

CHEHALIS CITY COUNCIL AGENDA
 CITY HALL
 350 N MARKET BLVD | CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large		
Mayor		
Terry F. Harris, District 1, Mayor Pro Tem		Anthony E. Ketchum Sr., District 3
Daryl J. Lund, District 2		Chad E. Taylor, Position at Large
Dr. Isaac S. Pope, District 4		Bob Spahr, Position at Large

Regular Meeting of Monday, September 11, 2017
5:00 p.m.

1. <u>Call to Order.</u> (Mayor)
2. <u>Pledge of Allegiance.</u> (Mayor)

PROCLAMATIONS / PRESENTATIONS		
3. <u>Proclamation – Patriot Day.</u> (Mayor)		

CITIZENS BUSINESS		
This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.		

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR		
4. <u>Minutes of the Regular Meeting of August 28, 2017.</u> (City Clerk)	APPROVE	1
5. <u>Vouchers and Transfers.</u> (City Manager, Finance Manager)	APPROVE	5
6. <u>Award Bid for Tract 5A Fill and Grade Project to Sterling Breen Crushing, Inc., in the Amount of \$260,762 and Approve Associated Financing.</u> (City Manager, Community Development Director)	APPROVE	7

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR – CONTINUED		
7. <u>Award Bid for Chip Spreader to BearCat Mfg., in the Amount of \$264,062.10 and Approve Associated Financing.</u> (City Manager, Public Works Director, Finance Manager, Street/Storm Superintendent)	APPROVE	25
8. <u>Ordinance No. 979-B, Second and Final Reading – Granting a Nonexclusive Franchise to Sprint Communications for Fiber Optic Communications System and Facilities.</u> (City Manager, City Attorney)	PASS	29

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
NEW BUSINESS		
9. <u>Renew Solid Waste Contract with LeMay Enterprises.</u> (City Manager, City Clerk)	APPROVE; AUTHORIZE CITY MANAGER TO SIGN	42
10. <u>Request from Human Response Network to Rezone Property.</u> (City Manager, Community Development Director)	PROVIDE DIRECTION	57

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
ADMINISTRATION AND CITY COUNCIL REPORTS		
11. <u>Administration Reports.</u>		
a. City Manager update. (City Manager)	INFORMATION ONLY	---
12. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	---

EXECUTIVE SESSION		
13. Pursuant to RCW:		
a. 42.30.110(1)(c) – Sale/Lease of Real Estate		
b. 42.30.110(1)(i) – Litigation/Potential Litigation		

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, SEPTEMBER 25, 2017.**

August 28, 2017

The Chehalis city council met in regular session on Monday, August 28, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Rob Gebhart, Fire Captain; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Judy Pectol, Finance Manager; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Judy Schave, Human Resources Administrator; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Graham Perednia from *The Chronicle*.

1. **Port of Chehalis Update.** Randy Mueller, CEO of the Port of Chehalis, provided an update on Port activities. Mr. Mueller stated the Port appreciates the city manager's continued attendance and participation in Port commission meetings. In an effort to build communication, the Port offered to begin providing the council with regular updates.

- "Made in Chehalis" – A list has been created to highlight products manufactured in Chehalis, which includes the company and their product(s).
- Comprehensive Scheme of Harbor Improvements – The 2017 draft comprehensive plan includes purpose of the plan; mission, vision, and goals; a five-year plan update summary; and port properties and plans of improvement. He stated the Port is seeking public comment and will hold a public hearing in the future. He encouraged council to review the plan and provide comment.
- Executive Sessions – A recent court case has changed the way executive sessions can be used to discuss real estate. All conversations must be held during an open public meeting, except for the actual price number. It's effectively eliminated real estate executive sessions.

Mayor Dawes stated that sometimes companies want to stay anonymous until details are agreed to. Mr. Mueller stated meetings are not the only way to communicate, including individual briefings with commission members. They don't say anything in closed session that they wouldn't say in open session, so it will make things a little harder.

- Fatality on Port's Rail Line – The accident occurred where the line crosses Highway 6 and unfortunately resulted in a fatality. All the information to-date shows the driver was cited and at fault, but the incident has prompted a comprehensive review of the rail line and systems, and insurance. He expressed sympathy for the family.
- Developments That Have Not Moved Forward – Project Desert, a biotech company, is staying in Arizona. Chehalis was one of the final two locations that were being considered. Project Site Hound, a large distribution center project, canceled all projects planned on the west coast. The work completed to ready the location for the project can be used in preparation for another project. Another project, through the State Department of Commerce that does industrial chemicals, determined Chehalis was unsuitable because of the proximity of residences and insufficient water supply.
- Good News – Wilson Oil (Wilcox and Flegel) is moving ahead with the proposed purchase of eight acres of Port property to construct an 80,000 sq. ft. rail service distribution facility. A co-working facility is being worked on in downtown Chehalis in partnership with the Chehalis Community Renaissance Team (CCRT). The Port will own the property and CCRT will manage it. The Port is working with PUD, ToledoTel, and Rainier Connect on bringing high-speed internet to the Port District and to the county. The big announcement is that the Secretary of Commerce and US EDA made it official that the Port is receiving \$2.8 million in grant funding for the Maurin Road industrial site 1 work. It is part of a \$3.5 million project to bring the site along.

Mayor Dawes expressed appreciation to the Port and the commissioners. The Port has been a very valuable partner to the City. Mr. Mueller indicated that the Port feels the same about the city.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following:

a. Minutes of the regular meeting of August 14, 2017; and

b. August 15, 2017, Claim Vouchers No. 119962-120121 and Electronic Funds Transfer No. 720171 in the amount of \$886,385.08.

August 28, 2017

The motion was seconded by Councilor Lund and carried unanimously.

3. **Ordinance No. 979-B, First Reading – Granting a Nonexclusive Franchise to Sprint Communications for Fiber Optic Communications System and Facilities.** Bill Hillier stated the agreement is a renewal of the existing agreement, with very few changes. The major change relates to the franchise fee that was included in the original agreement. State law removed all franchise fees with telecommunications operations. The term of the agreement is 30 years. Insurance language was updated based on recommendations from WCIA.

Councilor Spahr moved to pass Ordinance No. 979-B on first reading. The motion was seconded by Councilor Pope and carried unanimously.

4. **Resolution No. 6-2017, First Reading – Establishing an Order of Procedure for City Council Meetings.** City Manager Anderson stated that during the last meeting, council reviewed some possible changes to the resolution outlining the order of meetings and some procedures that council wanted to see moving forward. A couple of things came up and the administration asked for council direction to the final resolution. One question was whether or not council wanted to have a requirement that any piece of business would require four votes. The RCW provides provisions that sometimes four votes would be required and sometimes it wouldn't. For clarity the council directed that an affirmative vote of four members would be needed for anything to be passed. During the course of that discussion, there was also a question raised about making sure that nothing in the resolution would prevent the council from meeting in the event of an emergency.

Bill Hillier stated that in an emergency meeting situation, there is usually enough time, that even if members of the council aren't available in person, they can be contacted in other ways. Historically, that has been successful through phone contact for voting purposes. He didn't believe additional language was need in the resolution to address this type of situation.

Councilor Taylor moved to suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Lund and carried unanimously. Councilor Taylor moved to adopt Resolution No. 6-2017 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

5. **Resolution No. 7-2017, First and Final Reading – Surplus of Property in the Fire and the Airport Departments.** City Manager Anderson stated items included old fire hose that because of its age can no longer be used. The administration plans to donate the hose to a fire department in Mexico where there is no age requirement for hose. The other item includes a service truck at the airport that has 187,000 miles on it and requires repair beyond its worth.

Councilor Spahr asked what was required to donate the hose to a department in Mexico. Bill Hillier stated that whatever approach is used it will be according to law.

Councilor Ketchum moved to suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Taylor and carried unanimously. Councilor Ketchum moved to adopt Resolution No. 7-2017 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

6. **Administration Reports.**

a. **Finance Report.** Judy Pectol reported revenues are strong and the sales tax is 14.3% higher than last year at this time. Revenues in the Water Fund look low, but that will look better next month because money from the state for the Redundant Flocculation Project and the High Level Reservoir Project will come in. One expenditure in the Airport Fund not yet recorded is the pay-off of the GO Bond. The county did pay it off, but they haven't submitted the documentation yet.

Councilor Ketchum stated the agenda reports indicates that ". . . Plan Checks was \$25,739 which is 85.8% of the annual budgeted revenue of \$30,000." He asked what that was. Ms. Pectol stated that it is revenue brought in by the Community Development Department for plan review.

Councilor Harris asked if the sales tax included the recent increase in the sales tax rate. Ms. Pectol stated the city will not see the increase until the end of September.

August 28, 2017

b. **City Manager Update.** City Manager Anderson congratulated Judy Pectol on her upcoming retirement effective October 1. She stated that Judy has worked tirelessly during her time with the city. A part-time, former finance director with the city of Lacey, will be coming on board in the interim of finding Judy's replacement.

Ms. Anderson thanked the council for the opportunity to attend the WCMA conference last week. Of particular interest was how the state is preparing their workforce and workplace for the next generation, specifically technology and the integration of work and life, which has been different than in the past.

The city has applied for .09 funds for planning at the airport. This was a suggestion made at the last council meeting regarding a resolution that was adopted to apply for CERB money, but is currently on hold due to the lack of the state capital budget not being passed.

7. **Tract 5A Fill and Grade Project.** Mayor Dawes asked if the City Manager would like to add discussion about the Tract 5A Fill and Grade Project to the agenda.

City Manager Anderson stated the city requested bids for the filling of a project site on Arkansas Way next to Sonic. The bids came in too high, so council directed staff to rebid the project using the Small Works Roster. Those bids are scheduled to be opened tomorrow. The administration had thought about bringing it to council tonight asking for authority for the City Manager to approve the lowest responsible bidder, but thought it would be better to hold a special meeting later this week to approve the award of bid.

Council discussed the need for a special meeting versus authorizing the City Manager to award the bid after review of the bids.

Trent Loughheed stated the contractors bidding on the project were selected from the Small Works Roster and were the contractors that previously bid the project.

Councilor Lund moved to authorize the City Manager to award the bid to the appropriate company. The motion was seconded by Councilor Taylor.

Councilor Harris asked if a not to exceed amount should be included in the motion.

Councilor Lund withdrew his motion. Councilor Taylor withdrew his second to the motion.

Councilor Lund moved to have staff open and review the bids and authorize the City Manager to award the Tract 5A Fill and Grade Project to the lowest responsible bidder not to exceed \$300,000. The motion was seconded by Councilor Taylor. The motion passed four to three. Councilors Pope and Spahr, and Mayor Dawes voted against the motion.

8. **Human Response Network Request.** Councilor Ketchum asked if they were going to bring up the street vacation request by the Human Response Network (HRN).

City Manager Anderson stated that issue was scheduled for the next meeting. Councilor Ketchum asked if it was possible to talk about it at this meeting.

City Manager Anderson stated it was a tad more complicated than vacating a street. The request is to change the zoning of a residential area outside of the normal period to request rezones to property. The vacation of the street is an additional request that HRN is asking for, which can be done at any time.

Mr. Hillier stated he hasn't had a chance to review any of this and it is significant because the city's procedural requirements under the RCWs need to be reviewed to determine if the city has the ability to waive the timing issue. Ms. Anderson reiterated the topic is scheduled for the next meeting.

August 28, 2017

9. Councilor Reports/Committee Updates.

a. Councilor Lund thanked Judy Pectol and although he is happy for her, he is sad to see her go. He also thanked Randy Mueller for his work at the Port. Councilor Spahr concurred with Councilor Lund's comments.

b. Councilor Harris stated that the city manager's comments about IT and technology is something he thinks needs to be addressed and he would like to have a workshop on it. In speaking with people that he knows that work for the state, it seems like new programs require more steps and paper than they take away. He thought the city needed education about planning for the future.

City Manager Anderson stated half the challenge is really being able to utilize the systems the city currently has as effectively as possible, and there is no plan to change any software systems at this time. One thing that she would like to see is the ability for customers to pay their bills on-line. Another subject that has come up is the public records law, which has not kept up with technology. Some cities have taken steps backward with technology because they can't keep up with Public Records Act.

Councilor Taylor asked if the city has a big issue with records requests and do they cost a lot of money. Ms. Anderson stated the big issue is the staff time they take. Usually it is one or two people that make it difficult to meet what they are getting at, and there really is very little in the law that allows a city to say we've done our best we've given you everything. The city isn't experiencing the situation that some have in terms of hundreds of requests coming from the same person over the course of a month, but there has been one situation where the city clerk spent the majority of almost two weeks working on a request. Ms. Anderson stated it's not really the dollar cost it's the lost productivity toward other things that the public might see as being more important.

Mayor Dawes stated it would have to be addressed at some point because all it's going to take is one controversial issue. He thought help from the Legislature would only come when the same is requested from them, because as far as he knew, they are exempt from public records requests. There is certainly nothing wrong with a legitimate request, fishing is another question and really hurts small towns.

c. Mayor Dawes attended the ribbon cutting at the opening of the Fair on August 15; the EDC luncheon on August 17; and the Business After Hours on the 17th at ToledoTel.

10. **Executive Session.** At 5:59 pm, Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate; and RCW 42.30.110(1)(i) – Litigation/Potential Litigation not to exceed 30 minutes and there would be no decisions following conclusion of the executive session. Mayor Dawes closed the regular meeting and the council convened into executive session at 6:02 pm. The regular meeting was reopened at 6:28 pm, and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

August 28, 2017

:

Caryn Foley, City Clerk

Approved:
Initials: _____

**CITY OF CHEHALIS CITY COUNCIL
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Judy Pectol, Finance Manager
Michelle White, Accounting Tech II

MEETING OF: September 11, 2017

SUBJECT: Vouchers and Transfers

ISSUE

City Council approval is requested for Vouchers and Transfers dated August 31, 2017.

DISCUSSION

The August 31, 2017 claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers No. 120122-120254 in the amount of \$244,796.34 dated August 31, 2017, which includes the transfer of:

- \$119,760.05 from the General Fund
- \$1,957.67 from the Dedicated Street Fund – 4% Sales Tax
- \$56,958.47 from the Wastewater Fund
- \$23,352.19 from the Water Fund
- \$636.12 from the Storm & Surface Water Utility Fund
- \$41,268.69 from the Airport Fund
- \$863.15 from the Firemen’s Pension Fund

RECOMMENDATION

It is recommended that the City Council approve the August 31, 2017 Claim Vouchers No. 120122-120254 in the amount of \$244,796.34.

SUGGESTED MOTION

I move that the City Council approve the August 31, 2017 Claim Vouchers No. 120122-120254 in the amount of \$244,796.34.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Judy Pectol, Finance Manager
Betty Brooks, Payroll Accountant

MEETING OF: September 11, 2017

SUBJECT: Payroll Vouchers and Transfers

ISSUE

City Council approval is requested for Payroll Vouchers and Transfers dated August 31, 2017.

DISCUSSION

The administration requests City Council approval for Payroll Vouchers No. 39774-39859, Direct Deposit Payroll Vouchers No. 8603-8707, and Electronic Federal Tax Payment No. 175 dated August 31, 2017 in the amount of \$799,718.60, which include the transfer of:

- \$549,507.42 from the General Fund
- \$7,337.85 from the Arterial Street Fund
- \$87,473.73 from the Wastewater Fund
- \$103,340.66 from the Water Fund
- \$23,165.46 from the Storm & Surface Water Utility Fund
- \$27,071.79 from the Airport Fund
- \$1,821.69 from the Firemen's Pension Fund

RECOMMENDATION

It is recommended that the City Council approve the August 31, 2017 Payroll Vouchers No. 39774-39859, Direct Deposit Payroll Vouchers No. 8603-8707, and Electronic Federal Tax Payment No. 175 in the amount of \$799,718.60.

SUGGESTED MOTION

I move that the City Council approve the August 31, 2017, Payroll Vouchers No. 39774-39859, Direct Deposit Payroll Vouchers No. 8603-8707, and Electronic Federal Tax Payment No. 175 in the amount of \$799,718.60.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Trent Lougheed, Community Development Director/Interim Airport Director

DATE: September 11, 2017

SUBJECT: Award of Tract 5A Fill and Grade Project and Approval of Associated Financing

ISSUE

In July, the Airport requested construction bids to support the fill, compaction, grading, and soil testing of the tract immediately to the east of the Sonic Drive-In located on NW Arkansas Way. The bids received ranged from \$553,986 to \$733,644. Due to the rock specifications called for in the bids, the bids were higher than anticipated.

This project was re-bid with modified soil compaction requirements. Bids were opened on August 29, 2017. The city received three bids, with Sterling Breen Crushing, Inc., having the low bid of \$260,762 (including sales tax). Per City Council direction at the August 28 council meeting, and as the low bidder was below the \$300,000 bid limit to qualify for bidding utilizing the Small Works Roster, a Notice of Award was provided to the low bidder with the necessary contract documents to prepare for City execution. Once City Council authorization has been given to proceed with executing the contract documents, the city will provide the contractor with a Notice to Proceed.

DISCUSSION

Due to the delays in the time line resulting from re-bidding the project, timing is of the essence in order to complete the construction this year in favorable weather.

FISCAL IMPACT

The low bid for the project was \$260,762. With a recommended 10% contingency (\$26,076) for unanticipated change orders, the total project cost would be authorized for a Not-to-Exceed budget of \$286,838.

As this project was not originally budgeted, City Council will need to designate the funding source. At this time, the city is approved for a \$300,000 commercial loan at 5% for a 10-year term (fully amortized is \$3,185/month) from Security State Bank. Therefore, the Administration would propose to accept the loan for the funds necessary to complete the project.

RECOMMENDATION

It is recommended that the City Council:

- Award the Tract 5A Fill and Grade Project with Sterling Breen Crushing, Inc., in the amount of \$260,762 (including sales tax.)
- Authorize City Manager to execute the necessary contract documents.
- Authorize an additional 10% contingency budget of \$26,076 and authorize City Manager to execute change orders that do not exceed a total project cost of \$286,838.
- Authorize City Manager to execute the required loan documents with Security State Bank for a \$300,000 draw down line of credit with a 5%, 10-Year term.

SUGGESTED MOTION

I move that the City Council approve the Administration's recommendations

Proposal to:			
City of Chehalis 350 N. Market Blvd Chehalis, WA 98532			
The bidder will complete the Work in accordance with the Contract Documents for the following price:			
	LUMP SUM PROJECT BID		\$ 241,000.00
	STATE SALES TAX @ 8.2%		\$ 19,762.00
	TOTAL LUMP SUM PROJECT BID		\$ 260,762.00
	Two Hundred Sixty Thousand Seven Hundred Sixty Two (words)		

Non Collusion Declaration

I, by signing the proposal, hereby declare, under penalty of perjury under the laws of the United States that the following statements are true and correct:

1. That the undersigned person(s), firm, association or corporation has (have) not, either directly or indirectly, entered into any agreement, participation in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the project for which this proposal is submitted.
2. That by signing the signature page of this proposal, I am deemed to have signed and have agreed to the provisions of this declaration.

NOTICE TO ALL BIDDERS

To report bid rigging activities

1-800-424-9071

The U.S. Department of Transportation (USDOT) operates the above toll-free "hotline" Monday through Friday, 8:00 a.m. to 5:00 p.m., eastern time. Anyone with knowledge of possible bid rigging, bid collusion, or other fraudulent activities should use the "hotline" to report such activities.

The "hotline" is part of USDOT's continuing effort to identify and investigate highway construction contract fraud and abuse and is operated under the direction of the USDOT Inspector General. All information will be treated confidentially and caller anonymity will be respected.

DOT Form 272-036H
Revised 10/94

Proposal – Signature Page

The bidder is hereby advised that by signature of this proposal he/she is deemed to have acknowledged all requirements and signed all certificates contained herein.

A proposal guaranty in an amount of five percent (5%) of the total bid, based upon the approximate estimate of quantities at the above prices and in the form as indicated below, is attached hereto:

CASH IN THE AMOUNT OF _____

CASHIER'S CHECK _____ DOLLARS

CERTIFIED CHECK (\$ _____) PAYABLE TO THE CITY OF CHEHALIS

BID BOND IN THE AMOUNT OF 5% OF THE BID

** Receipt is hereby acknowledged of addendum(s) No.(s) _____, _____, _____, &

SIGNATURE OF AUTHORIZED OFFICIAL(S)

Proposal Must be Signed


Sterling D. Breen, President

Firm Name Sterling Breen Crushing, Inc.

Address 887 State Route 507

Centralia, WA 98531

State of Washington Contractor's License No. STERLBC072L5

Unified Business Identifier (U.B.I.) No. 601 140 187

Telephone No. (360) 736-4240

Federal ID No. 91-1430941

Note:

This proposal form is not transferable and any alteration of the firm's name entered hereon without prior permission from the City of Chehalis will be cause for considering the proposal irregular and subsequent rejection of the bid.

*Attach Power of Attorney

BID BOND DEPOSIT

Herewith find deposit in the form of a certified check, cashiers check, cash or bid bond in the amount of \$ Five Percent (5%), which amount is not less than five percent (5%) of the total bid.
of the Total Bid Amount Sterling Breen Crushing, Inc.

Signature *Sterling D. Breen* Sterling D. Breen, President

BID BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, Sterling Breen Crushing, Inc., as Principal, and Old Republic Surety Company, as Surety, are held and firmly bound unto the City of Chehalis, as Obligee, in the penal sum of Five Percent (5%) of the * dollars for the payment of which the Principal and the Surety bind themselves, their heirs, executors, * Total Bid Amount administrators, successors and assigns, jointly and severally, by these presents.

The condition of this obligation is such that if the Obligee shall make any award to the principal for TRACT 5A FILL PLAN PROJECT according to the terms of the proposal or bid made by the Principal therefore, and the Principal shall duly make and enter into a contract with the Obligee in accordance with terms of said proposal or bid and award and shall give bond for the faithful performance thereof, with Surety or Sureties approved by the Obligee; or if the Principal shall, in case of failure so to do, pay and forfeit to the Obligee the penal amount of the deposit specified in the call for bids, then this obligation shall be null and void; otherwise, it shall be and remain in full force and effect and Surety shall forthwith pay and forfeit to the Obligee, as penalty and liquidated damages, the amount of this bond.

SIGNED, SEALED AND DATED this 24th day of August, 2017.
Sterling Breen Crushing, Inc. Old Republic Surety Company

Sterling D. Breen
Principal Sterling D. Breen, President

Katie Snider
Surety Katie Snider, Attorney-in-Fact

On this _____ day of _____, 20____, received return of deposit in the sum of \$ _____.

Signature _____

OLD REPUBLIC SURETY COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That OLD REPUBLIC SURETY COMPANY, a Wisconsin stock insurance corporation, does make, constitute and appoint:

HOLLY E ULFERS, ROXANA PALACIOS, KATIE SNIDER, STEVEN W PALMER, KELLY ARAUJO, OF SEATTLE, WA

its true and lawful Attorney(s)-in-Fact, with full power and authority, not exceeding \$50,000,000, for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto (if a seal is required), bonds, undertakings, recognizances or other written obligations in the nature thereof, (other than bail bonds, bank depository bonds, mortgage deficiency bonds, mortgage guaranty bonds, guarantess of installment paper and note guaranty bonds, self-insurance workers compensation bonds guaranteeing payment of benefits, asbestos abatement contract bonds, waste management bonds, hazardous waste remediation bonds or black lung bonds), as follows:

ALL WRITTEN INSTRUMENTS IN AN AMOUNT NOT TO EXCEED THIRTY MILLION DOLLARS (\$30,000,000) ----- FOR ANY SINGLE OBLIGATION

and to bind OLD REPUBLIC SURETY COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are ratified and confirmed. This document is not valid unless printed on colored background and is multi-colored. This appointment is made under and by authority of the board of directors at a special meeting held on February 18, 1982. This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of the OLD REPUBLIC SURETY COMPANY on February 18, 1982.

RESOLVED that, the president, any vice-president, or assistant vice president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any Power of Attorney previously granted to such person.

RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company (i) when signed by the president, any vice president or assistant vice president, and attested and sealed (if a seal be required) by any secretary or assistant secretary; or (ii) when signed by the president, any vice president or assistant vice president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or (iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the Power of Attorney issued by the company to such person or persons.

RESOLVED FURTHER, that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, OLD REPUBLIC SURETY COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be affixed this 6TH day of JUNE, 2017.

OLD REPUBLIC SURETY COMPANY

Jane E. Cherney
Assistant Secretary



Alan Pavlic
President

STATE OF WISCONSIN, COUNTY OF WAUKESHA-SS

On this 6TH day of JUNE, 2017, personally came before me, Alan Pavlic, and Jane E. Cherney, to me known to be the individuals and officers of the OLD REPUBLIC SURETY COMPANY who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say, that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.



Kathryn R. Pearson
Notary Public

My commission expires: 9/28/2018

(Expiration of notary commission does not invalidate this instrument)

CERTIFICATE
I, the undersigned, assistant secretary of the OLD REPUBLIC SURETY COMPANY, a Wisconsin corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.

78-0050



Signed and sealed at the City of Brookfield, WI, this 24th day of August, 2017

Jane E. Cherney
Assistant Secretary

USI NORTHWEST

THIS DOCUMENT HAS A COLORED BACKGROUND AND IS MULTI-COLORED ON THE FACE. THE COMPANY LOGO APPEARS ON THE BACK OF THIS DOCUMENT AS A WATERMARK. IF THESE FEATURES ARE ABSENT, THIS DOCUMENT IS VOID.

Local Agency Name	City of Chehalis
Local Agency Address	350 N. Market Blvd. Chehalis, WA 98532

Local Agency Subcontractor List

Prepared in compliance with RCW 39.30.060 as amended

To Be Submitted with the Bid Proposal

Project Name TRACT 5A FILL

Failure to list subcontractors with whom the bidder, if awarded the contract, will directly subcontract for performance of the work of heating, ventilation and air conditioning, plumbing, as described in Chapter 18.106 RCW, and electrical, as described in Chapter 19.28 RCW or naming more than one subcontractor to perform the same work will result in your bid being non-responsive and therefore void.

Subcontractor(s) with whom the bidder will directly subcontract that are proposed to perform the work of heating, ventilation and air conditioning, plumbing, as described in Chapter 18.106 RCW, and electrical as described in Chapter 19.28 RCW must be listed below. The work to be performed is to be listed below the subcontractor(s) name.

To the extent the Project includes one or more categories of work referenced in RCW 39.30.060, and no subcontractor is listed below to perform such work, the bidder certifies that the work will either (i) be performed by the bidder itself, or (ii) be performed by a lower tier subcontractor who will not contract directly with the bidder.

Subcontractor Name MTN2Coast
Work to be Performed Survey

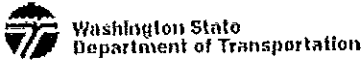
Subcontractor Name _____
Work to be Performed _____

Subcontractor Name _____
Work to be Performed _____

Subcontractor Name _____
Work to be Performed _____

Subcontractor Name _____
Work to be Performed _____

* Bidder's are notified that is the opinion of the enforcement agency that PVC or metal conduit, junction boxes, etc, are considered electrical equipment and therefore considered part of electrical work, even if the installation is for future use and no wiring or electrical current is connected during the project.



Aggregate Source Approval Report

Owner: Sterling Breen Crushing	Aggregate Source: PS-L-268
Lessee:	Known as: Hilpert Pit
Located in: SW1/4 NE1/4, NW1/4 SE1/4 Section 28 T15N R2W	County: Lewis

Remarks:

Mineral Agg. and Surfacing:	Test Date: 03/07/2016	Expiration Date: 03/07/2021	
Absorption: 1.52	Apparent Sp. G.: 2.752	Bulk Sp. G. (SSD): 2.682	Bulk Sp. G.: 2.642
Deg: 61	LA: 16		

Remarks:

Currently approved as a source of aggregate for:

ATB	Ballast	BST Crushed Cover Stone
BST Crushed Screenings	Crushed Surfacing Base Course	Crushed Surfacing Key Stone
Crushed Surfacing Top Course	Gravel Backfill for Foundation Class A for Foundat	HMA Other Courses
HMA Wearing Course	Maintenance Rock	Permeable Ballast

Acceptance tests need to be performed as necessary.

Portland Cement Concrete Aggregates:	Test Date: 03/09/2016	Expiration Date: 03/09/2021	
ASR - 14 Day : 0.33	ASR - One Year: 0.038	CCA Absorption: 1.13	CCA Sp.G: 2.712
Deg: 68	FCA Absorption: 2.52	FCA Organics: 2	FCA Sp. G: 2.622
LA: 11	Mortar Strength:	Petrographic Analysis:	

Remarks: One Year ASR tested 5/12/2016, Expires 5/12/2021 RZK

Currently approved for:

Coarse Concrete Aggregates
Fine Concrete Aggregates

Acceptance tests need to be performed as necessary NOT APPROVED AS A SOURCE OF AGGREGATE FOR:

Riprap, Quarry Spalls, Rock for Rock Wall, Erosion and Scour Protection:	Test Date:	Expiration Date:	
Absorption:	Apparent Sp. G.:	Bulk Sp. G. (SSD):	Bulk Sp. G.:
Deg:	LA:		

Remarks:

Aggregate Source Approval Report

NOT Approved for:

Quarry Spalls	Rlprap	Rock for Erosion and Scour Protection
Rock for Rock Walls	Stone 9-27.3(6)	

Streambed Aggregates: Test Date: 03/07/2016 Expiration Date: 03/07/2021
Absorption: 1.13 Apparent Sp. G.: Bulk Sp. G. (SSD): 2.712 Bulk Sp. G.:
Deg: 68 LA: 11

Remarks:

Currently Approved for:

Streambed Aggregate

Gravel Borrow for Structural Earth Walls: Test Date: 03/09/2017 Expiration Date: 03/09/2022
Bulk Sp. G. (SSD): 2.712 Deg: 68 LA: 11

Remarks: Contact RME to determine if Resistivity, pH, Chlorides, or Sulfates testing is required

Currently Approved for:

Gravel Borrow for Str Earth Walls Gravel Borrow for Str Earth Walls

ALL OTHER PIT RUN MATERIALS:

Project Engineer may request preliminary samples but Aggregate Source Approval is not required.

AGGREGATE MATERIALS NOT REQUIRING ASA APPROVAL :

Aggregate for Gravel Base 9-03.10
Gravel Backfill for Foundation Class B 9-03.12(1)B
Gravel Backfill for Walls 9-03.12(2)
Gravel Backfill for Pipe Zone Bedding 9-03.12(3)
Gravel Backfill for Drains 9-03.12(4)
Gravel Backfill for Drywells 9-03.12(5)
Backfill for Sand Drains 9-03.13
Sand Drainage Blanket 9-03.13(1)
Gravel Borrow 9-03.14(1)
Select Borrow 9-03.14(2)
Common Borrow 9-03.14(3)
Native Material for Trench Backfill 9-03.15
Foundation Material Class A and B 9-03.17
Foundation Material Class C 9-03.18
Bank Run Gravel for Trench Backfill 9-03.19



**Washington State
Department of Transportation**

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-8388
www.wsdot.wa.gov

June 15, 2017

Sterling Breen Crushing, Inc.
Prequalification #100145
Mr. Sterling D. Breen
887 State Route 507
Centralia WA 98531-9205

Re: Prequalification Bidding Rate

Dear Mr. Sterling D. Breen:

The recent information submitted by your firm is sufficient to fulfill the requirements for qualification under the provisions of RCW 47.28.070. This qualification, for a period expiring **June 30, 2018**, allows your firm to bid on our projects in the amount, class, and type of work as listed below:

CLASS	DESCRIPTION	AMOUNT
1	Clearing, Grubbing, Grading and Drainage	\$2,500,000
2	Production and Placement of Crushed Materials	\$5,000,000
13	Demolition	\$216,000
15	Sewers and Water Mains	\$1,950,000
27	Signing	\$18,000
34	Erosion Control	\$37,500
35	Precast Median Barrier	\$55,000
53	Traffic Control	\$643,435
SWR	Small Works Roster Participant	

The amount shown for each class, is the maximum value within a class of work that is used to determine your firm's eligibility to receive a bid proposal document for a single project.

Mr. Sterling D. Breen

June 15, 2017

Page 2

The rating you have received above is subject to review at any time and is conditioned upon a satisfactory performance record on present and future contracts you may have with this Department. In accordance with Section 1-02.1 of the Standard Specifications, the amount of your bid plus the amount of outstanding work with the state as a prime contractor cannot exceed \$10510395.

The official name by which your firm has been prequalified with the Washington State Department of Transportation is as follows:

**STERLING BREEN CRUSHING, INC.
PREQUALIFICATION #100145**

All bidding proposals and contract documents will have this name entered thereon. Any alteration of this name on the bidding proposal issued by the Department of Transportation may be sufficient cause for considering the proposal irregular and consequent rejection of the bid.

In the event any correction of the above firm name is required, we request you notify this department immediately.

Applicants not satisfied with the qualification granted may request in writing, a review of their questionnaire and qualification ratings. The request must be filed within thirty calendar days of the above date and must specifically state the basis for the request.

If there is a decrease in your financial position or there are significant changes within the structure of your organization, you must file a new standard questionnaire and financial statement form (DOT Form 420-010).

Organizational changes which require the submission of a new Standard Questionnaire and Financial Statement form are: incorporation, additions to or changes in partners to a copartnership, joint venture arrangements, dissolution of a corporation, copartnership or joint venture, etc.

If you have any questions regarding your prequalification please contact Karl Beardslee at 360-705-7837.

Sincerely,



Jenna M. Fettig
Manager, Contract Ad & Award

Sterling Breen Crushing, Inc.

EQUIPMENT LIST

Updated November 12, 2015

POWER EQUIPMENT

<u>YEAR</u>	<u>EQUIPMENT</u>	<u>MAKE/ MODEL</u>	<u>SERIAL NUMBER</u>
1995	Dozer	CAT / D-4XLH	08PJ01057
2006	Dozer	CAT / D-5NXL	AGG02146
1997	Dozer	CAT / D-6R-LGP	9PN00656
1974	Dozer	CAT / D-7F	94NO7972
1982	Dozer w/clearing rake	CAT / D-8K	77V-11021
1995	Grader	CAT / 140-G	5MD03387
1994	Roller/Compactor	CAT / CS563	8XF01153
2012	Loader	CAT / 980-K	W7K00640
1997	Loader	CAT / 980-G	2KR01822
1995	Loader	CAT / 966-F	9YJ00404
1995	Loader	CAT / 966-F	9YJ01527
1984	Loader	CAT / 988-B	50W6005
1992	Loader	CAT / 988-B	50W11404
1996	Backhoe	CAT / 426-B	6KL2268
1999	Backhoe	CAT / 426	
2000	Broom	ROSCO/ RB-48	36687
2006	Excavator	CAT / 320N	
1997	Excavator	CAT / 322	9RL00580
1997	Excavator	CAT / 308	3YS00377
1995	Water Truck (4,000 gallon)	FORD LTA9000	1FTYY9R8RSVA50457
1989	Water Truck (2,000 gallon)	FORD NL8000	S/N R82A2KV59478

Sterling Breen Crushing, Inc.EQUIPMENT LIST

Updated November 12, 2015

DUMP TRUCKS:

1983	4-axle dump truck (K-1)	S/N 1NKWL29X4DS312568	KENWORTH/ T-900 Solo Gross: 55,000 lbs.
1982	4-axle pup trailer	S/N 1S9CA5442NL189486	STURDYWELD Combination Gross: 105,500 lbs.
1979	3-axle dump truck (K-2)	S/N KONCHI900835	WHITE / Western Star Solo Gross: 48,000 lbs
1977	2-axle pup trailer	S/N IDLONFHQ1698804	WHITE Combination: 82,000 lbs.
1996	4-axle dump truck (K-4)	S/N 2XKDDDB9XXRM931921	KENWORTH / T-800 Solo Gross: 55,000 lbs
	4-axle pup trailer	S/N 1S9BATL189939763	STURDYWELD Combination Gross: 105,500 lbs.
1996	4-axle dump truck (K-5)	S/N INKDX20X6TS725986	KENWORTH / T-800 Solo Gross: 55,000 lbs
1996	4-axle pup trailer	S/N 199CA5447TL189788	STURDYWELD Combination Gross: 105,500 lbs.
1999	4-axle dump truck(transfer) (K-6)	S/N INKDXBOXOXS817827	KENWORTH / T-800 Solo Gross: 55,000 lbs
1999	4-axle transfer trailer	S/N 1S9CA4349XL189108	STURDYWELD Combination Gross: 105,500 lbs.
1997	4-axle pup trailer	S/N 1S9CA544XVL189879	STURDYWELD Combination Gross: 105,500 lbs.
1997	4-axle dump truck (K-7)	S/N 1XKDD20X4VR948505	KENWORTH / T-800 Solo Gross: 55,000 lbs
1983	4-axle pup trailer	S/N 1BN1P1740XK012056	BEALL Combination Gross: 105,500 lbs.
1995	4-axle dump truck (K-8)	S/N INKDXBOXSS656301	KENWORTH / T-800 Solo Gross: 55,000 lbs
1996	4-axle pup trailer	S/N 1S9CA5444TL189781	STURDYWELD Combination Gross: 105,500 lbs.
1997	4-axle dump truck (K-9)	S/N INKDXBOX4VR745597	KENWORTH / T-800 Solo Gross: 55,000 lbs
1995	4-axle pup trailer	S/N 1S9CA5444SL189716	STURDYWELD Combination Gross: 105,500 lbs.

Sterling Breen Crushing, Inc.

RECORD OF COMPLETED PROJECTS

Updated – May 30, 2017

BEGINNING DATE	COMPLETION DATE	PROJECT NAME	CONTACT INFORMATION	CONTRACT AMOUNT
11/30/16	04-01-16	123 Habein Rd.	Port of Chehalis 321 Maurin Rd. Chehalis, WA 98532 Rick Rouse 360-748-9365	\$52,062.42
09-18-15	10-18-16	Davis Creek Turnaround	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 360-740-1123 Don Carney, Sp.Programs/Constr. Engineer	\$560,595.60
July 27, 2016	09-06-16	Vintage Apartment Bus Stop	City of Chehalis 350 N Market Blvd. Rm 101 Chehalis, WA 98532 360-491-3399 Tim Horton, Project Engineer	\$129,259.50
June 23, 2015	12-02-15	Arkansas Way Road Extension	City of Chehalis 350 N Market Blvd. Rm 101 Chehalis, WA 98532 360-345-1042 Merlin G. MacReynold, City Manager	\$973,329.48
May 1, 2015	11-23-15	Temnant Way Streetscape	City of Longview 1525 Broadway Ave. Longview, WA 98632 360-442-5208 Ivona Kininmonth	\$1,870,447.14
May 1, 2014	07-17-15	King Road Rehabilitation Project	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 360-740-1123 Don Carney, Sp.Programs/Constr. Engineer	\$2,692,353.41
March 9, 2015	05-28-15	2015 Rock Proposal	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 360-740-1123 Don Carney, Sp.Programs/Constr. Engineer	\$238,757.17
July 30, 2014	11-10-14	Black River Boat Ramp	Confederated Tribes of the Chehalis Reservation P.O. Box 536 Oakville, WA 98568 360-709-1813 Amy Loudermilk, Contract Administrator	\$411,421.10

Sterling Breen Crushing, Inc.

RECORD OF COMPLETED PROJECTS (continued)

BEGINNING DATE	COMPLETION DATE	PROJECT NAME	CONTACT INFORMATION	CONTRACT AMOUNT
August 1, 2014	10-7-14	WWTP Compost Yard Concrete Slab & Asphalt Paving - Phase II	Centralia Public Works 1100 No. Tower Ave. Centralia, WA 98531 360-330-7512 Patty Page P.E., Civil Engineer	\$480,114.52
July 12, 2013	8-1-14	Airport Levee	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 360-740-1123 Don Carney, Sp.Programs/Constr. Engineer	\$910,042.50
Jan. 15, 2014	6-9-14	2014 Chip Contract (12,040 tons)	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 360-740-1123 Don Carney, Sp.Programs/Constr. Engineer	\$195,722.11
May 8, 2014	6-5-14	Warren St, Rehabilitation	City of Roy Gray & Osborne, Inc. 3710 168 th Street N.E., ste. 210 Arlington, WA98223 360-454-5490 Kevin Brown P.E.	\$96,814.00
July 10, 2013	9-16-13	E. of Silverbrook Road and E.of Slide Bridge Culvert Rplcmt.	Washington State D.O.T. South Central Region 2809 Rudkin Road Union Gap, WA 98903 509-577-1600 Attn: Jeff Minnick, Proj. Engineer	\$344,401.38
April 19, 2013	9-12-13	2013 Snow Sand Contract 10,800 tons	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 360-740-1123 Don Carney, Sp.Programs/Constr. Engineer	\$172,191.10
July 18, 2012	7-15-13	Koontz Road Widening Project	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 360-740-1123 Don Carney, Sp.Programs/Constr. Engineer	\$2,893,173.92
March 6, 2013	5-30-12	2013 Chip Rock Contract 11,170 tons	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 360-740-1123 Don Carney, Sp.Programs/Constr. Engineer	\$181,887.92

Sterling Breen Crushing, Inc.

RECORD OF COMPLETED PROJECTS (continued)

BEGINNING DATE	COMPLETION DATE	PROJECT NAME	CONTACT INFORMATION	CONTRACT AMOUNT
April 19, 2013	6-01-12	2013 Gravel Contract 13.560 tons	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 360-740-1123 Don Carney, Sp.Programs/Constr. Engineer	\$180,382.17
June 14, 2012	11-09-12	4 th Ave. Pedestrian Improvements and 3 rd St. Reconstruction	Town of Pe Ell 111 S. Main Street Pe Ell, WA 98572 360-291-3543	\$799,896.80
April 18, 2012	10-01-12	2012 Chip Rock & Snow Sand	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 Don Carney 360-740-1123	\$334,234.98
May 14, 2012	8-10-12	Marvin Road NE and 32 nd Ave. NE Left Turn Lane	City of Lacey Dept. of Public Works P.O. Box 3400 Lacey, WA 98509 360-491-5600	\$329,361.00
March 2011	8-01-11	Centralia Sports Complex Roadway, Parking and Stormwater Project	City of Centralia 1100 North Tower Centralia, WA 98531 Patty Page 360-748-0271	\$489,416.06
06-07-10	12-06-11	Littlerock Road	Jim Shoopman City of Tumwater 360-754-4140	\$3,035,083.00
10-18-10	6-30-11	East Lewis Co. Transfer Station Bulkhead Lewis Co.	Shirley Kook Public Works 360-740-2756	\$220,991.71
11-15-10	4-01-11	Rainbow Falls State Park - Willapa Hills Trail Project	Washington State Parks and Recreation Hon Lee, Environment Engineer 360-725-9759	\$416,801.00
10-14-10	1-26-11	Parking Lot Expansion	Morton Hospital Jay Auley, Director of Facilities 360-496-3503	\$141,752.15
01-04-10	10-12-10	Weber Avenue	Ivona Kinimmonth City of Longview 360-442-5200	\$1,683,997.00

RECORD OF PROJECTS IN PROGRESS

Updated – January 17, 2017

<u>CONTRACT DATE</u>	<u>PROJECT NAME</u>	<u>CONTACT PERSON ADDRESS / PHONE</u>	<u>CONTRACT AMOUNT</u>
March 13, 2017	2017 Rock Proposal 29,470 tons	Lewis County Public Works 2025 NE Kresky Ave. Chehalis, WA 98532 360-740-1123 Don Carney, Sp.Programs/Constr. Engineer 30% Complete	\$439,926.84
April 10, 2017	Fort Steilacoom Park Parking Lot Improvement	City of Lakewood Parks & Recreation Dept. 6000 Main St. SW Lakewood, WA 98499 Mary Dodsworth 253-983-7741 0% Complete	\$358,837.47
September 9, 2016	Park 3 Phase II	Port of Centralia 3508 Galvin Road Centralia, WA 98531 Amy Due 360-736-3527 70% Complete	\$688,748.50
September 13, 2016	Airport Apron Rehabilitation	Chehalis-Centralia Airport City of Chehalis 350 N Market Blvd. Rm 101 Chehalis, WA 98532 David Fleckenstein 360-748-1230 70% Complete	\$831,474.00
September 27, 2016	POV Parking Lot Centralia Rediness Center	State of Washington Military Department Building 36 Quartermaster Road. Camp Murray, WA 98430 Laurie Emerson 253-512-8114 5% Complete	\$254,956.00

Sterling Breen Crushing, Inc.

**P.O. Box 1347
Chehalis, WA 98532 Phone:**

(360) 736-4240 / FAX (360) 736-4956

RECORD OF COMPLETED PROJECTS
Washington State Department of Transportation
*** Emergency Repair Work ***

<u>CONTRACT DATE</u>	<u>PROJECT NAME</u>	<u>CONTACT INFORMATION</u>	<u>CONTRACT AMOUNT</u>
01-07-2009	Highway #508 Slide Repair M.P. 21.29	W.S.D.O.T. 1411 Rush Road Chehalis, WA 98532	\$82,210.00
01-07-2009	Highway #12 Slide Repair M.P. 90.4	W.S.D.O.T. 1411 Rush Road Chehalis, WA 98532	\$1,261,108.00
02-23-2009	Highway #12 Slope Failure M.P. 89.4	W.S.D.O.T. 1411 Rush Road Chehalis, WA 98532	\$650,928.00
02-24-2009	Highway #12 Culvert Failure	W.S.D.O.T. 1411 Rush Road Chehalis, WA 98532	\$116,588.00
02-27-2009	Hager Lake Road Maintenance	W.S.D.O.T. 1411 Rush Road Chehalis, WA 98532	\$4,000.00

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Rick Sahlin, Public Works Director
Judy Pectol, Finance Manager
Don Schmitt, Street/Storm Superintendent

MEETING OF: September 11, 2017

SUBJECT: Award of Bid for Chip Spreader for Street Maintenance and Approve
Associated Financing

ISSUE

Bids were recently solicited for a new chip spreader, which will be funded 1/3 from the Street Fund and 2/3 from the 4% Fund budgets. One bid was received and reviewed, and is being recommended for award.

DISCUSSION

The city advertised for a new chip spreader. Our current chip spreader is a 1980 WH Chip King model that was purchased new by the city. The chip spreader served the city well, but has outlived its useful life. It is difficult to locate parts since Chip King is no longer around. One bid was received from Bearcat Mfg., in the amount of \$264,062.10, which will be paid for over time with a loan from Security State Bank. The bid met all of the specifications listed in the bid advertisement.

FISCAL IMPACT

The purchase of a new chip spreader is in the 2017 adopted budget, anticipating the city acquiring a loan for the purchase. The budget includes \$35,154 for debt service; \$11,718 in the General Fund Street Department and \$23,436 in the Dedicated Street Fund. The current year principal and interest amounts will be reduced due to the timing of the purchase. If the council accepts the \$264,000 loan offered by Security State Bank (SSB) our payments for the current year will be approximately \$10,650. The annual loan payment will be \$42,600. SSB offered a 7-year fully amortized tax-free loan at 3.5% interest secured by the chip spreader. We contacted six banks requesting financing for this piece of equipment and only one bank, SSB, elected to offer a quote. The administration finds the terms and conditions offered by SSB to be acceptable.

RECOMMENDATION

It is recommended that the City Council award the chip spreader to BearCat Mfg., in the amount of \$264,062.10, approve financing through Security State Bank, and direct the city manager to sign the appropriate financing documents.

SUGGESTED MOTION

I move that the City Council award the chip spreader to BearCat Mfg., in the amount of \$264,062.10, approve financing through Security State Bank, and direct the city manager to sign the appropriate financing documents.

CHIP SPREADER
PROPOSAL FORM

OPTIONAL BID
8' Chipper Tier 3

Price F.O.B City of Chehalis 2007 NE Kresky Ave, Chehalis, WA 98532	\$ <u>\$244,050.00</u>
City of Chehalis, WA Sales Tax @ 8.2%	\$ <u>\$20,012.10</u>
Total Sales Price with Sales Tax	\$ <u>\$264,062.10</u>

DELIVERY DATE: 90 Days After Order

PROPOSED BY BearCat Mfg.

PHONE (928) 684-7851 EMAIL: dnutting@bearcatmfg.com

3650 Sabln Brown Rd.

Wickenburg, AZ 78390

STREET / PO BOX

CITY / STATE / ZIP

AUTHORIZED SIGNATURE

Don Nutting

PRINTED / TYPED NAME

Chip Spreader Specifications

Yes/No or Explain

1.1 Engine	6 Cylinder Cummins, Tier III	Yes
1.2 Horse power	260 hp, or more	Yes
2.1 Transmission	Hydrostatic 6000 PSI	Yes
2.2 Variable displacement pump	Piston type min. 125 cc	Yes
2.3 Variable displacement motor	Piston type min. 160 cc	Yes
2.4 Transfer case	2- speed (high/low)	Yes
2.5 Automotive control	Drives like auto-transmission	Yes
3.1 Front drive axle	Planetary drive/steer	Yes
3.2 Steering	Hydraulic power steering	Yes
3.3 Service brakes	Air, or air over hydraulic	Yes
3.4 Parking brakes	Spring applied parking brake	Yes
3.5 Tires	385/65R X22.5 highway tread	Yes
4.1 Dimensions length	Not more than 27 feet	Yes
4.2 Transport width	8 feet	Yes
4.3 Hopper width	8-16 feet	Yes
5.1 Material handling	Rear hopper folding wing type	Yes
5.2 Rear Hopper capacity	4.0 cubic yards, min.	Yes
5.3 Belts	2 heavy duty belts, 20" min.	Yes
5.4 Spread hoppers	Infinitely variable from 8-16'	Yes
5.5 Spread hopper gates	Air powered 12"	Yes
6.1 Hitch	Hydraulic positive latch and release	Yes
6.2 Hitch rise	Hydraulic	Yes
7.1 Misc	Computer rate control	Yes
7.2 Wiring harnesses	Automotive style, field replaceable	Yes
7.3 Belt operation selection	Off/Auto/On	Yes
7.4 Operators station	Moves left or right	Yes

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Caryn Foley, City Clerk

MEETING OF: September 11, 2017

SUBJECT: Ordinance No. 979-B, Second and Final Reading – Granting a Non-exclusive Franchise to Sprint Communications Company for Underground Fiber Optic Communications System

ISSUE

The current franchise agreement with Sprint Communications expired August 10, 2017.

DISCUSSION

The City entered into a franchise agreement with Sprint Communications in 1987 by passage of Ordinance No. 368-B to install, operate, maintain and/or remove fibercable communications facilities. The agreement provided for a term of 30 years, which recently expired.

The administration has been working with Sprint to update the agreement. Changes to the agreement include:

- General grammatical corrections, and updated formatting and contact information.
- Updated insurance language.
- A 30-year term.
- Deletion of the franchise fee consistent with State Law.

In 2009, the State passed legislation prohibiting cities from imposing a franchise fee or any other fee or charge upon certain businesses, including telephone. Cities may charge for actual administrative costs, such as the required publication of the ordinance in the newspaper.

The agreement was reviewed by the City Attorney and Public Works staff.

FISCAL IMPACT

Even though the franchise fee is removed in the new contract, Sprint actually stopped paying the fee when state legislation changed in 2009, so there is no impact to the budget.

RECOMMENDATION

It is recommended that the City Council pass Ordinance No. 979-B on second and final reading.

SUGGESTED MOTION

I move that City Council pass Ordinance No. 979-B on second and final reading.

ORDINANCE NO. 979-B

AN ORDINANCE GRANTING A NONEXCLUSIVE FRANCHISE TO SPRINT COMMUNICATIONS COMPANY L.P., A DELAWARE LIMITED PARTNERSHIP TO INSTALL, OPERATE, MAINTAIN, USE AND/OR REMOVE UNDERGROUND FIBER OPTIC COMMUNICATIONS SYSTEM AND FACILITIES WITHIN THE CORPORATE LIMITS OF THE CITY OF CHEHALIS, WASHINGTON.

THIS FRANCHISE AGREEMENT ("Agreement"), is made and entered into this _____ day of _____, 2017, by and between Sprint Communications Company, L.P., a Delaware limited partnership ("Grantee"), and the City of Chehalis, Washington, a state of Washington municipal corporation ("City"). Sprint and City are collectively referred to herein as the "Parties."

WHEREAS, Grantee and City entered into a Franchise Agreement on August 10, 1987; which Agreement expires on August 10, 2017 ("Prior Franchise Agreement"); and

WHEREAS, Sprint has requested the City renew authorization for the installation, maintenance, repair, improvement and operation of fiber optic cable facilities within the City rights-of-way, and to use its fiber optic cable and related facilities therein for the purpose of creating and maintaining certain telecommunications capabilities; and

WHEREAS, the laws of the state of Washington and the City's Municipal Codes authorize the City to grant the use and occupancy of rights-of-way for placement of such facilities, and to adopt rules and regulations regarding such use and occupancy; and

WHEREAS, the City is authorized to establish standards for occupancy of the rights-of-way by telecommunication facilities that are consistent with and recognize the Washington Public Service Commission's duties and jurisdiction.

NOW THEREFORE, Sprint and City enter into this Agreement under the following terms and conditions:

- 1 Grant of Permission to Use Franchise Area. Subject to the terms and conditions herein, the City grants to the Grantee non-exclusive general permission ("Franchise") to enter, use, and occupy City of Chehalis rights-of-way and public utility easements as shown on Exhibit A ("Franchise Area") for the purpose of installing, constructing, operating, maintaining, repairing, replacing, upgrading, relocating and removing its fiber optic communications system ("Franchise Activities") and necessary appurtenances thereto ("Grantee Facilities").
- 2 Franchise Area. The Franchise Area shall include only those portions of land that have been acquired or dedicated for City of Chehalis public streets. Sprint fiber optic facilities presently occupy the following City rights of way:
 - 2.1 NW Airport Road from the North corporate limits through its intersection with NW Louisiana Avenue;

- 2.2 NW Louisiana Avenue from its intersection with NW Airport Road through its intersection with West Main Street (State Highway No. 6); and
- 2.3 SW Riverside Drive from its intersection with West Main Street (State Highway No. 6) to the Southwesterly corporate limits of the City.
- 3 Non-exclusive Franchise. The Franchise granted herein is non-exclusive and shall not prevent the City its use of or jurisdiction over the public rights of way and public utility easements. The City may grant permission to other entities to use the Franchise Area.
- 4 Retention of Rights. Notwithstanding any provision to the contrary, the City retains all right, title, interest or entitlement in the Franchise Area, which it now has or may hereafter acquire.
- 5 Eminent Domain. The Franchise granted herein shall be subject to the power of eminent domain, and in any proceeding related to eminent domain, the Franchise, any interest associated with the Franchise or Franchise Area, and the Grantee's use of the Franchise Area shall have no value to the Grantee or other entity.
- 6 City Use of Franchise Area. The City reserves its paramount right to perform any lawful act, or refrain from performing any act, with respect to the right of way in the Franchise Area. Such acts may include, but are not limited to, changing, modifying, repairing, re-grading, relocating, re-routing, abandoning, or vacating any of the right of way in the Franchise Area.
- 7 Vacation. If the City vacates any portion of the Franchise Area and such portion contains Grantee Facilities, the City shall reserve an easement for public utilities within that vacated portion, pursuant to RCW 35.79.030, within which the Grantee may continue to operate any existing Grantee Facilities under the terms of this Franchise.
- 8 Subordination of Uses. The Grantee's use of the use of Franchise Area shall at all times be subordinated to and subject to the City's use of the Franchise Area, including, but not limited to, uses that involve municipal facilities, utilities, automobile and pedestrian travel, and access to the Franchise Area.
- 9 Notices. When the Parties to this Franchise Agreement provide notice to each other pursuant to this Agreement, such notice shall be in writing. The form of the writing shall be paper with printed, typed or written text, or an e-mail message with, or without, attachments.

When the Grantee provides written notice, the Grantee shall deliver the notice to the City at the following address:

City Clerk
City of Chehalis
350 N Market Blvd.
Chehalis, WA 98532
Email address: cfoley@ci.chehalis.wa.us

When the City provides written notice, the City shall deliver the notice to the Grantee at the following address:

Sprint Communications Company L.P.
Attn: Real Estate Manager (ROW)
6391 Sprint Parkway
MS: KSOPHT0101 – Z2040
Overland Park, KS 66251
Email address: ROWRenewals@sprint.com

With a copy to:

Sprint Communications Company L.P.
Attn: Legal Real Estate Attorney
6391 Sprint Parkway
MS: KSOPHT0101 – Z2020
Overland Park, KS 66251

Either party may change the address to which the other party must deliver notice by providing notice of a change of address to the other party in accordance with the notice requirements of this section.

- 10 Term of Franchise Agreement. The term of the Franchise shall commence upon execution of the Agreement by the Parties and approval by City Ordinance ("Effective Date"). The term shall expire thirty (30) years after the Franchise becomes effective.
- 11 Renewal. The Parties may renew the Franchise. If the Parties do not renew the Franchise prior to expiration, the Franchise shall automatically continue from year to year until either party terminates the continuing Franchise by providing notice of termination to the other Party at least one hundred eighty (180) days in advance of termination.
- 12 The City may require Grantee, when constructing, relocating or placing ducts or conduits in the Franchise Area, to provide the City with additional ducts or conduit and related structures necessary to access the conduit, on the condition that the City shall pay the incremental costs incurred by Grantee to provide the ducts, conduit and related structures pursuant to a contract with Grantee that is consistent with RCW 80.36.150. To the extent allowed under Washington Law, City agrees and covenants to indemnify, defend and hold the Grantee, its officers, agents and employees, harmless from any claim for injury, damage, loss, liability, cost or expense arising from any injury or damage to person or property by reason of any use or activity associated with City, its agents' or employees' use of Grantee's additional ducts or conduit or related structures necessary to access such conduit, or by reason of any omission of City to keep its telecommunications equipment in a safe condition, but not if arising out of or by reason of any negligence or willful misconduct by the Grantee.
- 13 Construction and Maintenance.
 - 13.1 Permits. The Grantee shall apply for, obtain, and comply with the provisions of all permits or approvals required under the

Chehalis Municipal Code or any other applicable laws, regulations, rules, court orders or directives from governmental entities that have authority over the Grantee or the Grantee's Franchise Activities.

- 13.2 Coordination of Activities. The Grantee shall coordinate its Franchise Activities with the City and all other utility companies or other entities that have facilities located within the portion of the Franchise Area that is affected by the Grantee's Franchise Activity.
- 13.3 Control of Right of Way. The City reserves the right to prescribe the location of Grantee Facilities within the Franchise Area and the time and manner of Franchise Activities; and the City reserves the right, from time to time, pursuant to the applicable provisions of this Franchise, to require maintenance, repair, replacement, relocation or removal of the Grantee Facilities at the expense of the Grantee as allowed by applicable law.
- 13.4 One Number Locator. Before commencing any work within the Franchise Area, the Grantee shall comply with the One Number Locator provisions of RCW 19.122, the Underground Utility Damage Prevention Act.
- 14 Emergency Work. In the event of an emergency, the Grantee may commence such repair and emergency response work as required under the circumstances, provided that the Grantee shall notify the City as promptly as possible, before such repair or emergency work commences, or as soon thereafter as possible, if advance notice is not feasible. The City may act, at any time, without prior written notice in the case of emergency, but shall notify the Grantee as promptly as possible under the circumstances.
- 15 Damage to Property. If the Grantee or its Franchise Activities damage any City property or property owned by another entity, Grantee shall promptly restore, at its own cost and expense, the damaged property to a condition that is the same or better than the condition of the property before it was damaged.
- 16 Location of Facilities. The City shall be entitled to determine the location of any Grantee Facilities within the Franchise Area, particularly the location of Grantee Facilities in relationship to the facilities of other entities. Notwithstanding the foregoing, the City will typically apply the first in time principle to decide competing efforts to locate facilities in the same or similar location. Thus, for example, a utility that commences efforts to install or construct its facilities, structures, equipment, appurtenances or tangible property before the Grantee begins to install or construct its Grantee Facilities should have priority over the Grantee to choose the positioning and location of its facilities. The foregoing principle will typically govern when facility relocations are necessitated due to changes in grade or right of way routing.

- 17 Confidentiality.
- 17.1 Grantee acknowledges that the City is governed by Washington law, including, the Public Records Act, Chapter 42.56 RCW.
- 17.2 Grantee may identify information submitted to the City as confidential, if Grantee reasonably believes such information is qualified for an exemption recognized under the Washington Public Records Act. Grantee shall prominently mark each page, or portion thereof, for which it is claiming confidentiality as "Confidential" prior to submitting such information to the City. When submitting such information to the City, Grantee shall submit documentation to the City that specifically identifies the applicable exemption under the Washington Public Records Act and stating the reason(s) Grantee believes the information is exempt from public inspection. The City shall take reasonable steps to keep the identified information confidential, acting consistently with the Washington Public Records Act.
- 17.3 Within five (5) working days of receiving a public records request to inspect any information identified by Grantee as confidential, the City shall provide Grantee with written notice of the request, including a copy of the request. Grantee shall have five (5) working days within which to provide a written response to the City, before the City may disclose any of the requested confidential information. After reviewing Grantee's written response, the City shall determine whether any identifiable exemptions are applicable. If the City determines that it will be necessary to reveal the information consistent with the Washington Public Records Act, the City shall promptly notify Grantee, and do so at least five (5) working days prior to the information being released. The City shall retain discretion to determine whether to release the requested information in response to any public records request, consistent with the Washington Public Records Act.
- 17.4 Nothing in this Section 17 affects Grantee's right to seek legal relief to prevent or remedy the City's release of Grantee's confidential information to the public.
- 18 Relocation of Grantee Facilities. For purposes of public welfare, health or safety, or for purposes that are consistent with the City's paramount right to perform any lawful act, or refrain from performing any act, with respect to the Franchise Area, Grantee shall timely comply with City directives to relocate, remove, or reroute Grantee Facilities, at no expense or liability to the City, except as may be required by applicable law. Grantee shall indemnify and hold the City harmless against any claims for service interruption or other losses associated with any such relocation, removal or rerouting of Grantee Facilities, or change, alteration, modification or vacation of the Franchise Area.
- 19 Undergrounding. The City may require Grantee to underground Grantee Facilities. If undergrounding is required, Grantee shall underground Grantee Facilities in the manner required by the City at no expense or liability to the

City, except as may be required by applicable law. If, in addition to Grantee, other entities are required by the City to underground their facilities in the same location, Grantee shall only be required to pay its proportionate share of common costs that are attributable to all such entities, in addition to the costs that are specifically attributable to the undergrounding of Grantee Facilities. Common costs shall include, but are not limited to, necessary costs for common trenching, ducts, vaults and so forth. The City may calculate proportionate costs based the total number and size of all other facilities that must be undergrounded, or other reasonable methodology.

- 20 Abandonment and Removal of Grantee Facilities. Within one hundred eighty days (180) of Grantee's permanent cessation of use of the Grantee Facilities, or any portion thereof, the Grantee shall, at the City's discretion, either abandon in place without further liability, or remove the facilities that are no longer used at Grantee's expense. This section shall survive the expiration, revocation or termination of this Franchise Agreement.
- 21 Indemnification and Hold Harmless. Grantee shall defend, indemnify and hold the City, its officers, officials, employees and agents harmless from any and all claims, injuries, damages, losses or suits, including reasonable attorney fees, arising out of or in connection with Franchise Activities or Grantee's, or its agents and employees', acts or omissions that are related to this Franchise Agreement regardless of whether it is alleged that acts or omissions of the City, its officer, officials, employees and agents caused or contributed thereto; provided that this indemnity shall not apply to claims, injuries, damages or losses caused by the negligence or willful misconduct of the City.
- 22 Insurance. Grantee shall procure and maintain for the duration of this Franchise Agreement, and while Franchise Activities occur, insurance against claims for injuries to persons or damage to property. Grantee's insurance as required by the Agreement shall not be construed to limit the liability of Grantee to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity. Grantee shall obtain and maintain insurance of the type described below:
 - 22.1 Commercial General Liability insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover products liability. The City shall be named as an additional insured under Grantee's Commercial General Liability insurance policy using ISO Additional Insured-State or Political Subdivisions-Permits CG 20 12 or a substitute endorsement providing equivalent coverage.
 - 22.2 Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form that provides equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
 - 22.3 Minimum Amounts of Insurance. Grantee shall maintain the following insurance limits:

- 22.3.1 Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products-completed operations aggregate limit. Grantee shall also maintain umbrella coverage of not less than \$10 million dollars.
- 22.3.2 Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident. Umbrella coverage shall be provided as specified above.
- 22.3.3 Grantee's Commercial General Liability insurance policy or policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Grantee's insurance and shall not contribute with it.
- 22.3.4 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A-, VII.
- 22.3.5 Verification of Coverage. Grantee shall furnish the City with original certificates and a copy of the amendatory endorsements, including the additional insured endorsement, evidencing the insurance requirements of the Grantee before issuance of the Permit.
- 22.3.6 Notice of Cancellation. Grantee shall provide the City with written notice of any policy cancellation, reduction of coverage or other material change in the policies.

Successors and Assignees.

- 22.4 The provisions, conditions and requirements in this Agreement and associated permits or approvals, including the related obligations and liabilities of Grantee, shall be binding upon the successors, assigns, transferees and agents of Grantee.
- 22.5 This Franchise shall not be leased, assigned or otherwise transferred or alienated without the express written consent of the City in accordance with applicable law. Notwithstanding the foregoing, Sprint may, without City's prior written consent, grant an indefeasible right of use in a portion of Grantee's fiber to a third party, or assign this Agreement or any of its rights under this Agreement to any corporate affiliate or entity under common control or an entity acquiring all or substantially all of its assets or equity, whether by sale, merger, consolidation or otherwise.

23 Dispute Resolution.

23.1 In the event of a dispute between the City and Grantee arising from this Agreement, the dispute shall first be referred to the representatives, which have designated by the City and Grantee, to have oversight over the administration of this Agreement. The representatives shall meet within thirty (30) calendar days, or at a time established by agreement of the Parties, of either party's request for a meeting, whichever request is first, and the Parties shall make a good faith effort to achieve a resolution of the dispute.

23.2 If the Parties fail to achieve a resolution of the dispute in this manner, either party may then pursue other available remedies. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington

24 Enforcement and Remedies.

24.1 A. If Grantee shall violate, or fail to comply with any provisions of this Agreement, or shall fail to comply with any notice given to Grantee under the provisions of this Franchise, the City may, at its discretion, provide Grantee with written notice to cure the breach within a reasonable time. If the breach is not cured within the specified time, or Grantee does not comply with the specified conditions, the City may, at its discretion, either (1) revoke the Franchise upon written notification to Grantee, or (2) cure the breach at Grantee's expense, such payment to be made within thirty (30) days following receipt of an invoice together with reasonably supporting documentation evidencing such expense, or (3) take other reasonable action.

24.2 B. If the City determines that Grantee is acting beyond the scope of permission granted herein for Grantee Facilities and Franchise Activities, the City reserves the right to terminate this Franchise and require the Grantee to apply for, obtain, and comply with all applicable City permits, approvals, or other City requirements for such actions, and if the Grantee's actions are not authorized under applicable law, to compel Grantee to cease such actions.

25 Compliance with Laws and Regulations. This Franchise is subject to, and the Grantee shall comply with all applicable laws, regulations and policies, including all applicable City Codes, as now exist or as may hereafter be modified, extended or enacted

26 License, Tax and Other Charges. This Franchise Agreement shall not exempt the Grantee from any existing or future assessment, tax, or charge that is authorized by law and applicable to Grantee or Grantee's activities and occupancy of the Franchise Area.

- 27 Consequential Damages Limitation. Notwithstanding any other provision of this Agreement, in no event shall either party be liable for any special, incidental, indirect, punitive, reliance, consequential or similar damages.
- 28 Actual Administrative Expenses Fee. Grantee shall pay a one-time fee for the actual administrative expenses incurred by the City that are directly related to the receiving and approving this Franchise pursuant to RCW 35.21.860. The administrative fee shall be due thirty (30) days following Grantee's receipt of the City's invoice together with reasonable supporting documentation evidencing such expenses.
- 29 Severability. If any portion of this Agreement is deemed invalid, the remainder portions shall remain in effect.
- 30 Survival. All of the provisions, conditions and requirements of Section 13, Construction and Maintenance; Section 15, Damage to Property, Section 20, Abandonment and Removal of Grantee Facilities; Section 21, Indemnification and Hold Harmless; Section 22, Insurance; Section 25, Compliance with Laws and Regulations of this Agreement shall be in addition to any and all other obligations and liabilities the Grantee may have to the City at common law, by statute, or by contract, and shall survive the expiration or termination of the rights conferred hereunder and any renewals or extensions thereof. All of the provisions, conditions, regulations and requirements contained herein shall further be binding upon the heirs, successors, executors, administrators, legal representatives and assigns of the Grantee and all privileges, as well as all obligations and liabilities of the Grantee shall inure to its heirs, successors and assigns equally as if they were specifically mentioned wherever the Grantee is named herein. Provided, however, that Grantee's obligation referenced in this Section shall cease if the City permits Grantee to abandon its Facilities in place as permitted by Section 20, Abandonment and Removal of Grantee Facilities. Provided, further, that Grantee's obligation to indemnify the City against claims, as referenced in Section 22, Insurance shall cease only with respect to claims arising after approval of Grantee's in-place abandonment.
- 31 Upon the Effective Date, the Prior Franchise Agreement shall immediately terminate and be of no further force or effect and this Franchise Agreement, and all exhibits attached hereto shall constitute the entire Franchise Agreement between the Parties.

PASSED by the City Council of the City of Chehalis, Washington, and
APPROVED by its Mayor, at a regularly scheduled open public meeting thereof this
_____ day of _____, 2017.

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

Sprint Communications Company L.P., for itself, its successors and assigns, hereby accepts and agrees to be bound by all terms, conditions and provisions of the Franchise attached hereto and incorporated herein by this reference.

Sprint Communications Company L.P.

James B. Farris
Real Estate Manager

STATE OF KANSAS)
) ss:
COUNTY OF JOHNSON)

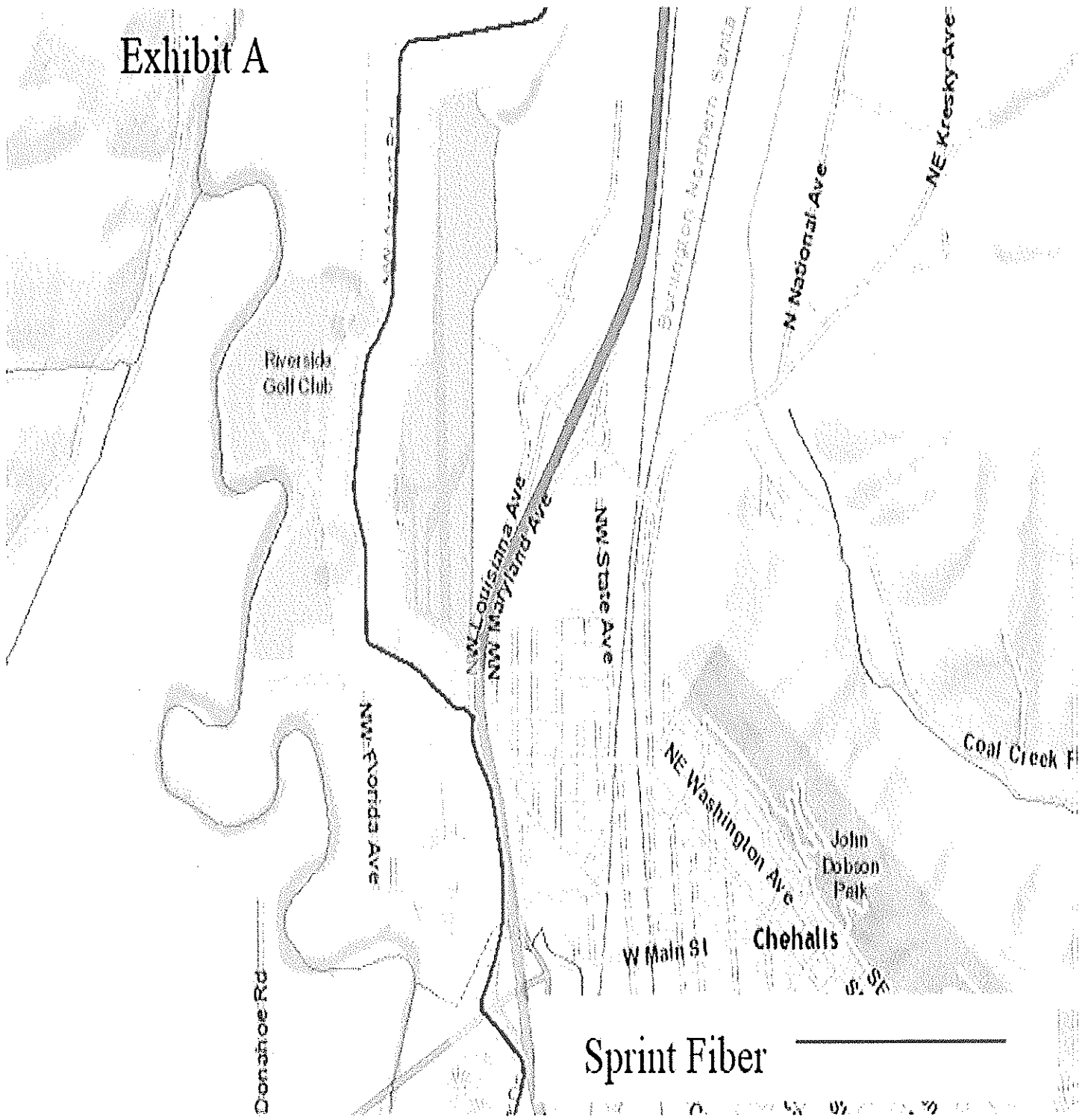
On this ____ day of _____, 2017, before me the undersigned, a Notary Public in and for the State of Kansas, duly commissioned and sworn, personally appeared, James B. Farris, Real Estate Manager for Sprint Communications Company L.P. and acknowledged that he is authorized to accept the above-written Franchise Agreement on behalf of Sprint Communications Company L.P.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date hereinabove set forth.

Mary K. Joshi, Notary Public

My Commission Expires: March 5, 2021

Exhibit A



**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Caryn Foley, City Clerk

MEETING OF: September 11, 2017

SUBJECT: Agreement for Collection and Disposal of Solid Waste with Harold LeMay Enterprises, Inc.

ISSUE

The city's contract for solid waste collection and disposal with Harold LeMay Enterprises, Inc., (LeMay) has been in place for five years and a contract extension is being presented for consideration.

DISCUSSION

The city awarded the bid for the collection and disposal of solid waste to LeMay in 2009, which expired August 1, 2016. The city attorney advised that the city may negotiate directly with LeMay for an extension. Negotiations for a new agreement began in June 2016 and a draft proposal was presented to the City Council in July 2016. The redline/strike-through version of the agreement that is included with this agenda report reflects the general direction given by City Council at that time. The proposed changes to the new agreement include:

- 5-year term
- 15% rate increase with no general rate increase for the term of the contract (Attachment B)
- Provision for future increases to tipping fees (Section 8)
- Updated insurance requirements and indemnification/hold harmless language per the Washington Cities Insurance Authority (Sections 10 and 11)
- Removal of language that is no longer needed regarding the initial implementation of recyclables collection (Section 18)
- Revision of language relating to which recyclables will be collected (Section 18)
- Revision of monthly reporting to semi-annual reporting for recyclables collection (Section 18)
- General language clean-up

LeMay will continue to:

- Pay the city a contract fee of five percent of gross receipts on all commercial and residential accounts within the city (Section 7).

- Provide removal and disposal of solid waste from all existing city buildings, facilities, and sites as provided in Attachment A. The estimated value of these services total \$45,000 annually.

The below table provides a sample of the most common residential and commercial accounts and how customers will be impacted. Tom Rupert, District Manager for LeMay, will be in attendance to address the City Council about the proposed rate increases, and provisions for future increases to tipping fees. The last rate increase was August 2009.

Service	Pickup Frequency	Customers	Current Monthly Rate	Proposed Rate	Diff
Residential 1 regular can at curb	1 time per week	789	\$ 14.32	\$ 16.47	\$ 2.15
Residential 2 regular cans at curb	1 time per week	599	\$ 20.34	\$ 23.39	\$ 3.05
Commercial 2 regular cans	1 time per week	137	\$ 17.76	\$ 20.43	\$ 2.66
Commercial 3 regular cans	1 time per week	114	\$ 23.44	\$ 26.96	\$ 3.52

FISCAL IMPACT

If the contract extension is approved, the city would see a slight increase in the contract fee paid by LeMay to the city.

RECOMMENDATION

It is recommended that the City Council approve the Agreement for Collection and Disposal of Solid Waste with LeMay to expire August 1, 2022, and authorize the City Manager to sign said agreement.

SUGGESTED MOTION

I move that the City Council approve the Agreement for Collection and Disposal of Solid Waste with LeMay to expire August 1, 2022, and authorize the City Manager to sign said agreement.

8/15/2017

AGREEMENT FOR COLLECTION AND DISPOSAL OF SOLID WASTE

THIS AGREEMENT is made and entered into this 2nd day of August, 2009, day of _____, 2017, by and between the CITY OF CHEHALIS, WASHINGTON, a municipal corporation, herein called "City", and HAROLD LEMAY ENTERPRISES, INC., herein called "Contractor".

WITNESSETH:

For and in consideration of the mutual covenants and promises herein contained, and other valuable consideration, the parties hereto agree as follows:

1. The term of this Agreement shall begin upon approval by the Chehalis City Council and terminate on the 1st day of August, 2016, _____, 2022.

2. The Contractor does hereby agree to collect all solid waste within the corporate limits of the City of Chehalis, Washington, and to remove the same to an approved solid waste disposal site acceptable to City.

The Contractor does hereby agree to collect all solid waste within those areas annexed to the City of Chehalis, Washington, within the preceding eight (8) five (5) years at such time as these annexed areas become eligible for solid waste collection by Contractor.

Comment [CF1]: LeMay is proposing a five-year term.

3. The Contractor agrees to furnish all labor, equipment, tools, and services required and necessary for the collection and disposal of said solid waste within the corporate limits of the City of Chehalis and provide qualified supervisory personnel to direct the activities of Contractor under this Agreement and to have sufficient standby trucks and equipment and personnel to guarantee collection of said solid waste. All equipment and labor shall be provided at the Washington Utilities and Transportation Commission (WUTC) service level.

4. All trucks for the collection of solid waste used and operated by Contractor shall be state-of-the-art enclosed trucks, and shall be designed to be watertight and drip-proof, so that no garbage or waste water may at any time spill or drip upon the streets of the City. All equipment used by the Contractor shall be kept and maintained in a clean and inoffensive manner and shall be thoroughly washed, at least once a week or as often as directed by City personnel. All trucks shall be equipped with either Routeware or GPS service.

The Contractor further agrees to comply with all of the terms and conditions expressed in Ordinance No. 511-B of the City of Chehalis, Washington, codified in the Chehalis Municipal Code as Chapter 8.04, as now in force or as hereafter amended. Contractor shall provide to City an emergency service plan approved by the City for service during times of inclement weather, flooding or other disasters.

5. Contractor agrees to remove and dispose of all solid waste from all existing City buildings, facilities, and sites as noted in Appendix Attachment "A," at no cost to City.

8/15/2017

Contractor shall provide solid waste and disposal service for apartments and businesses at a level requested by the apartment or business customer.

6. Contractor shall provide all labor, equipment, tools, and services as required and necessary for, and shall bill and collect all fees and charges for, collection and disposal of solid waste for all residential, apartment, and business customers within the corporate limits of the City of Chehalis. Contractor shall authorize the City access to Contractor's business records at any reasonable time to ensure compliance with this Agreement.

7. Contractor shall pay to City a contract fee of five percent (5%) of gross receipts on all accounts within the City including both commercial and residential accounts. Payments shall be made to the City not less than thirty (30) days following the close of each calendar quarter.

8. The rate the Contractor shall charge for solid waste collection service shall be as set forth in Attachment "A-B", attached hereto and incorporated herein by this reference. The rate includes service for recycling with single container recycling equipment.

It is recognized that Contractor utilizes a disposal site operated by Lewis County. To the extent Lewis County increases any tipping fees, or other charges to utilize the disposal site, the rates hereunder shall be subject to adjustment at the time the rate becomes effective or the earliest date allowed by law. The direct increase to the rates in Attachment "B" will be calculated on 25 lbs per 20 gallon cart, 35 lbs per 35 gallon cart, 64 lbs per 65 gallon cart and 96 lbs per 95 gallon cart, 180 lbs per yard of container capacity, or actual tonnage in a drop box.

Comment [CF2]: Proposed by LeMay

In addition to any disposal fee adjustment, Contractor shall also be permitted to propose pass through rate adjustments for any change in or new local, state, or federal laws, rules, regulations, fees, taxes or other charges which increase the cost of providing services pursuant to this Agreement. After documenting the impact of such changes, the City shall review the proposed rate changes, and its approval for pass through of costs due to such changes shall not be unreasonably withheld, conditioned or delayed.

Contractor further agrees that said rates shall not be increased for the term of this Agreement or extensions hereof, excepting, however, for increases due to increased tipping fees charged by Lewis County, Washington, or any other entity, for solid waste disposal at the solid waste disposal site in Centralia, Washington, or such other site used by Contractor during the term of this Agreement.

Contractor will be responsible for the first four percent (4%) of any increases in tipping fees charged for solid waste disposal at any solid waste disposal site.

9. Contractor shall furnish a bond in the sum of One Hundred Thousand and no/100 Dollars (\$100,000.00) for the faithful performance of this Agreement, which bond shall be furnished contemporaneously with the execution of this Agreement.

8/15/2017

10. Contractor agrees, during the term of this Agreement, to keep in force, with an insurance company acceptable to City and with a Best Rating of no less than A:VII, an "occurrence basis" insurance policy or policies indemnifying and saving harmless City from all damages which may be occasioned to any person, firm, or corporation, whether damages are by reason of any willful or negligent act or acts on part of Contractor, its agents or employees, with limits no less than:

a. General Liability: Two Million and no/100 Dollars (\$2,000,000.00) combined single limit per occurrence for bodily injury, personal injury, and property damage.

b. Automobile Liability: Two Million and no/100 Dollars (\$2,000,000.00) combined single limit per accident for bodily injury and property damage.

c. Worker's Compensation/Industrial Insurance: Limits as required by the State of Washington.

The general liability provisions in automobile liability policies are to contain, or be endorsed to contain, the following provisions:

i. The City, its officers, officials, employees, and volunteers are to be covered as insureds as respects liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied, or used by the Contractor, or automobiles owned, leased, hired, or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees, or volunteers.

ii. The Contractor's insurance coverage shall be primary insurance as the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be in excess of Contractor's insurance and shall not contribute with it.

iii. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the City, its officers, officials, employees, or volunteers.

iv. The Contractor's insurance shall apply separate to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

v. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, nor reduced in coverage or in limits except after ninety (90) days' prior written notice by certified mail, return receipt requested, has been given to the City.

8/15/2017

11. Contractor shall save, keep, and hold harmless the City, its officers, agents, employees, and volunteers from all damages, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of or in the course of performing work which may be occasioned by any willful or negligent act or emissions of the Contractor, any of the Contractor's employees, or any subcontractor. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of Contractor and the City, its members, officers, employees, and agents, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

The provisions of this section shall survive the expiration or termination of this Agreement.

10. Insurance.

Comment [CF3]: Section 10. Updated insurance language suggested by WCIA.

A. Insurance Term

The Contractor shall procure and maintain insurance, as required in this Section, without interruption from commencement of the Contractor's work through the term of this Agreement.

B. No Limitation

The Contractor's maintenance of insurance, its scope of coverage and limits as required herein shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

C. Minimum Scope of Insurance

1. Commercial General Liability insurance shall cover liability arising from premises, operations, independent contractors, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The City shall be named as an additional insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City.
2. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall include, to the extent applicable, ISO Pollution Liability-Broadened Coverage for Covered Autos Endorsement CA 99 48, and the Motor Carrier Act Endorsement (MCS 90) shall be attached.
3. Worker's Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

8/15/2017

D. Minimum Amounts of Insurance

The Contractor shall maintain the following insurance limits (all limits may be met through a combination of primary and umbrella coverages):

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$5,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$5,000,000 each occurrence, \$5,000,000 general aggregate and \$5,000,000 products-completed operations aggregate limit.

E. Other Insurance Provision

Solely to the extent of the Contractor's indemnification obligations herein, the Contractor's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. To the extent of the Contractor's indemnification obligations herein, any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

F. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII.

G. Verification of Coverage

The Contractor shall furnish the City with standard ACORD certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsements, evidencing the insurance requirements of the Contractor before commencement of the work.

H. Subcontractors' Insurance

The Contractor shall cause each and every Subcontractor to provide insurance coverage that complies with all applicable requirements of the Contractor-provided insurance as set forth herein, except the Contractor shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. The Contractor shall ensure that the City is an additional insured on each and every Subcontractor's Commercial General liability insurance policy.

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I. Notice of Cancellation

The Contractor shall provide the City and all Additional Insureds for this work with written notice of any policy cancellation within thirty (30) business days of their receipt of such notice.

J. Failure to Maintain Insurance

Failure on the part of the Contractor to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Contractor to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the city, offset against funds due the Contractor from the City.

III. Indemnification/Hold Harmless.

The Contractor shall defend, indemnify and hold the City, its officers, officials, and employees harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement. Notwithstanding anything to the contrary contained herein, the Contractor shall have no obligation to indemnify the City or the City's officers, officials, or employees, to the extent any such claims, injuries, damages, losses, or suits arise out of: (i) the negligence or willful misconduct of the City or the City's officers, officials, or employees, (ii) the City's breach of any of the terms, conditions, representations, or warranties contained in this Agreement, or (iii) the violation of any law, rule, regulation, ordinance, order, permit, or license by the City or the City's officers, officials, or employees.

Comment [CF4]: Section 11. Hold harmless language suggested by WCIA.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of Contractor and the City, its members, officers, employees, and agents, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

The provisions of this section shall survive the expiration or termination of this Agreement.

12. Contractor agrees to comply with all ordinances, laws, rules, and regulations, together with amendments thereto, of the state of Washington, the United States of America, or any political subdivision pertaining to the services to be performed hereunder.

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13. Contractor agrees to save City harmless from any and all taxes or assessments of any kind or nature levied by any political subdivision upon Contractor by reason of services rendered for solid waste and disposal for City.

14. Contractor shall keep all employees covered by Industrial Insurance as provided by the laws of the state of Washington and the regulations of the Washington State Department of Labor and Industries and make all payments required therefor when the same shall become due.

15. Contractor agrees to provide service to school, business, and shopping mall sites during times of low traffic congestion. Residential collection shall commence no earlier than 6:30 a.m. and must be completed no later than 6:00 p.m. unless otherwise agreed to by the parties.

16. This Agreement, or any interest herein, shall not be transferred, sold, or assigned by Contractor to any person, firm, or corporation, without the prior written consent of City being first had and obtained.

17. In the event of a default by either party hereunder, the non-defaulting party may elect to terminate this Agreement upon providing the defaulting party with a written notice of such default, and allowing the defaulting party a period of thirty (30) days from and after the date of such notice to cure the default complained of. In the event said default is not cured within said thirty (30) day period, this Agreement shall be terminated as of the last day of said period. In the event the City is the non-defaulting party, Contractor agrees to furnish services under this Agreement until such time as another solid waste collection and disposal contractor can be selected by City.

Notwithstanding the above Agreement, Contractor agrees that whenever the City determines that the failure of service or threatened failure of service would result in the creation of an immediate and serious health hazard, the City may, after a minimum of twenty-four (24) hours written notice to Contractor, in a public hearing if requested by Contractor, authorize City personnel or other persons to temporarily provide the service or to use and operate the land facilities and/or equipment of Contractor. The City may authorize expenses which are necessary to provide the service which Contractor is required to provide under this Agreement. The City shall return any seized property and the business of Contractor upon abatement of the actual or threatened interruption of service.

If the City is required to perform the services pursuant to this paragraph, City may bill Contractor for the costs of providing the same and Contractor shall reimburse the City for the actual cost of providing the services within ten (10) days after receipt of the City's bill. In the event Contractor fails to reimburse the City within ten (10) days after receipt of the City's cost bill, City may employ all rights and remedies to which it may be entitled under law to secure payment of the cost bill.

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Contractor shall be entitled to all customer account income arising from the provision of the service by the City or other persons pursuant to this section, except as otherwise allocated herein.

18. Recyclables Collection Service.

a. Collection Frequency. Contractor shall provide collection of recyclables every other week to all eligible households. Eligible households include all single-family through four-unit dwellings. Establishment of refuse collection days shall be given priority; therefore, recyclable collection days must correspond with established refuse collection days.

b. Recycling Containers. Contractor shall provide all individual single container recycling equipment as specified by City. The containers shall be approved by City and shall be manufactured of durable material. Containers shall be imprinted with a promotional logo as determined by City.

c. Container Ownership, Distribution, and Replacement. Contractor shall provide procurement and distribution services for all recycling containers to all households in the service area. The containers shall be initially provided to all households, and throughout the terms of the contract to all new eligible households, and on a replacement basis, within seven days to existing households.

~~Containers must be initially distributed Monday through Friday between the hours of 9:00 a.m. and 5:00 p.m. and delivered to the households' front door or as nearby as reasonable.~~

Comment [CF5]: Not needed. This was for initial distribution after approval of 2009 agreement.

As part of the Contractor's distribution services, Contractor shall use all reasonable efforts to minimize container loss. Contractor shall own the containers. Strict inventory control shall be implemented by Contractor. At the end of the contract terms all containers, both distributed and undistributed, shall remain the property of Contractor.

City reserves the right to purchase the recycling containers from Contractor at any time, at a price representing the initial purchase price, less depreciation. No contractor markup on container costs shall be allowed.

Replacement of containers shall be made on the following basis:

- Replacement necessitated by damage due to Contractor negligence shall be at Contractor's expense. Such replacement shall be noted and included in Contractor's reports to City.
- Replacement necessitated by damage due to customer negligence shall be at the customer's expense.

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- Replacement necessitated by loss or theft shall be at Contractor's or customer's expense, depending on the circumstances.

d. Materials. Contractor shall provide the collection of the following household materials, as designated by the Lewis County Solid Waste Advisory Committee (SWAC): newspapers; cardboard and paperboard; magazines; glass; aluminum; and other metal food and beverage containers; narrow-neck HDPE and PET hard plastics; and mixed waste paper, or as otherwise designated "waste paper" by SWAC. Contractor shall also collect other materials that City and Contractor determine to be recyclable based upon a negotiated price between City and Contractor to provide the additional service.

e. Marketing. Contractor shall be responsible for the marketing and sale of recyclable materials collected from residential households and shall receive proceeds or expenses therefrom, subject to all profits being donated to the Chehalis Foundation.

f. Materials Transport. Contractor shall transport all collected recyclable materials to market. Contractor shall not, under any circumstances, be allowed to dispose of uncontaminated collected recyclable materials by land filling. If City determines that Contractor has land filled uncontaminated recyclable materials collected through this program, a penalty fee will be assessed at the rate of \$100.00 per ton with no maximum, with a minimum of \$100.00 per incident.

g. Public Awareness and Education. Contractor shall provide formal public awareness and education services by assisting and fully cooperating with City's efforts on an as-requested basis which are expected to include: a) a requirement that all personnel in potential contact with customers be knowledgeable about the program and able to answer questions from the general public; b) the distribution of brochures by Contractor concurrent with the distribution of containers; and c) promotional meetings.

h. Reporting Requirements. Contractor agrees and covenants to keep at all times accurate and complete records and accounts in writing, including route books indicating collections from residential customers as well as those commercial and industrial customers who request service, and to allow City, or its duly authorized representative or agent, reasonable and adequate access to any and all of said records, data, and/or accounts. Contractor will furnish unto City, upon its request, accurate copies or duplicates thereof, without charge.

Contractor will be required to keep records and submit reports to City as specified below. Contractor will also be required to provide weight receipts for all materials collected and brokered by Contractor. The minimum reporting requirements, which are subject to modification, are described below:

1. Quarterly Semi-Annual Program Reports: Contractor shall submit ~~semi-annual~~ quarterly program reports, in a format acceptable to City, for the length of the contract period commencing upon the initial day of the contract.

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These reports shall be due within twenty (20) business days from the end of the period being reported. At a minimum, the reports shall include:

- Tonnages of all recyclable materials collected pursuant to this contract, by individual material type (e.g., green glass, brown glass, clear glass, newspaper, etc.).
- Summaries of gross revenues from the sale of materials and net revenues following processing and transporting of materials.
- Listing of the date, name, address, and nature of all customer complaints, accompanied by the date action taken, the resolution, and/or any unusual problems related to each complaint.
- Material market prices, by material.
- Number of collection containers replaced and why; addresses where containers reported lost.
- Number of households setting out recyclables at least once in the reporting period.
- Description of any problems encountered and how they were resolved.

2. Annual Reports: Contractor shall also provide year-end annual reports for each year the program is in operation. These reports will be due within thirty (30) days of the end of the reporting year. At a minimum, the report shall include:

- Yearly totals and a summary of the quarterly semi-annual reports.
- A discussion of highlights, problems, and measures taken to resolve problems and increase efficiency and household participation. Contractor's recommendations for program improvements shall also be included.

i. Additional Provisions. Contractor agrees and covenants to abide by the following additional conditions for provision of recycling services:

- Contractor shall comply with minimum state standards on recycling as now in existence or hereafter amended during the term of this Agreement, or extensions hereof.
- All revenues less reasonable transportation costs from the sale of recyclable material shall go to the Chehalis Foundation.

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19. Yard Waste Disposal Program.

a. Contractor shall provide all the necessary manpower, equipment, and materials necessary to provide containers at the Stan Hedwall Park location to be determined by City for the setup of a municipal yard waste disposal site. City shall develop the site and Contractor shall provide the containers necessary to collect the yard waste from citizen participants.

b. Contractor shall be responsible for the hauling of all yard waste on an as-needed basis from the collection site at Stan Hedwall Park to the nearest available yard waste disposal site either in Lewis or Thurston Counties.

c. Contractor shall haul all yard waste at Contractor's sole expense. City shall be responsible for payment of tipping fees incurred at the designated disposal site in accordance with the terms of this Agreement. Billing by Contractor to City for tipping fees under this portion of the contract shall be in accordance with the current billing practices between Contractor and City.

20. Contractor agrees to comply with and support all recycling requirements of the Solid Waste Management Plan for Lewis County, Washington, at such time as it is enacted.

21. Contractor will assist at no expense to City in the collection of solid waste materials including recyclable materials, during the annual "Spring Rally" community clean-up project, provided, however, that the City agrees to continue to be responsible for landfill tipping fees for all additional solid wastes collected as a result of the "Spring Rally."

22. Contractor shall submit not later than January 31 of the following year during the term of this Agreement to the City an annual report regarding Contractor's operation which shall include the following:

- a. Activities in compliance and furtherance of the opportunity to recycle;
- b. Number of customers and changes in number of customers from previous report;
- c. Number of delinquent accounts and methods for collection;
- d. Number of complaints received regarding service and the resolution of those complaints;
- e. Any changes in equipment or disposal and dumping facility or sites;
- f. Summary of assistance to community clean-up efforts;
- g. Accidents or problems encountered in providing the service; and

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h. Tonnages of materials collected and disposed of at all sites.

24. In the event it is necessary for either party hereto to employ the services of an attorney to enforce the terms and provisions of this Agreement, the prevailing party in any dispute shall be entitled to reasonable attorney's fees, together with any costs and disbursements incurred by reason of litigation.

EXECUTED IN DUPLICATE on the date and year first above written.

CITY OF CHEHALIS, WASHINGTON,
a municipal corporation

By Merlin G. MacReynold
Its City Manager

Attest Judith A. Schave
Its City Clerk

Approved as to form and content:

William T. Hillier
City Attorney

CITY

HAROLD LeMAY ENTERPRISES, INC

By Dan Schooler
Name: Dan Schooler
Title: Division Manager

CONTRACTOR

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Trent J. Lougheed, P.E., Community Development Director

MEETING OF: September 11, 2017

SUBJECT: Request to Suspend Chehalis Municipal Code Section 17.09.140(B) –
Allowing for Processing of a Rezone Application and Taking Action Prior
to February 1

ISSUE

Human Response Network (HRN) has requested (see attached) an exception to the code that limits the change of zoning review to February and March in order to pursue a zoning code change needed to build a new facility. The organization is seeking to re-zone as soon as possible in order to apply for grant funding.

DISCUSSION

The request would require the suspension of Chehalis Municipal Code Section 17.09.140(B) – Allowing for processing of a Rezone Application and taking action prior to February 1.

Chehalis Municipal Code Section 17.09.140 – Amendments/Rezoning reads as follows:
17.09.140 Amendments/rezoning.

A. The provisions of this title and/or the adopted comprehensive plan may be amended during the second quarter of any calendar year except as provided in subsection (C) of this section. Any agency or any taxpayer may petition the city for an amendment to this title and/or the comprehensive plan. If such a petition involves a rezoning of any property within the city or its UGA, the petitioner must hold a legal ownership interest in at least one tax parcel of property within any area submitted for rezoning.

B. A petition for any amendment to this title or the comprehensive plan shall be submitted on forms provided by the administrator (Appendix Chapter B), received by the city between February 1st and March 31st of any calendar year, and be accompanied by any required filing fee (Appendix Chapter A). Only one subject, area, or section shall be submitted per form, but there is no limit to the number of forms that may be submitted. Nothing herein shall preclude the filing of a petition at any other time of year; however, the city shall take no formal action on such a petition until the February 1st following receipt of such a filing.

C. This title and/or the comprehensive plan may be amended at any time to comply with any statutory requirements mandated by state and/or federal law. An emergency shall be deemed to exist if failure to amend this title may result in any sanction to the city from any source.

D. A completed petition for amendment shall be reviewed by the DRC, and any comments or recommendations made by the DRC shall be attached to the petition.

E. The petition and any comments or recommendations made by the DRC shall be forwarded by the administrator to the planning commission. The planning commission shall conduct a public hearing on such petition and make a recommendation thereon. The petition and planning commission recommendation shall be forwarded to the city council for consideration.

F. The city council shall conduct a public hearing on the petition and the planning commission recommendation, and approve, modify, or deny such petition.

G. A petition for a rezone of specific property shall be considered an amendment to this title, and such a petition for rezone shall conform to all applicable provisions of this title, including this section.

H. For the purpose of establishing and maintaining sound, stable, and desirable development within the city, the rezoning of land is to be discouraged and allowed only under certain circumstances as provided in this section. This policy is based on the opinion of the city council that the map is the result of a detailed and comprehensive appraisal of the city's present and future needs regarding land use allocation and, as such, should not be amended unless to correct a manifest error or because of changed or changing conditions in a particular area or the city in general. Rezoning shall only be allowed if the petitioner demonstrates by clear and convincing evidence that:

1. The land to be rezoned was initially zoned in error and as presently zoned is inconsistent with the policies and goals of the comprehensive plan; or

2. Conditions in the area for which rezoning is requested have changed or are changing to such a degree that it is in the public interest to encourage a redevelopment of the area; or

3. The proposed rezoning is necessary in order to provide land for a community-related use which was not anticipated at the time of the adoption of the comprehensive plan, and that such rezoning will be consistent with the policies of the comprehensive plan. [Ord. 720B § 1, 2002.]

Council can approve or deny this request based on Section 17.09.140(H)(3) (immediately above) citing "The proposed rezoning is necessary in order to provide land for a community-related use which was not anticipated at the time of the adoption of the comprehensive plan, and that such rezoning will be consistent with the policies of the comprehensive plan."

It should be noted that this request is simply for suspending the rules of the time period for processing the petition, and it does not provide any other approval to HRN. All other Chehalis Municipal Code requirements for the rezone petition process, and all development regulations for project approval, still remain in effect. All other considerations for the specific uses or improvements proposed to be made to the parcels are not relevant to this petition.

FISCAL IMPACT

None by this action.

RECOMMENDATION

City Council direction is requested.

SUGGESTED MOTION

I move that the City Council approve the request of Human Response Network, and suspend Chehalis Municipal Code Section 17.09.140(B) – Allowing for processing of a Rezone Application and taking action prior to February 1.

OR,

I move that the City Council deny the request of Human Response Network for suspending Chehalis Municipal Code Section 17.09.140(B) – Allowing for processing of a Rezone Application and taking action prior to February 1.



1-360-748-6601
INFO@HURNL.C.ORG

AUG 01 2017  125 NW Chehalis Ave
P.O. Box 337
Chehalis, WA 98532

July 31, 2017

Trent Lougheed
Community Development Department
City of Chehalis
1321 S. Market Blvd.
Chehalis, WA 98532

The Human Response Network seeks the indulgence of the City of Chehalis in granting an exception to the code that limits change of zoning review to February and March.

We operate the only certified shelter and advocacy center for victims of domestic violence and sexual assault in Lewis County. The shelter facility has been sited at a confidential location in a residential neighborhood of Chehalis since 2002, but the demand has outstripped the capacity of that building. We are in the early stages of a project to design, build, and occupy a new facility. Unfortunately, the site that meets our need is currently designated R-1. Earlier discussions with you arrived at a required designation of R-3 for use as a group home service facility, with offices.

A delay until February to make application could mean a delay of up to two years, depending on the Federal and State grant cycles that will be major sources for this project. A delay of even a few months is problematic. Over the last six months, we have averaged almost 50 unmet requests for shelter each month. Each request could be a single woman or it could be a mother with three or four children. Our current shelter capacity is 18 beds, which means we can shelter 20 – 25 women and children each month, or less than half as many as we are forced to turn away. So, the need for a new facility is dire, and a delay of 18 months or more would be disastrous for the women and children we would be forced to turn away.

After months of research, we have selected 5 parcels (4 undeveloped plus one derelict house) on Washington Avenue behind the Safeway store (described in the attached data sheets from the Tax Assessors Property database) which are currently zoned R-1. We have selected this site as the best location because it best meets the needs of our clients:

1. As very few of our clients have cars, our facility must be:
 - within city limits and close to mass transit
 - close to retail (grocery store, drug store, hardware store);
 - a relatively private location, not fronting directly on a major thoroughfare.

The selected site is one block off S. Market Blvd., with bus stop, groceries, drug store, hardware, and other services within a few blocks. Though close to transportation, it does not directly front on a major thoroughfare.

2. The site must provide enough space for about 20 single living units on upper floors, above office and meeting space on the ground floor.

At an assembled foot print of about 2.52 acres, these lots provide plenty of space for a multi-story building with a 10,000 S.F. foot print that will provide needed security, while still presenting a pleasing façade and presence that fits in the surrounding environment.

3. The site must provide space for off-street parking for 15 staff and 10 non-resident/walk-in clients.

Even with the requirement to maintain easements for water and sewer lines that run through the assembled lots, there should be plenty of space for up to 25 parking spaces, fire lanes, and greenspace/landscaping.

In our earlier conversation, you had said that the City has no intention to develop the 12th Street extension right-of-way. If this special review of zoning is granted, we also ask that the City at the same time consider vacating the extension of 12th Street to the east that would parse the 5 lots and limit placement of buildings and paved areas.

4. As part of our due diligence, we looked for buildable lots in Centralia, as well as Chehalis. I spoke with the Community Development Director in Centralia and found nothing suitable in the required zoning. Lots in Centralia and Chehalis that met the zoning requirement were too small or would have required going well over the maximum height limitations to achieve the needed square feet of living and office space, with no off-street parking.

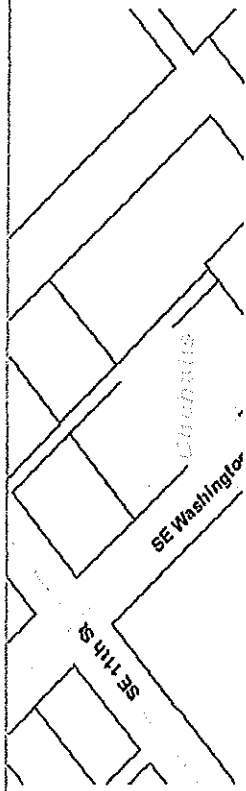
Frankly, the Human Response Network has provided shelter in Chehalis for more than 40 years and our first choice is to continue to offer services in Chehalis. Studies show that 57% of the women and children who are homeless are fleeing domestic violence. Expediting this project would be a major step toward preventing more homelessness in Chehalis and Lewis County.

If there is anything else that we can do to expedite this process, please let me know. I look forward to hearing from you.

Until then



David R. Eatwell
Chief Executive Officer
The Humnan Response Network
125 NW Chehalis Avenue
Chehalis, WA 98532
ExDir@HRNLC.ORG
Cell: (360) 520-9776



Address 0 Se Washington Ave, Chehalis
 Owner Nicholas, Thomas P & Cara L

Parcel Number 005490001000
 Account # 2160490

Assessed Value
 \$48,700

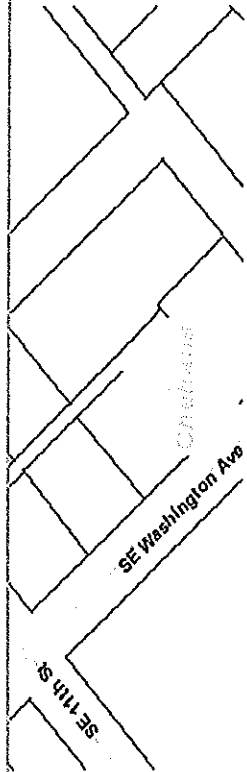
Taxes Owed
 \$284.52

General Information

Parcel Number	005490001000	Owner	Nicholas, Thomas P & Cara L 103 Macronovic Rd Chehalis, WA 98532
Address	0 Se Washington Ave, Chehalis	Tax Payer	Nicholas, Thomas & Cara L 103 Macronovic Rd Chehalis, WA 98532
Use Code	91 Residential Land - Undivided	Partial Legal Description	Section 32 Township 14N Range 02W -- CHEHALIS LOT 4 BLOCK 2 MCCORD & PHILLIP'S ADDITION
T.C.A. (Tax Code Area)	020		
Current Use	No		
Total Acres	0.180		

Property Values

Tax Year	Assessed Value	Land Value	Improvement Value	Current Use Land	Taxable Value Regular	Taxable Value Excess
2017	\$48,700	\$48,700	\$0	\$0	\$48,700	\$48,700



Address 0 Se Washington Ave, Chehalis
 Owner Nicholas, Thomas P & Cara L

Parcel Number 005490000000
 Account # 2160490

Assessed Value
 \$48,700

Taxes Owed
 \$284.32

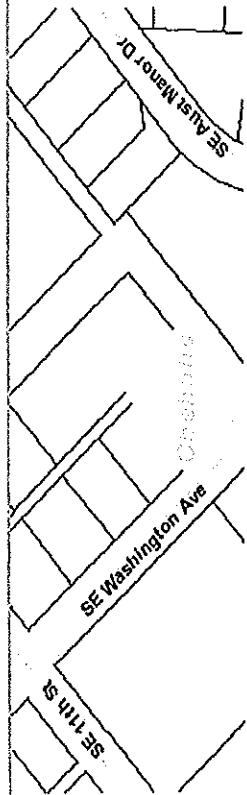
General Information

Parcel Number 005490000000
 Address 0 Se Washington Ave, Chehalis
 Use Code 91 Residential Land - Undivided
 JICA (Tax Code Area) 020
 Current Use No
 Total Acres 0.180

Owner Nicholas, Thomas P & Cara L
 105 Macronovic Rd
 Chehalis, WA 98532
 Tax Payer Nicholas, Thomas & Cara L
 103 Macronovic Rd
 Chehalis, WA 98532
 Partial Legal Description Section 32 Township 14N Range 02W LOT 5
 BLK 2 MCCORD & PHILLIPS ADD

Property Values

Tax Year	Assessed Value	Land Value	Improvement Value	Current Use Land	Taxable Value Regular	Taxable Value Excess
2017	\$48,700	\$48,700	\$0	\$0	\$48,700	\$48,700
2016	\$41,600	\$41,600	\$0	\$0	\$41,600	\$41,600



Address 1176 Se Washington Ave, Chehalis
 Owner Nicholas, Thomas & Cara

Parcel Number 005853001000
 Account # 2143030

Assessed Value
 \$135,600

Taxes Owed
 \$791.67

General Information

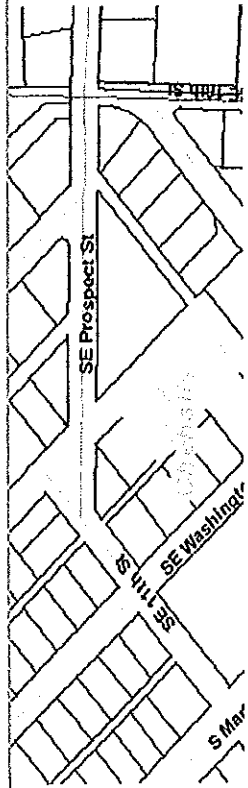
Parcel Number 005853001000
 Address 1176 Se Washington Ave, Chehalis
 Use Code 11 Single Unit
 ICA (Tax Code Area) 020
 Current Use No
 Total Acres 0.310

Owner Nicholas, Thomas & Cara
 103 Macronovic Rd
 Chehalis, WA 98532
 Tax Payer Nicholas, Thomas & Cara
 103 Macronovic Rd
 Chehalis, WA 98532

Partial Legal Description
 Section 32 Township 14N Range 02W - PART
 LOT 5 NORTH OF WASHINGTON STREET

Property Values

Tax Year	Assessed Value	Land Value	Improvement Value	Current Use Land	Taxable Value Regular	Taxable Value Excess
2017	\$135,600	\$48,700	\$86,900	\$0	\$135,600	\$135,600



Address 0 Se Washington Ave, Chehalis
 Owner Nicholas Thomas P & Cara L

Parcel Number 005492002000
 Account # 2160490

Assessed Value
 \$48,700

Taxes Owed
 \$284.32

General Information

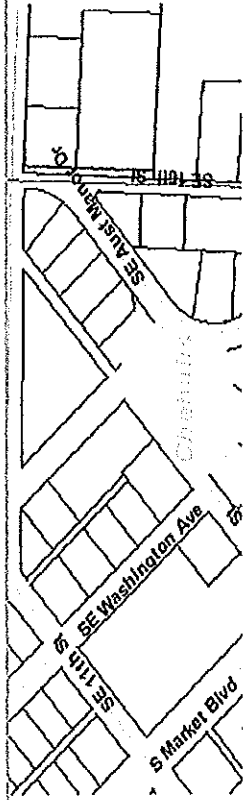
Parcel Number 005492002000
 Address 0 Se Washington Ave, Chehalis
 Use Code 91 Residential Land - Undivided
 TCA (Tax Code Area) 020
 Current Use No
 Total Acres 0.600

Owner Nicholas, Thomas P & Cara L
 103 Macronovic Rd
 Chehalis, WA 98532
 Tax Payer Nicholas, Thomas & Cara L
 103 Macronovic Rd
 Chehalis, WA 98532

Partial Legal Description Section 32 Township 14N Range LOTS 4, 5, 6 & 7 BLK 3 MCCORD & PHILLIPS ADD

Property Values

Tax Year	Assessed Value	Land Value	Improvement Value	Current Use Land	Taxable Value Regular	Taxable Value Excess
2017	\$48,700	\$48,700	\$0	\$0	\$48,700	\$48,700
2016	\$41,600	\$41,600	\$0	\$0	\$41,600	\$41,600



Address 0 Se 12th St, Chehalis
 Owner Nicholas, Thomas P & Cara L

Parcel Number 005604192001
 Account # 2160490

Assessed Value
 \$27,200

Taxes Owed
 \$158.81

General Information

Parcel Number 005604192001
 Address 0 Se 12th St, Chehalis
 Use Code 91 Residential Land - Undivided
 I.C.A. (Tax Code Area) 020
 Current Use Yes
 Total Acres 0.990

Owner Nicholas, Thomas P & Cara L
 103 Macronovic Rd
 Chehalis, WA 98532

Tax Payer Nicholas, Thomas P & Cara L
 103 Macronovic Rd
 Chehalis, WA 98532

Partial Legal Description Section 32 Township 14N Range 02W LTS 19-21 AUSTS ADD BL-11-158 33666102

Property Values

Tax Year	Assessed Value	Land Value	Improvement Value	Current Use Land	Taxable Value Regular	Taxable Value Excess
2017	\$27,200	\$27,200	\$0	\$0	\$27,200	\$27,200