bridge to extend LAN and Internet connectivity to Public Works.	$99.99	$199.98
12/11/2012	4	Network Consulting; Configuration and testing of ubiquiti hardware. Will require assistance with mounting and low voltage electrical work (customer assistance is fine; will subcontract if necessary).	$105.00	$420.00
12/11/2012	1	Hardware; Ubiquiti EdgeMax Router for City Hall.	$200.00	$200.00
12/11/2012	3	Network Consulting;Configuration and installation of Ubiquiti EdgeMax Router.	$105.00	$315.00
12/11/2012	2	Hardware; 8-Port Gigabit network switches for City Hall and Public Works.	$115.00	$230.00
		Connectivity & Productivitiy: Internet Connectivity Fire Hall (Audit pg. 9)		
12/11/2012	2	Hardware; Ubiquiti wireless bridge to extend LAN and Internet connectivity to the Fire Hall.	$99.99	$199.98
12/11/2012	4	Network Consulting; Configuration and testing of ubiquiti hardware. Will require assistance with mounting and low voltage electrical work (customer assistance is fine; will subcontract if necessary).	$105.00	$420.00
12/11/2012	1	Hardware; Dell 16-Port Gigabit network switch for the Fire Hall.	$235.00	$235.00

Labor exceeding the scope of this project will be billed on an hourly basis. ***Notification will be given of any extra labor charges before additional services are performed.*** ***Prices Quoted Valid for 30 Days.***	**TOTAL AMOUNT:** $9,769.18

Offered by: Marcus Handy

Client Signature:	**Date:**

Phone: (503) 223-3089 100 39th Street, Suite 201 - Astoria, OR 97103 Fax: (503) 338-2919

iFOCUS CONSULTING

NETWORK ADMINISTRATION SUPPORT AGREEMENT

This Network Administration Maintenance Agreement (the "Agreement") is made and entered on January 01, 2013, by and between **City of Ilwaco** ("Client") **and IFOCUS CONSULTING INC** ("Consultant") (collectively referred to as the "Parties").

The Parties agree as follows:

1. **SERVICES:** Client shall engage Consultant for the maintenance of its corporate information technology local area network and wide area networking environment. Such services to be described in greater detail below (the "Services"):

   A. Server System Support. Consultant will provide umbrella coverage for all foreseeable services needed for the operation of the defined server environment. *See Appendix A for information on server systems covered under this agreement.*

   B. Network Infrastructure Support. Consultant will provide support for core networking technology systems including switches, firewalls, routers, and modems. Service includes configuration, reinstallation, troubleshooting, firmware upgrades, VPN user management, and user support.

   C. Backup Services/ Disaster Recovery. Consultant will provide support for daily server environment backup procedures. A disaster recovery plan will be implemented to allow for file restoration and support. *See Appendix C for extended information on backup service tasks.*

   D. Desktop Computer Support. Consultant will provide as-needed support service which includes, but not limited to, system troubleshooting, software support, operating system installation, software fault resolution, virus remediation, malware remediation, network connectivity, internet connectivity, and local resource configuration (including printers, faxes, ect).

   E. Laptop Computer Support. Consultant will provide as-needed support service which includes, but is not limited to, system troubleshooting, software support, operating system installation, software fault resolution, virus remediation, malware remediation, network connectivity, internet connectivity, VPN connectivity, remote access services, and local resource configuration.

F. Computer Auditing Services. Consultant will maintain a master outline of all technology assets in the Network environment. Biannual audits will be performed to ensure the integrity of the system, with analysis and recommendations being brought to the Client for review and possible implementation.

2. **RESPONSE TIME:** For the Services contemplated in this Agreement, Consultant will provide remediation to requested services as outlined:

   A. Phone/ Email Support. Includes support for all network users. Upon encountering a computer-related problem, contact will be made to Consultant by calling the support desk or by emailing: helpdesk@ifocus.us
   - SAME DAY RESPONSE TIME

   During business hours: *Monday-Friday / 8:00am – 5:00pm* (503) 338-7443
   After hours dedicated support hotline: (888) 262-4911

   B. Remote Desktop Support. Our network specialists will provide remote desktop support to resolve issues related to application faults, and software configuration via the iFocus Remote Tool. *- SAME DAY RESPONSE TIME*

   C. On Site Service. Our network specialists will provide service calls to resolve urgent or planned network performance issues related to hardware, connectivity, and operating system functionality. Proactive and planned services will be performed based on issue severity.

   - **Severity 1**: Unplanned server, or critical application in an error state severely impacting customer production and/or profitability. – *SAME DAY RESPONSE TIME*

   - **Severity 2**: Unplanned high-impact problem in which production is proceeding, but in a significantly impaired fashion. – *NEXT DAY RESPONSE TIME*

   - **Severity 3**: Unplanned important issue, which does not have significant current productivity impact for the customer. – *TWO DAY RESPONSE TIME*

3. **EXCLUSIONS:** For the managed care services contemplated in this Agreement, the following are excluded and will require a separate contract: in-depth software or systems training, software programming, installation of new workstations or servers, and installation and configuration of any new enterprise application.

4. **COMPENSATION:** For the Services contemplated in this Agreement, Client will pay Consultant the monthly fees as outlined:

• Managed Server Asset: Server	$360.00
• Server Backup Services/ Disaster Recovery	included
• Network Infrastructure Support	included
• Remote Support Management Tool	included
Total:	$360.00

Remote Support Services
Support will be charged at the rate of $105/ hour billed in 15 minute increments for all remote support services performed during business hours.

Onsite Support Services
Support will be charged at the rate of $105/ hour with a one hour minimum for all onsite services performed during business hours. *A fee of $52.50 will be charged for one-way travel to the Ilwaco locations.*

After Hours Support Services
Support will be charged at the rate of $157.50/ hour billed in one hour increments for after hours support services.

5. **TERM:** The original term of this Agreement shall be for **12 months beginning January 01, 2013**. This Agreement will automatically renew for additional twelve month periods at the end of each existing term if neither Client nor Consultant receives notification of termination from the other party. A notification of termination must be received by the non-terminating party no less than 60 days before the end of the existing term.

6. **EXPENSES:** Client agrees to reimburse Consultant for all reasonable expenses authorized in advanced by Client and incurred in connection with this Agreement including, but not limited to, server systems, desktop systems, laptops, pocket PCs, uninterruptible power supplies, switches, routers, firewalls, modems, misc hardware and software.

7. **INDEPENDENT CONTRACTOR.** Consultant is an independent contractor and not an employee of the Client, and, unless otherwise stated in this Agreement, is not entitled to any of the benefits normally provided to the employees of the Client.

8. **CONFIDENTIALITY:** Consultant acknowledges that he/she may have access to Client's confidential and proprietary information. Such confidential information may include, without limitation: i) business and financial information, ii) business methods and practices, iii) technologies and technological strategies, iv) marketing strategies and v) other such information as Client may designate as confidential ("Confidential Information"). Consultant agrees to not disclose to any other person (unless required

by law) or use for personal gain any Confidential Information at any time during or after the term of this Agreement, unless Client grants express, written consent of such a disclosure. In addition, Consultant will use his/her best efforts to prevent any such disclosure. Confidential Information will not include information that is in the public domain, unless such information falls into the public domain through Consultant's unauthorized actions.

9. **OWNERSHIP:** Client hardware and software assets stored within the offices of Client are the property of Client.

10. **EARLY TERMINATION:** This Agreement may be terminated early by either party if non-terminating party fails to perform his/her duties or materially breaches any obligation in this Agreement.

11. **CONTINUING OBLIGATIONS:** Notwithstanding the termination of this Agreement for any reason, the provisions of Sections 8 of this Agreement will continue in full force and effect following such termination.

12. **BINDING EFFECT:** The covenants and conditions contained in the Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.

13. **CUMULATIVE RIGHTS:** The Parties' rights under this Agreement are cumulative, and shall not be construed as exclusive of each other unless otherwise required by law.

14. **WAIVER:** The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

15. **SEVERABILITY:** If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement invalid or unenforceable, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

16. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both Client and Consultant.

17. **NOTICE:** Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service, addressed as follows:

Client:

CITY OF ILWACO
120 1st Avenue North
Ilwaco, WA 98624

Consultant:

IFOCUS CONSULTING, INC.
100 39th Street, Suite 201
Astoria, OR 97103

Either party may change such addresses from time to time by providing notice as set forth above.

18. GOVERNING LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first written above.

CLIENT:

_____
Signature

_____
Name (please print)

_____
Title

CONSULTANT:

_____
Signature

Chris Womack
Name

President
Title

Microsoft Partner
Silver Midmarket Solution Provider
Silver Desktop

Microsoft Small Business Specialist

Appendix A:

Technology assets covered under this agreement

Server Systems

Ilwaco, Washington:	1
Total:	**1**

Appendix B:

Inclusive Managed Care Services

Server Systems:

- Unresponsiveness
- Service Failure
- Loss of network connectivity
- Security Issues
- Application Maintenance
- Anti-Virus Definition Updates
- Windows security patch installation
- Service pack installation
- Disaster recovery *

* Disaster Recovery services included provided that managed server asset is covered by manufacturer's hardware warranty.

Appendix C:

General Server Maintenance

Certain maintenance procedures require more attention than others. The procedures that require the most attention are categorized as daily procedures. We take on these procedures each day to ensure system reliability, availability, performance, and security.

Backups Service. To provide a more secure and fault-tolerant environment, it is imperative that a successful backup be performed each night. The consultant will administer and monitor success of automated backup routines (including up to 2 Gigabytes of online\off-site backup storage). In the event of a server failure, we may be required to perform a restore from a backup.

Monitoring the Event Viewer. The Event Viewer is used to check the System, Security, Application, and other logs on a local or remote system. These logs are an invaluable source of information regarding the enterprise server environment.

Monitoring System Services. Directory Service, DNS Server, Terminal Services, VPN Server, DHCP Server, Windows Update Services

Disk Space Utilization Confirmation.

Antivirus Definitions Updates.

2/5/13

To whom it may concern,

I am writing about my water bill. You are going off charges from last year. My use of water has changed and is not what it was last year. For the past 12 month my bill has been 135.00 mo. or less except 1 time it reached 147.00. I am not going to pay 189.00 I will pay the ajusted amount. I will pay 135.00 please look into this matte and call me @ (360) 783-1993 to discuss this matter.

Nicole Wimmer
7133 Ortelius Dr.
Ilwaco, Wa 98624

MIKE YOUNG
PO BOX 340
2112 ILWAHEE
ILWACO, WA. 98624

CITY COUCIL OF ILWACO
TO WHOM IT MAY CONCERN

I UNDERSTAND THE RE-STRUCTURE RATES BUT IT DOES'NT SEEM A BIT FAIR. I AM 70 YEARS OLD AND MY WIFE IS 65. WE LIVE ON SOC. SEC. AND A SMALL INCOME FROM A RENTAL PROPERTY. WE WENT FROM $121.00 A MONTH TO $200.40. YOU HAVE ALMOST DOUBLED OUR BILL AND WE JUST DON'T HAVE THE EXTRA MONEY TO PAY BILLS LIKE THIS. I THINK OUR WATER USAGE HAS BEEN SOLVED. I HAD DAVE COME TO THE HOUSE TO METER THE PRESSURE WED. AND WE HAD 110 POUNDS OF PRESSURE. I COMPLAINED ABOUT BUSTING HOSES AND PIPES IN THE PAST AND NOTHING WAS EVER DONE UNTILL NOW. HE PUT A REDUCER ON THE METER AND WE ARE NOW DOWN TO NORMAL 67 POUNDS. WHENEVER WE TURNED THE WATER ON IN THE PAST, TAKING SHOWERS ETC. WE WERE WASTING MORE THAN WE NEEDED TO. AT 67 POUNDS IT'L DEFINATELY MAKE A DIFFERENCE IN OUR USAGE. I HAVE TALKED TO NIEGHBORS AND FRIENDS AND NONE OF THEM ARE PAYING THIS MUCH. WOULD YOU PLEASE RECONSIDER RE-STRUCTURING

(OVER)

OUR BILL SINCE WE HAVE REDUCED OUR PRESSURE AND USAGE. IF I HAD THE INCOME TO PAY THE INCREASE I PROBABLY WOULD'NT COMPLAIN, BUT SINCE I CAN'T FIT THE INCREASE INTO MY LIMITED BUDGET I HAVE NO CHOICE BUT TO ASK FOR A BREAK. IT DOES'NT SEEM FAIR TO DOUBLE SOMEONES BILL.

THANK YOU

Michael Gorey

P.S. WHEN YOU WORKED ON THE STORAGE LAST YEAR FOR SAHALEE OUR PRESSURE INCREASED SUBSTANSUALY. THIS WAS GIVING US A LOT OF WASTE EVERYTIME THE WATER WAS TURNED ON. I'M SURE NOW THAT WERE BACK TO 67 POUNDS INSTEAD OF 110 LB OUR USAGE WILL GO DOWN DRAMATICALLY. I CANNOT AFFORD $200 a MONTH ON SOC. SEC. AND IT'S NOT FAIR.