

COUNCIL AGENDA

Monday, February 3, 2020



**CITY OF ELLENSBURG
COUNCIL AGENDA
Council Chambers
501 North Anderson Street
Ellensburg, WA 98926
Monday, February 3, 2020
7:00 PM - Regular Meeting**

Pledge of Allegiance

1. Call to Order and Roll Call

2. Proclamations

- 2.A Proclamation Celebrating the 100th Anniversary of the League of Women Voters of the United States

[League of Women Voters Proclamation](#)

3. Awards and Recognitions

4. Approval of Agenda

5. Consent Agenda

Items listed below have been distributed to Councilmembers in advance for study and will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Agenda at the request of a Councilmember or at the request of a member of the public with concurrence of a Councilmember. Requests to remove items should be made under Item 4 Approval of Agenda.

- 5.A Approve Minutes - January 21, 2020, Regular Meeting

[Regular Mtg Minutes 1-21-20](#)

- 5.B Acknowledge Minutes of Boards and Commissions

[Affordable Housing Commission - 12-4-19](#)

[Affordable Housing Commission - 12-18-19](#)

[Environmental Commission 10-16-19](#)

[Environmental Commission - 11-20-19](#)

[Environmental Commission - 12-18-19](#)

[Library Board - 12-10-19](#)

[Parks & Recreation Commission - 12-11-19](#)

[Utility Advisory Committee - 11-21-19](#)

- 5.C Bid Award – Bid Call 2019-42
Main Street Overlay – Mountain View to Third Avenue
- 5.D Accept Resignation from Jamie Rosen, Ellensburg Business Development Authority
and Authorize the Mayor to Sign a Letter of Appreciation
[Resignation email from Jamie Rosen](#)
- 5.E Accept Resignation from Steve Townsend, Ellensburg Business Development
Authority and Authorize the Mayor to Sign a Letter of Appreciation
[Resignation email from Steve Townsend](#)
- 5.F Approve February 3, 2020 Voucher Listing
[February 3, 2020 Voucher](#)

6. Petitions, Protests, and Communications

- 6.A Kittitas County Housing Authority Projects Update

7. Citizen Comment on Non-agenda Issues

8. Business Requiring Public Hearings

9. Introduction and Adoption of Ordinances and Resolutions

- 9.A Second Reading of Ordinance 4848 approving rezone request P19-122 submitted
by Terra Design Group Inc., agent for owner Teanaway Ridge LLC
[Bull Rd Rezone Exhibits 1 thru 3](#)
[Ordinance 4848 - P19-122 Ordinance-Bull Rd Rezone](#)
- 9.B First reading of proposed Ordinance for 2020 Waterworks Utility System Bond
[Map of parcels to be purchased](#)

[Ellensburg-Waterworks Revenue 2020-Bond Ordinance.02-03-20](#)

10. Unfinished Business

11. New Business

12. Miscellaneous

- 12.A Manager's Report
[Manager's Report](#)
- 12.B Councilmember's Reports

13. Executive Session - 42.30.110(i) To discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

14. Adjournment



Proclamation

Celebrating the 100th Anniversary of the League of Women Voters of the United States

League of Women Voters of Kittitas County

Whereas, the League of Women Voters was founded in 1920 as a “mighty political experiment” by the foremothers of the suffragist movement at the National American Woman Suffrage Association, and;

Whereas, their goal was to help the 20 million women who were granted the right to vote by the 19th Amendment understand and carry out their new responsibility as voters, and;

Whereas, with the success of this effort and the tireless efforts over the last 100 years to strengthen and uphold its mission to empower voters and defend democracy, the League has become a trusted nonpartisan, grassroots organization, and;

Whereas, the League has sponsored legislation and fought in the courts to protect and strengthen voting rights and access, and for free and fair elections, civil rights, children, community health, and education, and;

Whereas, the League has consistently been noted for its nonpartisan election information, including sponsorship of candidate forums and information on state and local ballot issues, as well as its commitment to register, educate, and mobilize voters, and;

Whereas, the League champions government systems that are open, transparent, inclusive, and equitable, and;

Whereas, the League believes that active and engaged citizens, irrespective of gender, ethnicity, or political affiliation, are the hallmark of democracy;

Now therefore be it proclaimed **February 14 as Women’s Voting Rights Day** and we honor and congratulate the League of Women Voters on its 100th Anniversary and commend the League for its significant contributions to empowering voters and making democracy work.

Dated this ____ day of February, 2020.

Mayor

City Clerk



CITY OF ELLENSBURG

Date of Meeting

Time of Meeting

Place of Meeting

Minutes of Council Meeting, Regular Session

January 21, 2020

7:00 p.m.

Council Chambers, 501 North Anderson Street

1. Roll Call Present: Engel, Goodloe, Lamb, Lillquist, Miller, Morgan and Tabb.

Others present were City Manager Akers; Assistant City Manager/City Attorney Weiner; City Clerk Leader; Executive Assistant Gigstead; Public Works & Utilities Director Lyyski; Community Development Director Sackett and approximately thirty members of the audience.

2. Proclamations

None

3. Awards & Recognitions

None

4. Agenda Approval

Councilmember Morgan moved to approve the Agenda as presented. **Motion Approved 7-0.**

5. Consent Agenda

Councilmember Morgan moved to approve the Consent Agenda as presented. **Motion Approved 7-0.**

6A. Board and Commission Applications

Maurice Blackson introduced himself and expressed his interest in serving on the Landmarks and Design Commission.

Following the Mayor's request to Council, Councilmember Morgan moved to confirm the Mayor's recommendation to appoint Maurice Blackson to the Landmarks and Design Commission. **Motion Approved 7-0.**

Mayor Tabb recommended Geraldine O'Mahony for appointment to the Planning Commission.

Councilmember Miller moved to confirm the Mayor's recommendation of Geraldine O'Mahony for appointment to the Planning Commission. **Motion Approved 7-0.**

6B. Petition from Our Environment asking City Council to Pledge that the City will be Powered by 100% Clean Renewable Energy by 2035

Paula McMinn, Ellensburg, speaking for Our Environment and the 459 people who signed the petition, presented information concerning climate change and the request of the group asking the City to pledge 100% clean renewable energy by the year 2035.

6C. Review Council Assignments to Boards and Commissions and Liaison Positions.

Mayor Tabb provided a list of potential board and commission positions for each councilmember. Council reviewed and consensus was to assign commissions as discussed.

7. Citizen Comment on Non-Agenda Issues

Howard Jones, 704 N. Kittitas St., not speaking for himself or others, made a statement concerning the Chamber and City and the process of commissions.

8A. Public Hearing (Legislative) and Proposed Ordinance for Annexation of 260 Parcels, Referred to as Currier Creek Area

The Mayor opened the public hearing. Kirsten Sackett, Community Development Director, presented information in the staff report. It was reported that \$48,180,730 was the actual total property valuation of the proposed annexation area, which corrected the amount listed in the Agenda Report. Property owner, Shane Jump, Reecer Creek Leasing, requested zoning for their property to be Light Industrial. A letter from Attorney Jeff Slothower was received concerning such, was entered as Exhibit 14, and had been forwarded to Council by email. The Planning Commission, at their December 12, 2019 meeting, unanimously recommended Council approve the annexation with the boundaries previously set by Council.

Paul McBride, 1407 Dry Creek Rd, representing himself, stated he was not in support of the annexation and that the Planning Commission vote was not unanimous. He commented the annexation should be aimed specifically at the Currier Creek development.

Brad Fitterer, 1671 Dodge Rd, speaking for Dry Creek Acres, which includes 80 acres north of Dry Creek Rd, was in support of the annexation.

Mark McClain, 2211 N. Clearview Drive, spoke in regards to the zoning and uses of the property surrounding the homes within Currier Creek development. He stated he was in support of the annexation.

Brian Lenz, 1441 Emerson Road, on behalf of Ellensburg Christian School, expressed they would be in favor of the annexation.

Tammy Sawyer, 909 E 15th Ave., requested the annexation area be reduced to not include their property.

Nick Majsterek, 1607 Dry Creek Rd, requested the Dry Creek area be excluded.

Fabian Kuchin, 1404 Dry Creek Rd, spoke in regards to his property and the easement he provided to the City for a water line through his property. His property has been used as a nursery and is currently agricultural. He would like to keep light industrial zoning.

Gordon Allen Pross, 190 Packwood Lane, represented the American Cannabis Company LLC (owner) and The Hemp Cannabis Medical Research and Energy companies. He is not in favor of annexation, particularly at 1350 Reecer Creek Road. He commented about the water right-of-way and that it should be grandfathered for light-industrial.

Greg Newhall, 3650 Passmore Rd, owns property that is currently being farmed both north and south of University Way, and stated he was not in favor of annexation. He inquired about what action is taken if it's not farmed one or two years, and if it eliminates them from the agricultural zoning.

Marte Fallshore, 2817 Pioneer Rd, spoke in regards to annexation of the Dry Creek Road landowners and the elimination of Hannah Road residents.

Shane Jump, Reecer Creek Leasing, spoke regarding the rezone of their property and permitting which was previously done.

Johnathan Suttles, 1509 Dry Creek Rd, spoke against the annexation.

Gabrielle Stryker, 1407 Dry Creek Rd, spoke against annexation and referred to her letter, which was previously submitted.

Tim Blake, 2119 W Creeks Edge Way, was not in favor of the annexation.

Gordon Pross, 190 Packwood Lane, commented regarding Fabian Kuchin's property, which is currently used as an active cattle ranch.

Councilmember Engel asked what further development consists of; and what defines a lapse of use for certain property.

Councilmember Morgan asked about current utilities for existing residents.

Councilmember Engel inquired about zoning differences between the City and County.

Councilmember Lillquist asked about differences between R-S and R-L zones concerning maintaining livestock.

Councilmember Miller inquired about certain zoning being detrimental or benign for certain properties.

Councilmember Lillquist commented regarding the utility agreements and pre-annexation agreements in the Currier Creek development.

Councilmember Morgan inquired about Mr. Kuchin's property and the process to rezone; and areas 1-4 on the map distributed at the meeting which included areas requesting to be excluded from the annexation, which was added as Exhibit 15.

Exhibits 16 and 17 were also added and were maps showing areas of the City limits not including the parcels against annexation and showing the City/County limits.

Councilmember Goodloe inquired about the potential zoning to Mr. Kuchin's property if annexed.

Gabrielle Stryker, 1407 Dry Creek Rd, commented regarding the County not allowing apartment complexes.

Councilmember Lillquist inquired about the amendment process of the comprehensive plan and the timeline of Mr. Kuchin's and Mr. Pross' project. Mr. Pross explained the project is anticipated to be active within twelve months.

Councilmember Engel inquired about code enforcement of tall grass on property.

Councilmember Morgan inquired about zoning for the triangular piece included in the annexation as residential-suburban (R-S).

Councilmember Miller asked about zoning for the Reecer Creek Leasing property as light-industrial (I-L).

Councilmember Lillquist asked about zoning for the property north of Hwy 10 (south of Currier Creek development) and whether it would be light-industrial (I-L).

Councilmember Engel asked if zoning needed to be approved at the time of annexation.

Councilmember Miller asked if the Truss Company would be a conforming use for existing use, and whether heavy-industrial use would be more applicable for the Reecer Creek Excavating site.

Shane Jump commented in regards to the question about heavy-industrial use and stated rock crushing will not be done at that site.

Mark McClain commented in regards to the mix of industrial and residential zones and asked whether that's standard procedure.

Pam McMillen, 2006 W Clearview Drive, commented in regards to the mix of zoning and asked if residents would have an opportunity to comment on zoning changes.

Mayor Tabb asked if the City zoning would change the use of the property.

Greg Newhall, 3650 Passmore Rd, asked about the twelve month period for non-conformity of property use.

Mayor Tabb closed the public hearing.

Councilmember Morgan moved to approve the petition for Annexation P19-075 for 260 parcels referred to as the Currier Creek Annexation Area, with simultaneous approval of zoning as proposed by City staff.

Councilmember Lillquist moved to amend the proposed zoning for the Reecer Creek Leasing property from commercial-highway to light-industrial. **Motion Approved 7-0.**

Councilmember Lillquist moved to amend proposed zoning for the triangular piece (petition parcels 1-4) on Exhibit 15 from residential low-density (R-L) to residential-suburban (R-S). **Motion Approved 7-0.**

Vote on the main motion as amended. **Motion Approved 7-0.**

Councilmember Lillquist moved to conduct first reading of Ordinance 4847.

Councilmember Morgan moved to amend the Ordinance motion that under land use designation number four, the zoning reflects the action taken in the previously passed motion. **Motion Approved 7-0.**

Councilmember Lillquist moved to amend the motion to direct staff to proceed with a comprehensive plan amendment per the docket procedures that reflects and underlying land use for Mr. Kuchin's property, per his request, that would allow for light-industrial (I-L). **Motion Approved 7-0.**

Vote to adopt the amended Motion on first reading of Ordinance 4847. **Motion Approved 7-0.**

Council recessed from 9:20 pm and reconvened at 9:29 pm

8B. Public Hearing (Closed Record) and Proposed Ordinance for Site Specific Reszone Request of Parcel 17827, Located on Bull Road

The Mayor opened the public hearing. Kirsten Sackett, Community Development Director, presented the staff report and reviewed the information submitted to the Hearing Examiner for consideration of the rezone request.

Chad Bala, representative for the Applicant, stated they concur with the Hearing Examiner's recommendation on the rezone request.

Councilmember Morgan moved to approve rezone request P19-122 from residential-suburban (R-S) to light-industrial (I-L), and adopt the Hearing Examiner's Findings of Fact, Conclusions of Law and Decision and Conditions of Approval. **Motion Approved 7-0.**

Councilmember Miller moved to conduct first reading of Ordinance 4848. **Motion Approved 7-0.**

9. Introduction and Adoption of Ordinances and Resolutions

None

10. Unfinished Business

None

11A. Staff Demonstration of New Online Agenda Preparation Software

Beth Leader presented a visual demonstration of the new Agenda Reports and Agenda packets to be listed on the City's website, and Terry Weiner reviewed the process for staff to prepare the documents and online agenda for viewing specific Agenda items individually.

12A. Manager's Report.

The City Manager presented information in the Manager's Report.

A date for the Council Retreat will still need to be agreed upon, potentially late February or early March.

12B. Councilmembers' Reports

Councilmember Engel reported on the Airport Advisory Committee and the Law and Justice Council.

Councilmember Goodloe attended the Affordable Housing Commission and Utility Advisory Committee.

Councilmember Lillquist reported on Developmental Disabilities Board, Environmental Commission, and Utility Advisory Committee.

Councilmember Morgan attended the Library Board, Arts Commission, KITTCOM, and KCCOG meetings.

Mayor Tabb reported on Public Transit Advisory Committee, and the KCCOG meeting.

13. Executive Session

None

14. Adjourn

Councilmember Morgan moved to adjourn at 10:08 p.m. **Motion Approved 7-0.**

Mayor

ATTEST:

City Clerk



COMMUNITY DEVELOPMENT DEPARTMENT
501 North Anderson Street, Ellensburg WA 98926

MINUTES OF ELLENSBURG CITY AFFORDABLE HOUSING COMMISSION

Date and Time: Affordable Housing Commission meeting, December 4, 2019 - 4:30 p.m.

Place of Meeting: City Council Chambers

Present: Charli Sorenson, Nancy Goodloe, John Perrie, Nathan McQuinn, Dolores Gonzalez, Hannah Tower

Absent: Sarah Bedsaul

Others Present: Long Range Planner, Angela San Filippo; Community Development Director Kirsten Sacket; Linda Kelly, Habitat for Humanity

1. CALL TO ORDER

Chairwoman Goodloe called the meeting to order at 4:30 pm.

2. APPROVAL OF THE AGENDA

Commissioner Perrie made a motion to approve the agenda; Commissioner Tower seconded. All in favor of approving the agenda, motion passed.

3. APPROVAL OF MINUTES

- a. November 6, 2019 – Senior Planner San Filippo provided a correction from Habitat on the 2nd paragraph of page 3. Commissioner McQuinn made a motion to approve the minutes as amended; Commissioner Tower seconded. All in favor, motion passed.
- b. November 13, 2019 – Commissioner Gonzalez provided a correction on page 3 to clarify a statement on the needs assessment and corrected spelling of Charli's name. Commissioner Sorenson made a motion to approve the minutes as amended; Commissioner Tower seconded. All in favor, motion passed.

4. NEW BUSINESS

- a. Update on December 2, 2019 City Council meeting

San Filippo said City Council approved the recommendations as presented by the AHC, subsequently award letters were sent to Crytly and Hopesource. Each awardee was asked to sign an acknowledgement of the award letter. Contract negotiations with Crytly will begin immediately following receipt of Crytly's signed acknowledgement. Contract negotiations with HopeSource will begin when HopeSource receives commitment from other funding sources. Discussion ensued regarding the AHC's thoughtful and deliberative process, Council's approval and excitement, and the work of staff. Council re-appointed Sorenson and Perrie to the Commission. Staff confirmed that funds would be awarded on a reimbursement basis, unless something changes in contract negotiations.

- b. Debrief RFP process

San Filippo said this is an opportunity to review the RFP process. Outlined in the staff report is an overview of the process, including the policies and priorities identified by the Ad Hoc committee and the application evaluation criteria developed by the AHC.

AHC was asked what we were trying to do

- Increase the affordable housing stock.
- Address the needs discovered in the needs assessment.
- Develop a roadmap for the future (for how we do this process).
- Develop a process for partnering with for-profit developers.
- Establish rating and scoring matrix that is objective rather than subjective.
- Provide two city sites for construction of affordable housing.

AHC was asked if we did what we set out to do

- Perrie said we need to evaluate why we didn't get proposals on the community garden site. At one point Hopesource said they did not pursue the community garden property because the timing didn't line up with state funding deadlines. Commission stated importance of staying on top of those deadlines. Discussion ensued on statewide distribution of funds.
- Sorenson said we should get feedback from the applicants on the process.

Gonzalez suggested adding a Yes/No column to the scoring matrix for the Commission to indicate if the applicant addressed each specific category in each criteria. Gonzalez felt that the 15% assigned to staff evaluation drove the commission vote; she said the project timeline was only one of six categories in the staff evaluation. Discussion ensued on the importance of the timeline.

San Filippo said making a decision between two similar proposals on the same property is going to come down to the details. Discussion on previous Commission conversations regarding the possibility that a single priority would drive the final decision; in the future it might not be the timeline but another factor. Further discussion on the scoring matrix as a guiding tool to help make the decision, but they didn't necessarily have to choose the highest rated proposal. Commission agreement to revisit the scoring matrix and priorities for each year.

Gonzalez said the process of evaluating applications was difficult; in the future she would like to go through a more orderly, deeper discussion of each criteria.

McQuinn said that he didn't really look at the numbers, rather hearing the Commissioners' pros and cons in each criteria was more helpful. Perrie agreed and said he wasn't comfortable putting numbers on the proposals, but he was able to provide feedback and information.

Linda Kelly, of Habitat for Humanity, said from an applicant's perspective that if they had known that the timeline was the highest priority she would have told the board it wasn't worth their time and resources to pursue the grant. She suggested that in the future the priorities be shared in advance, as part of the RFP.

Discussion ensued on the scoring matrix and whether the process can be truly objective. Goodloe said she is not sure the process will ever be as objective as the Commission and applicants would like; she said the conversations were really good; she appreciated everyone's honesty and willingness to have difficult conversations. Moving forward the priorities should be shared at the outset. Gonzalez said her suggestion for the yes/no column would be helpful to create a more objective process, she felt the subjectivity came into play during the Commission discussions. Perrie supported the yes/no columns, he would also like a column for N/A. Discussion ensued about creating a one size fits all application.

Agreement to set funding goals for 2020 and share them on the affordable housing web page.

Discussion on meeting schedules for the application evaluations. Consensus for multiple meetings rather

than long meetings and to plan accordingly in the future.

San Filippo said she thought the process overall was successful. Kelly said that it would be helpful if the pre-application meetings were a filter to prevent submittal of an application that wouldn't work. Discussion ensued on staff's role in the process.

AHC was asked about successes and things that went well during the process

Gonzalez said the Daily Record involvement and sharing information with the community was very helpful. Sorenson asked about possible public notices and social media for meetings. Discussion ensued about the role of different types of media. San Filippo will look into use of social media events and said updates to the City's website will include information on project progress, and future funding opportunities.

AHC was asked about their hopes and dreams for 2020

General agreement to focus on the community garden space. Some discussion on goals and priorities for the property. Kelly said she wanted to get feedback on the community garden property. San Filippo said this will be the focus of the December 18 meeting.

Sorenson wanted more information about the sales tax credit funding source, whether those funds can be bonded, etc.

Discussion on the Housing Needs Assessment. San Filippo said the 2017 Housing Needs Assessment was part of the Comprehensive Plan update; however the data will be updated annually through the affordable housing dashboard. BERK will update as much information as possible in December. Importance of understanding how the needs change over time.

Goal to review and revise the scoring matrix as necessary.

Perrie does not want to limit the next RFP to the community garden property. San Filippo said the Commission could create a scoring matrix specific to the community garden property.

Sorenson said she would like to explore the idea of helping downtown building owners assess the ability to provide housing on second stories. She suggested using the sales tax credit to provide structural engineering evaluations. Discussion ensued on downtown properties and other funding sources for properties in the historic district.

Discussion on allowing applicants to revise their applications.

Gonzalez asked about other surplus properties that could be used for affordable housing. Discussion ensued on the city-owned Catherine Park. Goodloe said the County Shop property may be surplus in the next 3-5 years; she would like the City to look into a partnership with the County as a future possibility for affordable housing.

San Filippo said the December 18 will focus on the community garden project; she will also provide a status update on the affordable housing dashboard. The goals of the community garden project may drive changes to the RFP scoring matrix.

5. STAFF UPDATE/DISCUSSION ITEMS

6. CITIZEN COMMENT

7. MEETING ADJOURNED

Goodloe adjourned the meeting at 6:03 p.m.



COMMUNITY DEVELOPMENT DEPARTMENT
501 North Anderson Street, Ellensburg WA 98926

MINUTES OF ELLENSBURG CITY AFFORDABLE HOUSING COMMISSION

Date and Time: Affordable Housing Commission meeting, December 18, 2019 - 4:30 p.m.

Place of Meeting: City Council Chambers

Present: Charli Sorenson, Nancy Goodloe, John Perrie, Nathan McQuinn, Dolores Gonzalez, Hannah Tower, Sarah Bedsaul

Absent:

Others Present: Long Range Planner, Angela San Filippo; Community Development Director Kirsten Sacket; Jeff Duncan of FISH, Tyler Glahn, Developer

1. CALL TO ORDER

Chairwoman Goodloe called the meeting to order at 4:30 pm.

2. APPROVAL OF THE AGENDA

Commissioner Gonzalez made a motion to amend the agenda to allow citizen comment as the first item of business. Commissioner McQuinn seconded. All in favor of approving the agenda as amended, motion passed.

3. APPROVAL OF MINUTES

Tower pointed out a correction. Sorenson asked about possible public noticing of meetings. McQuinn made a motion to approve the minutes of December 4, 2019 as amended. Perrie seconded. All in favor, motion passed.

4. Citizen Comment

Developer Tyler Glahn approached the commission. He said he wanted to start a conversation about doing a project on the Community Garden project. He has teamed up with a consultant that will help with the screening, and finding the applicants that meet the criteria. It would mean hiring a person full-time. He has developed a design for apartments for single and two-bedroom apartments. He believes the property could fit 30-40 units, which he could own and manage. The new employee could do the qualifying and reporting, which is required for renting units. His company already does ownership and management of rental properties. He wanted to ask if it was okay to go forward with the design to possibly present at a later date. He wanted to get the Commission's feedback. As far as an update on the 18-unit subdivision, he has started the house designs and they are moving on that full force. He is hoping to turn it in for SEPA as soon as staff answers some questions. Goodloe said that the Commission would be working on the plans for the community garden property over the next month. Bedsaul would like him to slate some time

on a future agenda to provide an update on the Bender Water project. He said that he does have home plans for both 3 and 4 bedroom, which were designed to allow for future garages. Landscaping will also be incorporated. Gonzalez asked if the contract with the city had been figured out. Glahn is waiting on the city, but his covenants have been drafted by his own attorney. He is working with 4 banks that are awaiting the covenants.

San Filippo noted that Staff is working with the City Attorney and an outside consultant to help draft up the contract language.

San Filippo noted that a presentation from Mr. Glahn will be included on the agenda for a future meeting after a contract is entered into.

5. NEW BUSINESS

a. Update on December 2 City Council Meeting

San Filippo stated that the surplussing of the Bender-Water property and Community Garden property was presented to Council the previous Monday. Council asked staff to bring the two properties back separately. They will review the surplus of the Bender-Water property at the January 6 Council meeting. They want to wait on the community garden property until such time that there is an actual proposed development in the works. Direction from City Manager and City Attorney was to move forward with the discussion on the community garden property at this meeting.

b. Debrief RFP Process

San Filippo provided a summary of the community garden property. The Commission wanted to provide more specific direction on the next RFP. The property is ½ acre, south of Hal Holmes. Zoned C-C, which allows for a variety of housing types, with no maximum density. She provided setbacks in the C-C zone, and also noted that the parking requirements are reduced because it is in the C-C.

Goodloe asked about the idea of having mixed-use on the property, which was raised at the Council meeting. San Filippo noted that it was purchased with a library bond. It can be surplussed for affordable housing, but the property cannot be sold for profit. The City Attorney will do some more research to determine the various options available for the property. San Filippo noted that there have been some properties in Seattle that were surplussed for affordable housing, but with mixed incomes on it. This might mean that a portion of the units are renting to people that meet the affordability requirements, but others units are being rented at market rate. Our community garden property is unique in that it was purchased with library bonds.

San Filippo said she had some factors she wanted to discuss with the commission. The first was whether they wanted to see homeownership or rental for the property. Perrie said that to get a maximum number of units, it would need to be rental properties. The other option is to condominiumize it, but that has its own difficulties.

Sorenson noted that there is a 45-foot height limit and wondered if that limit could be increased. San Filippo noted that there is a variance process available, but also said that the property is surrounded by single-family homes. Gonzalez would like to see this property used for rentals, focusing on seniors and other populations addressed by the RCW.

San Filippo asked if they wanted to provide direction on size of units, or number of bedrooms. Perrie suggested leaving it open-ended, but it will probably land at 1 and 2 bedroom units in order to maximize the numbers. Bedsaul suggested adding a maximum of 2-bedroom. Gonzalez said they should point out that studio, 1- and 2-bed would be considered. Discussion on ADA accessible requirements. Sometimes it can be met without an elevator by keeping ADA units on the main floor.

Perrie thinks they should set some very general parameters, but doesn't want to make them so strict that they shut out some good proposals. He doesn't want to limit the number of units, or limit the number of proposals that will be submitted.

San Filippo said that when Tyler Glahn spoke with them, he was considering asking for the property only, and not funding. In that scenario he could serve 80% AMI. He said that AMI amount is workable for rental costs, without additional funding. With that in mind, San Filippo wanted to know if the Commission would ask for people to submit applications for the property only, or for both the property and funding. Sorenson said it may depend on whether there will even be any money available. San Filippo said they would need to look at the idea of whether to service debt.

Goodloe thought the majority of the people in the community were in the category of 60% AMI. San Filippo said that when you pull out the student population, we don't have as many that are under 60%. The students skew the data quite a bit. The Commission reviewed the AMI income limits, as well as the HUD rent/utilities limits. The Commission thought that the 80% HUD limits were similar to actual rents being charged in Ellensburg currently. There was discussion that perhaps 60% AMI was more in the realm of what they would like to see charged for rents. Bedsaul said that if they are going the route of rentals, they need to have a conversation about deposit requirements. Damage deposits and pet deposits are a reality, but a discussion needs to take place about what is actually affordable for a move-in. Sorenson said that there could possibly be a deposit limit. Goodloe said we could put this into the RFP, that the applicant address how they will deal with deposits. She said that the new sales tax money can be used towards rent, so we should look into whether it can be used to assist with deposit funding. San Filippo pulled up the affordable housing dashboard and the Commission talking through the data about rental rates. Bedsaul suggested contacting the Housing Authority to find out more about the populations they serve, and what their needs are. San Filippo said that the lower the AMI, the deeper the subsidy that the City will need to provide. Bedsaul is also interested in hearing from Hopesource to get real-time data, and even from Elmview. What are their rent thresholds and what populations are needing to be served? She wouldn't want to fund an RFP outside the realm of what our populations can actually pay. San Filippo said that the commission needs to determine which populations they are really trying to serve.

San Filippo suggested the Commission think about whether services should be provided as part of the project. Sorenson worried about getting too deep into it, and then limiting the number of proposals that might be submitted. Perrie said that there are existing agencies to work with the populations, and we just need to worry about providing housing. Services make stronger communities and households. Tower said they could share with the tenants what services are available in the community, or have a mechanism to point them to services.

San Fillippo asked if the Commission should consider adding design components into the RFP for the Community Garden property. She wanted them to think about what would be done to invite the surrounding community into the development. She reference a comment from the Monday night Council meeting regarding the community garden as an asset to the community. There was

some discussion on the idea of including open space in the development. Or possibly keeping some sort of element of a community garden which has been pointed to as being a community asset.

Goodloe wanted to ensure that the development of the property fit into the surrounding neighborhood. There was discussion about the misconceptions about affordable housing and the people that live in affordable housing. The design of the project could help address those misconceptions. Perrie we would like it to be a showcase development and believes it can be without being cost prohibitive.

Tower said that a good example would be Crestview versus Alder Terrace. Crestview is privately owned and is very well-maintained and looks very well. Alder Terrace is owned by the Housing Authority and it looks like low-income housing because it hasn't been maintained well over the years. Perrie agrees that it is necessary to think about how low-income housing development will be maintained over time.

San Filippo provided a summary of the meeting and shared some of the topics that would be discussed in future meeting. Based on tonight's conversation tonight she will begin to develop a draft RFP. Want the applicant's to address how their proposal is compatible with the neighborhood but not get too detailed.

There was brief discussion on the process for filling San Filippo's position after her departure.

6. ADJOURNMENT

Goodloe adjourned the meeting at 5:49 pm.

ELLENSBURG ENVIRONMENTAL COMMISSION
October 16, 2019 Regular Meeting
(5:15 p.m. to 6:36 p.m.)
Council Conference Room – 501 North Anderson Street

Members Present: Andrea Sledge, James Rivard, PJ MacPhaiden, John Renkema, Annie Schlanger, Laura Busby

Members Absent: Christina Wollman, Emily Jacobs

Also Present: Landon Shaffer, Mid-Columbia Fisheries Grant Applicant Representative; AJ St. John, CWU Student; Kamran Hermann, CWU Student; Savannah Fields, CWU Student; Kirsten Sackett, Director – Community Development; Nancy Lillquist, Council Liaison; and Kelli McDonald, Recording Secretary

Chairperson Sledge called the meeting to order at 5:15 p.m.

AGENDA

Commissioner MacPhaiden moved to approve the agenda as presented. Commissioner Rivard seconded the motion. The motion was passed with all in favor.

MINUTES

Commissioner Busby moved to approve the September 18, 2019 regular meeting minutes as presented. Commissioner MacPhaiden seconded the motion. No corrections were requested. The motion was passed with all in favor.

NEW BUSINESS

Water Quality Grant Application Discussion

Gallery One

It was noted by Commissioner Sledge that Gallery One withdrew their application for the water quality grant.

Mid-Columbia Fisheries

Landon Shaffer, Mid-Columbia Fisheries Enhancement Group, presented his application for the Water Quality Grant. He presented information on both the Adopt-a-Stream and Backyard Buffer programs, explaining how the grant would help protect and restore urban streams, thus improving water quality and natural habitat. Mr. Shaffer explained that by recruiting local organizations to act as adoptees for different reaches of the streams, it would highly increase community involvement, remove thousands of pounds of trash, and inform the public about effective water quality practices. Currently, 7.24 miles of stream have been adopted and they work with 13 different groups twice a year community for stream clean up events. Additionally, Mr. Shaffer discussed plans to incorporate interpretive signs into future projects and explained how they would inform the public about the importance of improving water quality. Mr. Shaffer explained various components of the Backyard Buffer program and how the grant would support them. Commission Members had questions regarding weed management, sign prices, and littering enforcement. After the presentation was completed, Mr. Shaffer was asked to leave so the Commission Members could discuss the application. Before departing, Mr. Shaffer asked if it would be possible to transfer funds from

ineligible categories to eligible ones in order to receive greater use of the funding considering there were no other applicants competing for the funds. He stated he would add more plants if it were a possibility. The commission discussed whether it would be allowed but noted they could add wording to their motion to allow it dependent on staff review.

Commissioner Busby commented that the sign design should be more concise to be more effective. She also commented on the sustainability component of the application and it was hard to score not knowing what kind of support the projects receive after completion. Council Member Lillquist stated MCF has been around for a long time, done a lot of stream habitat work, and have other grants and partners that support ongoing maintenance of different projects. There was a brief discussion on how the grant could reach new audiences. Commissioner Busby noted that the school component of the application could help in that area. Commissioner Sledge's concern with the sustainability of the project was regarding the riparian installation on private property and if the homeowner would maintain the work in the buffer.

Motion

Commissioner MacPhaiden moved that because there was only one applicant, the Environmental Commission award the full funding to Mid Columbia Fisheries and the \$623 that was determined ineligible be moved to an eligible category and provide additional plants. Commissioner Rivard seconded the motion. The motion passed with all in favor.

Commissioner Busby made a recommendation the applicant make the interpretive signage more concise.. Commissioner MacPhaiden seconded the motion. The motion passed with all in favor.

SEPA P19-101 Rehal Truck Wash Addition

Council Member Lillquist stated for the record that she was recusing herself from the discussion and left the meeting.

Kirsten Sackett, Director of Community Development, presented the Rehal Truck Wash Addition SEPA. She mentioned that she was filling in for Jonathan Kesler, since he is no longer employed with the city, and will continue to do so until his replacement has been hired. Mrs. Sackett explained that this SEPA is tied to another SEPA that has already been reviewed on the adjacent lot. The original lot gained more than 200 cubic yards of dirt from the recent round-about project which required a SEPA. Plans were made to relocate the dirt to the adjacent lot, which required a SEPA because of the amount of dirt it was gaining. Both lots are in the 100 and 500 year floodplains and will require an additional SEPA if any future development occurs. Commissioner Sledge raised the question of why a private company is paying for the mitigation from the dirt that was produced from a public project. Mrs. Sackett mentioned that neither entity checked with the City on what to do with the remains. Additional questions were raised about the hydroseeding of disturbed soils, and whether that was the best option without installing irrigation.

Motion

Commissioner MacPhaiden motioned that the Environmental Commission has no recommendations on the Rehal Ellensburg Floodplain SEPA. Commissioner Busby seconded the motion. The motion was passed with all in favor.

BICYCLE ADVISORY

Council Liaison Lillquist returned to the meeting. She discussed the recent Bike your Park Event, stating that the ribbon cutting had been cancelled due to rainy weather and lack of attendance. She mentioned that a reschedule date had not been decided for the ribbon cutting, but believed it may need to wait until spring due to the season change.

STAFF UPDATE / DISCUSSION ITEMS

Land Development Code Landscape Discussion

Kirsten Sackett, Community Development Director, and Savannah Fields, CWU Student, co-facilitated the Land Development Code Landscape Discussion. They encouraged open brainstorming amongst the Commission Members in hopes to refine the Environmental Commission Purpose Statement at the next meeting. The question Mrs. Sackett proposed to Commission Members was "If you could do anything as a commission that you would consider successful, what would it be?" There was clarification that the question was intended for members to answer as individuals, not a commission. Commissioner Rivard departed the meeting early due to another engagement.

Ideas that were produced included making Ellensburg more walkable, sustainable and environmentally conscious, having wise-use practices for natural resources, and productive uses for access floodwater. These ideas were recorded on posters and hung for the meeting members to study. Additional discussion was had regarding landscaping expectations, and the possible benefits of landscaping that mimics the natural ecosystem.

No additional comments or questions were made.

Commissioner MacPhaiden motioned to adjourn the meeting. EHS Representative Annie Schlanger seconded the motion. The meeting was adjourned at 6:36 p.m.

Respectfully Submitted by
Kelli McDonald
Recording Secretary (10/18/2019)

ELLENSBURG ENVIRONMENTAL COMMISSION
November 20, 2019 Regular Meeting
(5:15 p.m. to 6:05 p.m.)
Council Conference Room – 501 North Anderson Street

Members Present: James Rivard, PJ MacPhaiden, John Renkema, Laura Busby, Christina Wollman

Members Absent: Emily Jacobs, Andrea Sledge, Annie Schlanger

Also Present: Nancy Lillquist, Council Liaison; Margaret Reich, Government Relations Officer; Hunter Slyfield, Civil Engineer; Kirsten Sackett, Director, Community Development; and Laura Wilson, Recording Secretary

Vice Chair Busby called the meeting to order at 5:16 p.m.

AGENDA

Commissioner MacPhaiden moved to approve the agenda as altered to move the Active Transportation Plan Open House Discussion prior to New Business. Commissioner Wollman seconded the motion. The motion was passed with all in favor.

MINUTES

Commissioner MacPhaiden moved to approve the October 16, 2019 regular meeting minutes as presented. Commissioner Wollman seconded the motion. The motion was passed with all in favor.

BICYCLE ADVISORY

Margaret Reich, Communications and Government Relations Officer, invited the Environmental Commission to an open house hosted by WSDOT and the City of Ellensburg to discuss the active transportation plan for the state and City of Ellensburg. She clarified how the state's active transportation plan has an impact on the city's active transportation plan.

NEW BUSINESS

Nancy Lillquist, Council Liaison, stated she had received citizen comments regarding the elimination of glass recycling by Waste Management. She also shared information she had received about various glass recycling options including glass crushing. There was a brief discussion about the option of using crushed glass as a sand replacement. Hunter Slyfield, Public Works Civil Engineer, explained the WSDOT standard specs allow crushed glass as an acceptable aggregate to use in projects as long as it is crushed properly. He gave other uses for crushed glass such as a concrete ingredient and road and pipe beds. Mr. Slyfield said he would research what options were available as well as what other counties are doing with glass.

Council Member Lillquist wanted to take a recommendation from the Environmental Commission to the Solid Waste Advisory Committee that voiced the concerns of not having glass recycling. There was consensus that in lieu of a commercial opportunity, the Environmental Commission recommend the city research the feasibility of the city and county partnering to reduce the glass into an aggregate or sand product that can be used in construction. Commissioner Busby requested that the statement doesn't include discouraging the use of glass in exchange for plastic. Commissioner

Wollman asked if it was possible to use glass instead of sand on the roads during winter. She commented that, at a local level, using glass to help sand the roads could be a viable option.

STAFF UPDATE / DISCUSSION ITEMS

Landscape Code Purpose Statements

Kirsten Sackett, Community Development Director, gave a brief update on the Landscape Code Purpose Statement discussion from the October meeting. She requested the Environmental Commission review purpose statements from other jurisdictions that she had provided and asked the commission to also consider the Ellensburg Landscape Code purpose statements. Ms. Sackett noted that Ellensburg's landscape code applies to all commercial developments. Residential development does not require landscaping other than a landscape strip along right of ways for new developments. The Commission discussed the difference between commercial and residential water usage and the types of plants that would be suitable in the Ellensburg climate. Council Member Lillquist suggested consulting with the fire department regarding plant types. Ms. Sackett noted the Commission could include water conservation for residential development in the purpose statements. It was noted that existing residential developments would not be required to remove lawn in exchange for xeriscape or other drought tolerant landscaping.

Commissioner MacPhaiden motioned to adjourn the meeting. Commissioner Wollman seconded the motion. The meeting was adjourned at 6:05 p.m.

Respectfully Submitted by
Laura Wilson
Recording Secretary (11/20/2019)

ELLENSBURG ENVIRONMENTAL COMMISSION
December 18, 2019 Regular Meeting
(5:15 p.m. to 6:20 p.m.)
Council Conference Room – 501 North Anderson Street

Members Present: PJ MacPhaiden, John Renkema, Laura Busby, Christina Wollman, Emily Jacobs, Andrea Sledge, and Annie Schlanger

Members Absent: James Rivard

Also Present: Nancy Lillquist, Council Liaison; Savannah Field, CWU Student; Kirsten Sackett, Director, Community Development; and Laura Wilson, Recording Secretary

Chairperson Sledge called the meeting to order at 5:18 p.m.

AGENDA

Commissioner MacPhaiden moved to approve the agenda. Commissioner Wollman seconded the motion. The motion was passed with all in favor.

MINUTES

November's meeting minutes were not available for approval.

NEW BUSINESS

2019 Water Quality Grant Year End Report – Mid Columbia Fisheries and Keen

Laura Wilson, Recording Secretary, presented the 2019 Water Quality Grant – Year End Report for Mid Columbia Fisheries and Keen. She stated the receipts had not been submitted, but there weren't any issues with the report and it matched what was proposed in the agreement. Commissioner Busby noted the report indicated four events were not held. Ms. Wilson said that may not be an issue, but would be looked at closer when the receipts were submitted for reimbursement. The Commission discussed whether or not they have been involved in the recipient's product development. It was noted that the design of brochures could be improved, however the content was accurate. Ms. Wilson stated there hasn't been involvement in the past. Council Member Lillquist offered that moving forward, the Environmental Commission can include a product review requirement in the grant agreement.

Motion

Commissioner Busby motioned that the Environmental Commission acknowledged the year-end report and recommend payment relevant to the project. Commissioner MacPhaiden seconded the motion. The motion passed with all in favor.

BICYCLE ADVISORY

Council Member Lillquist updated the Commission on the open house for Washington State's Active Transportation. She said it wasn't well attended but some good conversations resulted from those who did attend. The states active transportation plan comment period was still open. The city's consultant would have a product available and it would come to the Environmental Commission for

review. Commissioner Jacobs asked for an update on the sign verbiage. Council Member Lillquist would get an update for Commissioner Jacobs.

STAFF UPDATE / DISCUSSION ITEMS

Recycling Survey

Laura Wilson, Recording Secretary, requested input from the Commission regarding a recycling survey sent to Kittitas County and City of Ellensburg employees. Ms. Wilson stated the survey went out shortly after November's Environmental Commission meeting which included the discussion on glass recycling. Ms. Wilson suggested the Commission review the survey and provide comments or suggest other questions that could be included in the survey. It was clarified that the survey was not draft, but had been sent out. It was noted the response was about 67% and 50% of the respondents were city employees. Council Member Lillquist explained that the county and city wanted to work together to ascertain the extent of the employees knowledge of recycling and their willingness to pay more for recycling. Council Member Lillquist offered some data from the survey results. She said the results of the survey could be shared, but it wasn't certain if the survey would go out to the community. Commissioner Busby stated she would like to have an input on the final draft if the survey was going to go to the public, but if it was only a pilot, she would like to see the results.

Council Member Lillquist updated the Commission on their recommendation to city council on glass recycling. Mayor Tabb requested a meeting with County Commissioner Wachsmith and Solid Waste Director, Patty Johnson, to discuss how to move forward analyzing the financial feasibility to create a local market for glass recycling or hauling it to Seattle. Hunter Slyfield, City of Ellensburg Civil Engineer, has done additional research on the limitations of the aggregate but also what it could be used for locally. Ms. Lillquist stated WSDOT doesn't allow aggregate in chip sealing. She also stated that the city didn't use much concrete so glass wouldn't be an effective use. She noted that if the City could grind the glass down small enough it could be used as beds for sewer pipes.

Landscape Code Purpose Statements

Kirsten Sackett, Community Development Director, reviewed the discussion from the November meeting.

Commissioner MacPhaiden provided the following purpose statement: to protect existing habitat and create new habitat and nourishment for native pollinators and birds. The commission did not object to that purpose statement.

The Commission Busby discussed that some of the purpose statements were very broad and some were very specific. She suggested having a broad purpose statement with related specific purpose statements in subcategories. It would help clarify what some of the statements mean and allow room for other specific purpose statements. There was a brief discussion regarding the interpretation and goals of specific statements in ECC 15.570.010, and maintenance requirements.

Ms. Sackett explained her intention was to ensure the details would meet the goals. She showed the Commission the installation and maintenance section of the landscape code. She explained the types of plant materials section of the code was not appropriate as it contradicted another section of the landscape code. She stated that some of the plants listed were more suited to the western side of the

state which contradicted the list referenced in ECC 15.570.030(A). She asked the commission what they wanted to achieve with the types of plants whether it was more important they be native to eastern Washington or drought tolerant. Council Member Lillquist pointed out that some non-native plant requirements were to provide a natural screen throughout the year. The Commission discussed screening and if using native or drought tolerant was more important.

Savannah Fields, CWU student, reminded the Commission that the landscape code is for commercial not residential development. She asked the Commission to consider how they want the landscape code to functionally work and whether or not they wanted to focus on the ecosystem or maintain the status quo and do what they think people are going to want. She said she had been working with other council members and said there was a positive response. She suggested there was an opportunity to go bigger than just xeriscaping as it looked average. She said the Commission had the opportunity to create something that looks more exciting. Commissioner Busby said that having options beyond an all native plant requirement may be a way to phase in the changes in the landscape requirements. By offering xeriscaping, the landscape code could at least meet a water conservation goal. Council Member Lillquist pointed out there was already a purpose statement of using native and drought tolerant plants.

The Commission determined the two broad categories would be Environmental Conditions and Appearance and Maintenance. The Commission assigned and prioritized the existing purpose statements to appropriate broad category. They also reviewed and suggested statements that supported water and ecological conservation. They reworded the introductory statement so it would serve as the overall purpose statement. Director Sackett would bring the changes to the January Environmental Commission meeting and suggested the possibility of forming a subcommittee to review the changes to the document. If any commissioner had edits prior to the January meeting, she asked that they send her the edits as soon as possible that she can incorporate them into the document. She noted that she would also have to determine if there would be changes in the rest of the land development code because of the landscape code edits. Ms. Sackett commented the Commission may want to consider forming a sub-committee of three to finesse the changes to the code to be able to present to the Commission.

Commissioner MacPhaiden motioned to adjourn the meeting. Commissioner Jacobs seconded the motion. The meeting was adjourned at 6:20 p.m.

Respectfully Submitted by
Laura Wilson
Recording Secretary (12/19/2019)



209 North Ruby Street, Ellensburg, WA 98926

**LIBRARY BOARD MEETING
Tuesday, December 10, 2019
City Council Chamber**

PRESENT: Marty Blackson, Andreina Delgado, Loretta Gray, Mary Holmgren, PJ MacPhaiden, Andrea Sledge, Lixing Sun

COUNCIL LIASON: Mary Morgan

ABSENT: None

GUESTS: None

STAFF: Josephine Camarillo

- I. CALL TO ORDER: Sledge called the meeting to order at 4:30 p.m.
- II. Approval of the Agenda: M/S/P
- III. Approval of the Minutes as amended: M/S/P
- IV. Citizen Comment/Suggestions: (1) Someone asked the library to take credit cards; also requested was a way to renew books online (which is already possible); Josephine will follow up. (2) In Community Connect, Angela Armstrong gave a shout-out to the library. (3) Washington State Library's Facebook page has a poll from the Jefferson County Library on the borrowing of e-books and audiobooks.
- V. Reports
 - A. Director's Report: (1) OPEIU union negotiations are occurring. (2) A number of great programs have been held. (3) Computer-time allotment has been extended; this new policy is working well. (4) Circulation statistics were discussed.
 - B. Budget Report: With a small buffer, the bottom line is good.
 - C. Friends' Report: The last booksale was successful.
- VI. Old Business
 - A. Kittitas County funding request—All of what we requested has been awarded, \$111,000
 - B. Peace Pole Update—No funding received from a grant application. Staff plans to pitch in funds. Rotary Club may be contacted.
- VII. New Business
 - A. Staff Meeting updates will be provided.
 - B. Library Board vacancy—applicant will be contacted. In 2020, Andreina will serve as chair, Mary will serve as vice-chair, and Lori will continue serving as secretary.
 - C. Board Retreat, February 11, 2020—agenda items discussed.
- VIII. Upcoming Programs: Events for December noted.
- IX. Unscheduled Business: Proposal for eliminating library fees discussed.

Next regular meeting will be January 14, 2020

Respectfully submitted,

Loretta Gray

**Parks & Recreation Advisory Commission
Meeting Minutes – December 11, 2019**

DATE OF MEETING: December 11, 2019
MEMBERS PRESENT: PJ MacPhaiden, Jack Frost, Shari Smith, Laci Harrison, Dan Witkowski, Joelle Dickerson
OTHERS PRESENT: Parks & Recreation Director Case, Clay Meyers, Phil Backlund

CALL TO ORDER – Commission Chair Harrison called the meeting to order at 5:30pm.

Introduction of new Commission member Joelle Dickerson.

MEETING MINUTES - The meeting minutes from the November 6, 2019 meeting were approved as written. ***All in favor.***

NEW BUSINESS

Rotary Donation – Rotarians Phil Backlund and Clay Meyers presented to the Commission a project which calls for the placement of five recognition monuments, each reflecting a branch of the United States military, along the Palouse to Cascades Trail reconnection route. The placement of the monuments would be on the east side of the trail, located between Greenfield Drive and Helena Street. The Rotary Club would work with City staff to ensure that they were placed in a location that did not create a hazard to trail users and would not impact the City's ability to maintain the trail and surrounding the landscaped areas. The monuments would be etched stone. ***A motion was made and seconded to support the placement of the monuments along the Palouse to Cascades Trail, all in favor.***

Ellensburg Racquet & Recreation Center (ERRC) Tennis Letter- Staff provided the Commission with a letter from the tennis community voicing their concerns over additional programs being allowed to use the ERRC and requesting more City support in protecting and strengthening the sport of tennis. ***Information only.***

OLD BUSINESS

Fitness Court Call-In with National Fitness Campaign Staff – Mike Cole from the National Fitness Campaign called in on conference call to discuss the placement of a fitness court at Rotary Park. Mike talked about the benefits of a fitness court, equipment and installation costs, a non-binding resolution that has to be adopted by Council to move forward with the project, programs that are available through the National Fitness Campaign to train and hire fitness instructors, and ages the equipment is designed for. ***A motion was made and seconded to support a resolution that will be taken to Council for their consideration, allowing the City to continue with the process of developing a fitness court. Motion passed.***

Review of Draft Interlocal Facility Use Agreement between the City and Ellensburg School District – City staff went over a draft interlocal facility use agreement between the City and Ellensburg School District. The City and ESD currently utilize each other's facilities to deliver programs and activities however the current interlocal agreement is out of date. While the proposed interlocal agreement is generic in nature, exhibits to the interlocal agreement would provide detail and spell out the responsibilities associated with use. As an example, an exhibit would be developed specific to the high school's use of Greear Field at Rotary Park. Within that exhibit, specific functions and responsibilities would be spelled out. By doing it this way we can change maintenance responsibilities as needed, without taking a new interlocal agreement to either the City Council or the Ellensburg School Board. ***The Commission supports the agreement as presented going to Council for their consideration.***

COMMISSION MEMBER REPORTS / OTHER BUSINESS

Commission member Smith complimented the work the Parks Department recently performed at off leash park adding more wood chips and how the staff handled an unruly dog while performing their work.

Commissioner Witkowski inquired about work the Parks Department was completing at Rotary Park along the edge of the alley located on the east edge of the park. Director Case stated that the City was preparing the area for the placement of split rail fence.

STAFF REPORT- 1. On the City's website is link to the future downtown park titled 'Imagine Ellensburg's Town Center'. People can access this site to find information about the town center project and provide feedback on what they would like to see at the park. Staff was recently interviewed by Mollie Edson, from the Ellensburg Community Radio (ECR), about the town center project. A link to that interview can be found on the 'Imagine Ellensburg's Town Center' page. 2. The City was not successful in securing funding for the section of the Palouse to Cascades Reconnection Route between Nicholson Boulevard and the Kittitas Valley Event Center. 3. This year's youth basketball program has a total of 475 kids signed up to play. The program is offered to boys and girls in grades K-8. This is a 13% increase in participants from the 2018 season. 4. A tourism survey for Ellensburg was recently completed by Jayray, a firm specializing in branding and advertising. Sports tourism was identified as an area that has the most potential impact on local tourism, specifically youth and adult sports tournaments. City staff will be working with Kittitas County Chamber staff to develop a plan to position Ellensburg as a tournament destination. 5. Staff is looking at way to identify a funding source to replace park amenities, such as bathrooms, playgrounds, shelters. Replacement projects are not typically an allowable use of park impact fee funds and the cost of these projects is too high to absorb into the department's annual operating budget.

ADJOURNMENT - A motion to adjourn the meeting was made at 6:42pm. ***All in favor.***

UTILITY ADVISORY COMMITTEE

November 21, 2019 (3:30 pm to 4:56 pm)

Members Present: Nancy Lillquist, Nancy Goodloe, Gary Gleason and Elvin Delgado

Members Absent: Ed Barry, Jim Goeben and Bob Johnson

Also Present: Ryan Lyyski, Public Works & Utility Director; Kim Caulkins, Operations Analyst; Derek Mayo, City Engineer; Buddy Stanavich, Power & Gas Manager; Andrew Lyons, Hope Source

These minutes are not a verbatim transcript of the meeting. This meeting was recorded, and is available for listening or copying at the City of Ellensburg, Energy Services Department, 501 N. Anderson Street, Ellensburg.

- I. **Call to Order.** Nancy Lillquist called the meeting to order at 3:30 p.m.
- II. **Roll Call.** Ed Barry was absent (excused).
- III. **Approval of Minutes.** Nancy Goodloe moved to approve the October 17th minutes with the correction under V to correct “transportation” to “transformation”. Elvin Delgado seconded. Motion approved.
- IV. **Approval of Consent Agenda.**
Motion #2019-11-01: *Nancy Goodloe moved to approve the Consent Agenda. Elvin Delgado seconded. Motion Approved.*
- V. **Correspondence and Citizen Comments on Non-Agenda Items**
None
- VI. **Telecommunications Utility Discussion Items**
None
- VII. **Electric, Natural Gas, Water, Wastewater, Stormwater Utility Discussion Items**
 - A. **Clean Energy Transformation Act.** Buddy gave a presentation of the current CETA guidelines (see handout).
 - B. **Procuring Natural Gas.** Buddy gave a presentation on how the City of Ellensburg purchases and stores natural gas (see handout).
- VIII. **Information Only Items.**
 - A. **Public Works & Utilities Issues Update** Ryan Lyyski gave updates on all Public Works and Utilities issues.

IX. **Next Meeting Date.** December 19th, 2019 at 3:30 pm in Council Conference room.

X. **Adjournment.** With no further discussion, the meeting adjourned at 4:56 p.m.

Respectfully submitted,

Kim Caulkins

Recording Secretary

Drafted: 11/26/2019

Approved: 1/16/20



CITY COUNCIL AGENDA REPORT

City Council Meeting Date:	February 3, 2020						
Item Title/Agenda Subject:	Bid Award – Bid Call 2019-42 Main Street Overlay – Mountain View to Third Avenue						
Submitted by:	Derek Mayo, Public Works & Utilities						
Recommended Action or Motion:	Award Bid Call 2019-42 to Central Paving as the lowest responsible and responsive bidder.						
Background/Summary:	Bid Call 2019-42 consists of planning/grinding the existing asphalt roadway and placing an average 0.20' HMA overlay over the planed roadway on Main Street from just north of the intersection of Mountain View Avenue to just south of the intersection of Third Avenue. Vehicle detection at the Manitoba Avenue and Capital Avenue intersections will be upgraded to video and radar detection. The project consists of approximately 21,530 SY of asphalt planing, 3,000 tons of hot mix asphalt, methacrylate pavement markings, traffic control, and other misc. items. City staff designed, prepared bid specifications, and will provide administration for the above work associated with this bid call. Bids were received on Wednesday January 15, 2020 for the above-mentioned project. Central Paving was the low bidder in the amount of \$551,229.25. Council is being requested to award the bid to Central Paving, the lowest responsive and responsible bidder.						
Previous Council Action:	At the Nov. 18th, 2019 meeting, Council adopted Ordinance No. 4841 which included a supplemental budget appropriation for the Main Street Overlay project in 2020.						
Analysis:	The project was advertised, and bids received are as follows: <table><tr><td>Central Paving:</td><td>\$551,229.25</td></tr><tr><td>Granite Construction:</td><td>\$563,963.00</td></tr><tr><td>Columbia Asphalt & Ready Mix:</td><td>\$590,206.00</td></tr></table> The low bid submitted by Central Paving is below the engineer's estimate and within the project budget.	Central Paving:	\$551,229.25	Granite Construction:	\$563,963.00	Columbia Asphalt & Ready Mix:	\$590,206.00
Central Paving:	\$551,229.25						
Granite Construction:	\$563,963.00						
Columbia Asphalt & Ready Mix:	\$590,206.00						

Financial Impact:

The apparent low bid of \$551,229.50 is below the 2020 Arterial Street budgeted amount of \$620,000 for the Main Street Overlay project.

Attachments:

Laurie Gigstead

From: Carolyn Honeycutt
Sent: Friday, January 24, 2020 7:29 AM
To: Jared Vallejo; Linda Schactler; Laurie Gigstead
Subject: FW: [Ext] CenterFuse resignation

From Jamie Rosen.

From: Jamie Rosen <jamie.l.rosen@gmail.com>
Sent: Friday, January 24, 2020 7:13 AM
To: Carolyn Honeycutt <honeycuttc@ci.ellensburg.wa.us>
Subject: [Ext] CenterFuse resignation

Hi Carolyn,

I am writing to inform you of my decision to resign my position on the CenterFuse Board of Directors, effective immediately.

Given the change in my job situation, I need to refocus my time on my family and what's next for us. I feel it is best for me to make room for someone with the time and energy to devote to the Board.

It has been a pleasure serving on the Board. I wish you and the Board all the best as you continue to improve the economic vitality of the City of Ellensburg.

If I can be of any assistance during the time it will take to fill my Board seat, please let me know.

All the best,

Jamie Rosen

Laurie Gigstead

From: Carolyn Honeycutt
Sent: Wednesday, January 29, 2020 8:44 AM
To: Laurie Gigstead
Cc: Linda Schactler; Jared Vallejo
Subject: CenterFuse Board seat

Good morning Laurie,

I was notified by Steve Townsend that due to his difficult schedule, he will vacate his CenterFuse Board seat effective immediately. His term expires at the end of 2020 and he may reapply at that time. This was discussed yesterday with the Board Chair and Vice Chair, so they are aware. Thank you!

Carolyn Honeycutt
Executive Director, Centerfuse
Economic Development Manager
City of Ellensburg
Ellensburg, WA 98926
Office (509) 962-7146
Mobile (509) 607-7560

VOUCHER APPROVAL

I, THE UNDERSIGNED, DO HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED OR THE LABOR PERFORMED AS DESCRIBED, OR THAT ANY ADVANCE PAYMENT IS DUE AND PAYABLE PURSUANT TO A CONTRACT OR IS AVAILABLE AS AN OPTION FOR FULL OR PARTIAL FULFILLMENT OF A CONTRACTUAL OBLIGATION, AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE CITY OF ELLENSBURG, AND THAT I AM AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM.


AUDITING OFFICER

1/27/2020
DATE

CLAIMS VOUCHERS AUDITED AND CERTIFIED BY THE AUDITING OFFICER HAVE BEEN RECORDED ON THE ATTACHED LISTING, WHICH HAS BEEN MADE AVAILABLE TO THE COUNCIL AS OF THIS **3rd DAY OF FEBRUARY 2020**. THE COUNCIL, BY A VOTE, HAS APPROVED FOR PAYMENT THE VOUCHERS INCLUDED IN THE ABOVE LIST AND FURTHER DESCRIBED AS FOLLOWS:

Claims Fund				Total Amounts
Check #'s	147295	TO	147491	\$ 1,544,920.61
EFT #'s	4009	TO	4032	\$ 940,795.04

Payroll Fund				Total Amounts
Check #'s	95024	TO	95044	\$ 34,147.61
Direct Deposits	54348	TO	54574	\$ 369,364.85

COUNCIL MEMBER

COUNCIL MEMBER

COUNCIL MEMBER

COUNCIL MEMBER

ATTEST: _____
CITY CLERK



CITY COUNCIL AGENDA REPORT

City Council Meeting Date:	February 3, 2020
Item Title/Agenda Subject:	Second Reading of Ordinance 4848 approving rezone request P19-122 submitted by Terra Design Group Inc., agent for owner Teanaway Ridge LLC
Submitted by:	Kirsten Sackett, Community Development
Recommended Action or Motion:	Conduct second reading and adoption of Ordinance 4848 approving rezone request P19-122 submitted by Terra Design Group Inc., agent for owner Teanaway Ridge LLC.
Background/Summary:	Terra Design Group Inc., on behalf of owner Teanaway Ridge LLC has submitted an application (P19-122) to rezone one 41.18-acre parcel (ID # 17827) from Residential-Suburban (R-S) to Light Industrial (I-L). The subject property is located along the southern perimeter of the City, adjacent to Bull Road and Interstate-90, and is currently undeveloped. See Exhibits 1 & 2. After taking evidence at an open record hearing held on December 12, 2019, and considering the record, the Hearing Examiner recommended that City Council approve the rezone from Residential Suburban (R-S) to Light Industrial (I-L), with one condition. The rezone request is consistent with the City's Comprehensive Plan future land use designation of Light Industrial (Exhibit 3). A State Environmental Policy Act (SEPA) Determination of Nonsignificance (DNS) was issued on September 13, 2019 for the site-specific rezone.
Previous Council Action:	City Council held a closed record hearing on January 21, 2020 to consider Hearing Examiner Andy Kottkamp's December 17, 2019 Recommended Findings of Fact, Conclusions of Law Decision and Conditions of Approval pertaining to the site specific rezone request. The rezone request was approved at the conclusion of the hearing and was immediately followed by first reading of Ordinance 4848.

Analysis:

City Council has adopted the Hearing Examiner's Recommended Findings of Fact, Conclusions of Law Decision and Conditions of Approval; therefore the ordinance reflects the applicable conclusions and findings to adopt the zone change as discussed and approved by City Council on January 21, 2020. The ordinance also directs staff to make appropriate changes to the City's zoning map and to the Geographic Information System (GIS) data.

Financial Impact:

None.

Attachments:

[Bull Rd Rezone Exhibits 1 thru 3](#)

[Ordinance 4848 - P19-122 Ordinance-Bull Rd Rezone](#)

EXHIBIT 1
Location Map

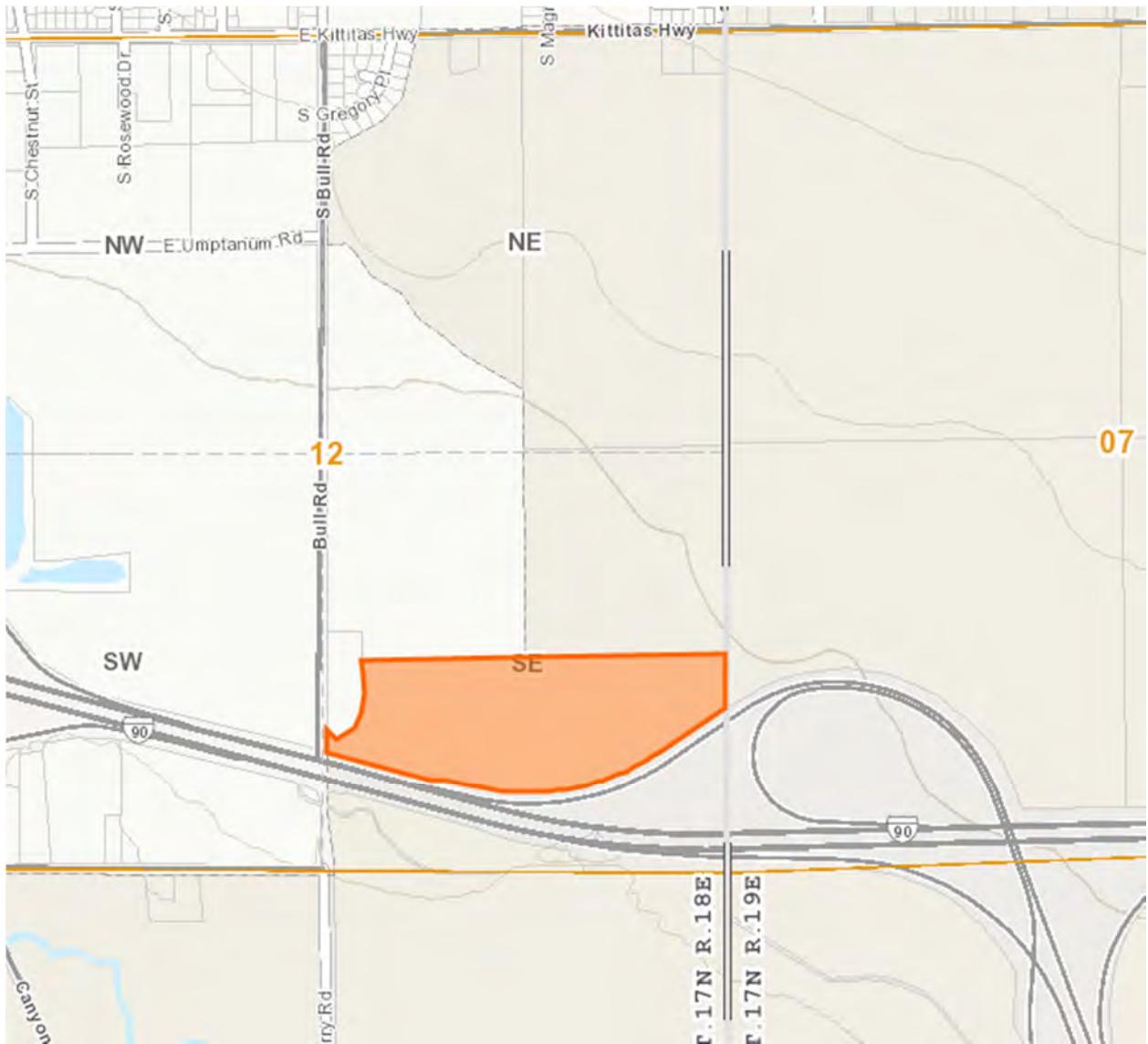


EXHIBIT 2
Current Zoning Map

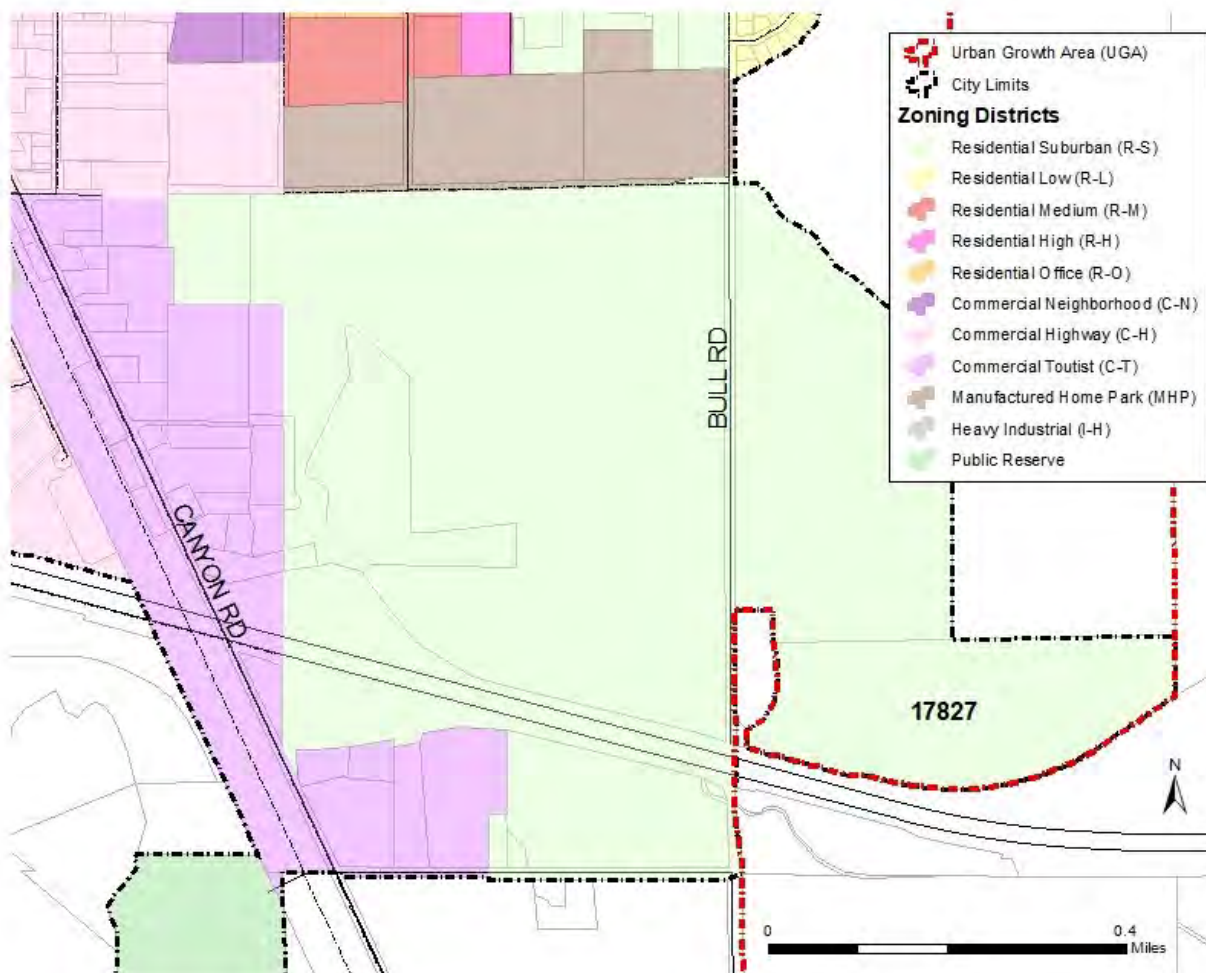
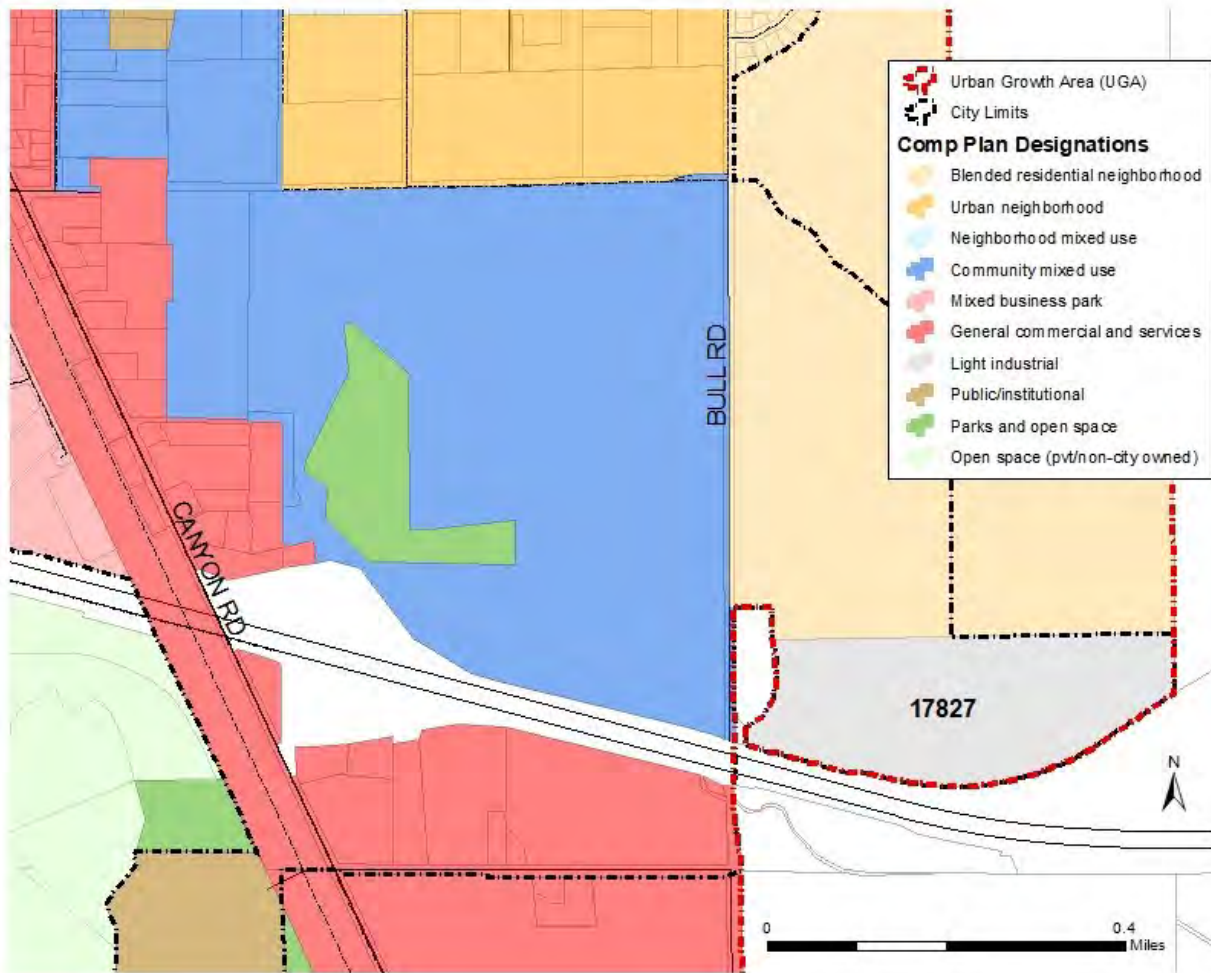


EXHIBIT 3
Comprehensive Plan Land Use Designation Map



ORDINANCE NO. 4848

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON, RELATING TO ZONING AND AMENDING TITLE 15 OF THE ELLENSBURG CITY CODE BY CHANGING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY WITHIN THE CITY OF ELLENSBURG FROM RESIDENTIAL-SUBURBAN (R-S) TO LIGHT INDUSTRIAL (I-L).

WHEREAS, on October 28, 2019 the City received an application (P19-122) from Terra Design Group Inc., agent for property owner Teanaway Ridge LLC, requesting a rezone on 41.18 acres located off of Bull Road, Parcel ID Number 17827 (“application”); and

WHEREAS, the application proposed to rezone the parcels from Residential-Suburban (R-S) to Light Industrial (I-L); and

WHEREAS, pursuant to ECC Table 15.210.050(D), a Site-Specific Rezone Application is processed under a Type IV review, which requires a Hearing Examiner recommendation to City Council after an Open Record Hearing, with the final decision to be made by City Council after a Quasi-Judicial Closed Record Hearing; and

WHEREAS, the City SEPA official issued a Determination of Non-Significance (DNS), on September 13, 2019 for the site-specific rezone; and

WHEREAS, the Hearing Examiner held a duly noticed open record hearing on December 12, 2019, received evidence and heard testimony regarding the proposed rezone; and

WHEREAS, on December 17, 2019 the Hearing Examiner issued Recommended Findings of Fact, Conclusions of Law, Decision and Conditions of Approval for the rezone request from R-S to I-L; and

WHEREAS, the Ellensburg City Council held a duly noticed closed record hearing on January 21, 2020 and at the conclusion of the hearing approved a motion to adopt the Hearing Examiner’s Recommended Findings of Fact, Conclusions of Law, Decision and Conditions of Approval, and to approve the applicant’s request to rezone the subject property from R-S to I-L;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON DO HEREBY ORDAIN AS FOLLOWS:

Section 1. The City Council adopts the findings of fact and conclusions based thereon, made and entered by the Hearing Examiner in support of the recommendation to the City Council for approval with regard to the rezone for the hereinafter described property located on Bull Road, with Parcel ID Number 17827, as set forth in the Hearing Examiner’s “Recommended Findings of Fact, Conclusions of Law, Decision and Conditions of Approval,” dated December 17, 2019.

Section 2. Title 15 of the Ellensburg City Code is hereby amended by changing the city's zoning map as adopted in ECC 15.300.020 for the following described area from Residential-Suburban (R-S) to Light Industrial (I-L):

PARCEL 17827: Parcel B-4 of that certain survey as recorded August 30, 2002, in book 28 of surveys, page 9. Under Auditor's File No. 200208300001. Records of Kittitas County, Washington, being a portion of the southeast quarter of section 12, Township 17 North, Range 18 East, W.M., Kittitas County, Washington.

Section 3. That the official zoning map of the City of Ellensburg, as well as the Global Information System (GIS) data shall be amended to incorporate the zoning changes herein provided.

Section 4. Except as modified herein, each and every provision of the City Land Development Code, Title 15, as amended, shall remain in full force and effect.

Section 5. Severability. If any portion of this ordinance is declared invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance.

Section 6. Corrections. Upon the approval of the City Attorney, the City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 7. Effective Date. This ordinance shall take effect and be in full force five (5) days after publication as required by law.

The foregoing ordinance was passed and adopted at a regular meeting of the City Council on the 3rd day of February, 2020.

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

Publish:

I, Beth Leader, City Clerk of said City, do hereby certify that Ordinance No. 4848 is a true and correct copy of said Ordinance of like number as the same was passed by said Council, that Ordinance No. 4848 was published as required by law.

BETH LEADER, CITY CLERK



CITY COUNCIL AGENDA REPORT

City Council Meeting Date:	February 3, 2020
Item Title/Agenda Subject:	First reading of proposed Ordinance for 2020 Waterworks Utility System Bond
Submitted by:	Jon Morrow, Finance
Recommended Action or Motion:	Staff recommends Council conduct first reading of the proposed Ordinance authorizing the issuance of a Waterworks Utility System Revenue Bond and authorize necessary budget adjustments.
Background/Summary:	Attached is the proposed ordinance as prepared by the City's bond counsel, Stradling Attorneys at Law, authorizing the issuance and sale of not-to-exceed \$5,000,000 Waterworks Utility System revenue bonds to pay or reimburse the costs of certain flood control improvements to the storm and surface water management system, including costs of land acquisition. In 2014 the City was awarded grant funding from Ecology to construct a setback levee along the Yakama Nation property line from Dolarway up to University Way. The levee alignment for that project was not completed due to the inability to successfully negotiate easements and landowner agreements. The project was halted and moved to another location further east. In 2017, the remaining funding from that project was used to purchase the undeveloped lots at CenterPoint Business Park, which were under option with Trust for Public Land (TPL) (see attached map). The decision to shift the project east provided more floodplain/open space and the hydraulic modeling concurred. Since that time the remaining 56 acres north of CenterPoint Business Park have come under option with TPL to acquire on or before March 31, 2020. The designs to construct the setback levee, contiguous flood swales and new fish passable 35-foot Dolarway Bridge have been completed and are ready for construction. What remains is the acquisition of the 56 acres north of CenterPoint Business Park. The project will help further mitigate flooding in West Ellensburg, provide the infrastructure for Whiskey Creek to be re-routed someday and act as a pedestrian trail.

Previous Council Action: Staff has reported to both the Utility Advisory Committee (UAC) and the City Council on several occasions regarding the contract for the design, purchase and sale agreement for the lots at CenterPoint, and most recently the acquisition of the 56 acres above the business park. In addition, the UAC and Council were previously informed about moving the project further east to its current location and the introduction of Whiskey Creek. Council approved the purchase of the lots at CenterPoint, the contract with Aspect Engineering to design this project, and directed staff to bring forward a Bond Ordinance and purchase/sale agreement to move the project forward.

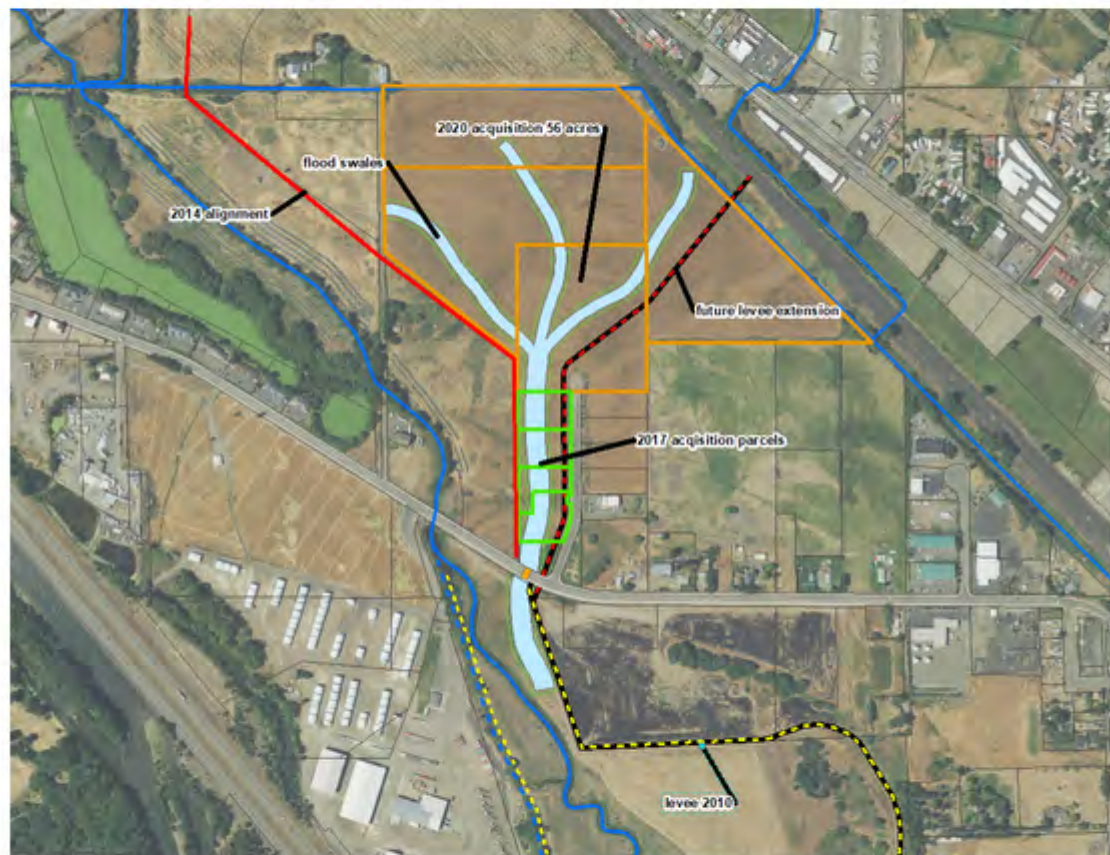
Analysis: A bond issuance and sale is needed to provide the funds for the costs of certain flood control improvements, including costs of land acquisition. The Finance Director will solicit proposals for purchase of the bond and select the purchasing entity or bank from those proposals. The final principal amount of the bond, interest rate, principal maturities and prepayment provisions of the bond to be fixed under such terms and conditions are approved by this ordinance.

Financial Impact: Based on a preliminary debt service schedule for the new bond and an estimated interest rate of 3.25%, when including costs, the estimated all-in true interest cost is 3.52%. Actual interest rates and costs will be determined based on bank responses to a request for financing proposals. The final maturity of the bond will be no later than 20 years after the date of issue, and the bond shall be subject to optional redemption no later than 10.5 years from the date of issue. Following the sale of the Bond, staff shall provide a report to Council describing the final terms for the Bond approved.

Attachments:

[Map of parcels to be purchased](#)

[Ellensburg-Waterworks Revenue 2020-Bond Ordinance.02-03-20](#)



CITY OF ELLENSBURG, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Ellensburg, Washington, relating to contracting indebtedness, providing for the issuance, sale and delivery of an aggregate principal amount not to exceed \$5 million of its combined Waterworks Utility System revenue bonds to provide funds (i) to pay or reimburse all or a portion of the costs of the Plan of Additions including the Projects, consisting of certain flood control improvements to the storm and surface water management system, including costs of land acquisition, (ii) to satisfy the debt service reserve requirement, if necessary, and (iii) to pay the costs of issuance and sale of the bonds; creating such accounts or special funds necessary or desirable to pay and secure the revenue indebtedness authorized herein; fixing or setting parameters with respect to certain terms and covenants of the bonds, which may be issued as a single bond or in serial maturities; appointing the City's designated representative to approve the Bond Sale Terms and providing for the sale and delivery of the bonds; and providing for other related matters.

Passed February __, 2020

This document prepared by:

Stradling Yocca Carlson & Rauth, P.C.
999 Third Avenue, Suite 3610
Seattle, Washington 98104
(206)829-3000

CITY OF ELLENSBURG, WASHINGTON

ORDINANCE NO. _____

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Exhibit A — Parity Conditions

Exhibit B — Parameters for Bond Sale Terms

Exhibit C – Description of Projects

* This Table of Contents and the cover page are provided for convenience only and is not a part of this ordinance

ORDINANCE NO. _____

AN ORDINANCE of the City of Ellensburg, Washington, relating to contracting indebtedness, providing for the issuance, sale and delivery of an aggregate principal amount not to exceed \$5 million of its combined Waterworks Utility System revenue bonds to provide funds (i) to pay or reimburse all or a portion of the costs of the Plan of Additions including the Projects, consisting of certain flood control improvements to the storm and surface water management system, including costs of land acquisition, (ii) to satisfy the debt service reserve requirement, if necessary, and (iii) to pay the costs of issuance and sale of the bonds; creating such accounts or special funds necessary or desirable to pay and secure the revenue indebtedness authorized herein; fixing or setting parameters with respect to certain terms and covenants of the bonds, which may be issued as a single bond or in serial maturities; appointing the City's designated representative to approve the Bond Sale Terms and providing for the sale and delivery of the bonds; and providing for other related matters.

Section 1. Findings and Determinations.

(a) ***Combined Waterworks Utility System.*** Pursuant to chapters 35.67 and 35.92 RCW, the City currently owns, operates, and maintains the Waterworks Utility System as a combined utility system pursuant to RCW 35.67.331 and Ordinance No. 4206, passed by the City Council on June 7, 1999. The Waterworks Utility System currently includes the following component utilities: (i) a sewerage collection and disposal system (the "Sewer Utility"); (ii) a potable water supply and distribution system, (the "Water Utility"); and (iii) a storm drainage and surface water management utility (the "Stormwater Utility"). The City has further reserved the right to combine additional utilities into the combined system in the future, consistent with State law. Although the component utilities are combined for purposes of borrowing, the City maintains separate accounting and independent rate-setting structures for each component utility within the Waterworks Utility System. The component utility benefiting from the borrowing authorized by this ordinance is the Stormwater Utility and all costs associated with this borrowing and the repayment thereof will be allocated to the Stormwater Utility.

(b) ***Outstanding Combined Waterworks Utility System Revenue Debt.*** The City has previously issued the following utility revenue bonds (collectively, the "Outstanding Parity Bonds") having a lien and charge on Net Revenues of the Waterworks Utility System superior to all other liens and charges:

Series Designation	Ordinance Number	Date of Issue	Original Principal Amount	Currently Outstanding (1/1/2020)	Final Maturity Date
2013	4632	01/16/2013	\$ 2,100,000	\$ 690,458	12/01/2022
2016	4753	12/27/2016	6,990,000	6,710,000	12/01/2029

(c) **Plan of Additions.** The City specifies, adopts and orders the carrying out of the Plan of Additions (defined below), which includes the Projects (defined below) intended to be financed with the proceeds of the Bonds. The estimated cost of the Projects is at least \$5 million and the City does not have available sufficient funds from current resources to pay the cost. The City is therefore in need of funds with which to finance the Projects. The Projects shall be carried out in accordance with the plans and specifications prepared by the City's engineers and consulting engineers. The City Council may modify the details of the Projects where, in its judgment, it appears advisable if such modifications do not substantially alter the purpose of the Projects, or if such modification provides funding to other elements described in the Plan of Additions, as then in effect. The cost of the Projects, including the cost of issuance and sale of the Bonds, shall be paid from the proceeds of the Bonds and from other money available to the Stormwater Utility, including current resources, grants and loans. The average expected useful life of the Projects exceeds the maximum maturity of the Bonds authorized herein.

(d) **Sufficiency of Gross Revenue.** The City Council finds and determines that the Gross Revenue and benefits to be derived from the operation and maintenance of the Waterworks Utility System at the rates to be charged for services from the Waterworks Utility System will be more than sufficient to meet all Maintenance and Operations Expense and to permit the setting aside into the Bond Fund out of the Gross Revenue of amounts sufficient to pay the principal of and interest on the Bonds when due. The City Council declares that in fixing the amounts to be paid into the Bond Fund under this ordinance it has exercised due regard for Maintenance and Operations Expense and has not obligated the City to set aside and pay into the Bond Fund a greater amount of Gross Revenue of the Waterworks Utility System than in its judgment will be available over and above such Maintenance and Operations Expense.

(e) **Issuance and Sale of the Bonds.** For the purposes described in Section 3, the City Council finds that it is in the best interests of the City and its ratepayers to issue and sell the Bonds, pursuant to the Bond Sale Terms to be approved by the City's Designated Representative within the parameters set forth in the Exhibit B and otherwise consistent with this ordinance.

Section 2. Definitions. As used in this ordinance, the following words shall have the following meanings, unless a different meaning clearly appears from the context:

(a) **"2013 Bond"** means the Water and Sewer Revenue Bond, 2013, issued by the City on January 16, 2013, pursuant to the Ordinance No. 4632 (passed on January 14, 2013), which is currently outstanding in the principal amount of \$690,458.

(b) **"2016 Bond"** means the Water and Sewer Revenue Refunding Bond, 2016, issued by the City on December 27, 2016, pursuant to Ordinance No. 4753 (passed on November 21, 2016), which remains outstanding in the principal amount of \$6,710,000.

(c) **"Alternate Security"** means any Reserve Insurance, bond insurance, collateral, security, letter of credit, guaranty, surety bond or similar credit enhancement device providing for or securing the payment of all or part of the principal of and interest on the Parity Bonds, issued by an institution which has been assigned a credit rating at the time of issuance of such Parity Bonds that is

equal to or better than the highest two rating categories by both Moody's Investors Service and S&P Global Ratings. ***On and after the Parity Covenant Date, the preceding definition shall permit the use of Alternate Security issued by an institution which has been assigned a credit rating at the time of issuance of such Parity Bonds that is equal to or better than the highest three rating categories (without regard to gradations within such categories) by at least one Rating Agency.***

(d) "Annual Debt Service" for the applicable series of Parity Bonds for any calendar year, means all the interest, plus all principal (except principal of Term Bonds due in any Term Bond Maturity Year), plus all mandatory redemption and sinking fund installments for that year, less all bond interest payable from the proceeds of any such bonds in that year.

(e) "Assessment Bonds" means the original principal amount of any issue of Parity Bonds equal to the total principal amount (or, if refunding bonds, the remaining unpaid principal amount) of ULID Assessments on any final assessment roll or rolls of one or more ULIDs formed in connection with the improvements being financed by such issue of bonds (or bonds being refunded). The original principal amount of such issue of bonds in excess of Assessment Bonds shall be referred to as "bonds (or Bonds) that are not Assessment Bonds." Assessment Bonds shall be allocated to each \$5,000 of bonds in proportion to their percentage of the entire issue of bonds. When a bond of any issue of bonds containing Assessment Bonds is redeemed or purchased, and retired, the same percentage of that bond as the percentage of Assessment Bonds is to the total issue of those bonds shall be treated as Assessment Bonds being redeemed or purchased and retired.

(f) "Authorized Denomination" means \$5,000 or any integral multiple thereof within a maturity, or such other minimum authorized denomination as may be specified by the Designated Representative in approving the Bond Sale Terms.

(g) "Average Annual Debt Service" means, as of its date of calculation, the sum of the Annual Debt Service for the remaining calendar years to the last scheduled maturity of the applicable issue or issues of bonds divided by the number of those years. For purposes of computing the Reserve Requirement, the estimated amount of Parity Bonds to be redeemed prior to maturity may be taken into account if consistent with federal arbitrage regulations.

(h) "Bonds" means the City of Ellensburg, Washington, Waterworks Utility System Revenue Bonds, 2020, authorized to be issued as a single bond or as serial maturities, pursuant to this ordinance.

(i) "Bond Counsel" means a firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

(j) "Bond Fund" means the bond debt service fund previously created to pay debt service on the Parity Bonds pursuant to Section 9 of Ordinance No. 3926 (originally designated as the Sewer Revenue Bond Fund, 1994 and expanded to secure all Parity Bonds pursuant to Ordinance 4206 which combined the utility systems for purposes of debt issuance), together with each other special fund created from time to time within the Waterworks Utility System Funds. For purposes of clarity, the Bond Fund operates as a single combined fund for purposes of securing all Parity Bonds and a pledge of money deposited into or held in the Bond Fund shall refer collectively to all amounts deposited into or held in any and all parity bond debt service funds or accounts that may be created for accounting

purposes within any of the Waterworks Utility System Funds, without distinction or priority of payment rights with respect to a particular series of Parity Bonds.

(k) “*Bond Purchase Agreement*” means a written offer to purchase the Bonds setting forth Bond Sale Terms consistent with Exhibit B, which offer is accepted by the Designated Representative on behalf of the City in accordance with this ordinance. In the case of a private placement, the Bond Purchase Agreement may consist of the Purchaser’s offer accepted by the City as evidenced by a pricing or bid award certificate executed by the Designated Representative on behalf of the City. In the case of a competitive sale, the official notice of sale, the Purchaser’s bid, and a certificate of bid award executed by the Designated Representative on behalf of the City shall constitute the Bond Purchase Agreement for purposes of this ordinance.

(l) “*Bond Register*” means the registration books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

(m) “*Bond Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the City.

(n) “*Bond Sale Terms*” means the terms and conditions for the sale of the Bonds including, but not limited to the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants, including minimum savings for refunding bonds. The parameters for certain Bond Sale Terms are set forth in Exhibit B.

(o) “*Book-Entry Form*” means a fully-registered form in which physical bond certificates are registered only in the name of the Securities Depository (or its nominee), as Registered Owner, with the physical bond certificates held by and immobilized in the custody of the Securities Depository (or its designee), where the system for recording and identifying the transfer of the ownership interests of the Beneficial Owners of the Bond is neither maintained by nor the responsibility of the City or the Bond Registrar.

(p) “*City*” means the City of Ellensburg, Washington, a code city duly organized and existing under the laws of the State of Washington.

(q) “*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

(r) “*Code*” means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

(s) “*Continuing Disclosure Agreement*” means a written undertaking, pursuant to SEC rule or regulation governing the sale of a municipal bond to the public, to provide continuing disclosure, if required, which undertaking is authorized to be executed on behalf of the City pursuant to Section 17 of this ordinance.

(t) “*Coverage Requirement*” means, in any calendar year, (1) an amount of Net Revenue at least equal to 1.25 times the Annual Debt Service in that year on Parity Bonds that are not Assessment Bonds; and (2) an amount of Net Revenue available after satisfying the Coverage Requirement on bonds that are not Assessment Bonds, plus ULID Assessments, which together are at

least equal to 1.00 times the Annual Debt Service in that year on such Assessment Bonds. In calculating the Coverage Requirement, Annual Debt Service shall be adjusted for each calendar year by subtracting any amount scheduled to be received in that calendar year by the City as a Tax Credit Subsidy Payment in respect of any Parity Bonds issued as Tax Credit Subsidy Bonds.

(u) “*Covered Parity Bonds*” means, until the Parity Covenant Date, all Parity Bonds. ***From and after the Parity Covenant Date, Covered Parity Bonds shall refer only to such Parity Bonds as are designated as “Covered Parity Bonds” in or pursuant to the ordinance authorizing their issuance.***

(v) “*DTC*” means The Depository Trust Company, New York, New York, or its nominee.

(w) “*Designated Representative*” means the officer of the City appointed in Section 5 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

(x) “*Finance Director*” means the City’s duly appointed Finance Director, or such other officer of the City who succeeds to substantially all of the responsibilities of that office.

(y) “*Future Parity Bonds*” means any and all Waterworks Utility System revenue bonds of the City issued after the date of issuance of the Bonds, the payment of the principal of and interest on which constitutes a charge or lien on the Net Revenue and ULID Assessments equal in rank with the charge and lien upon such revenue and assessments required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on the then-outstanding Parity Bonds.

(z) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended and which are otherwise legal investments of the City at the time of such investment.

(aa) “*Gross Revenue of the Waterworks Utility System*” or “*Gross Revenue*” means all of the earnings and revenues received by the City from the maintenance and operation of the Waterworks Utility System and all earnings from the investment of money in the Bond Fund which earnings are deposited in the Principal and Interest Account, and connection and capital improvement charges collected for the purpose of defraying the cost of capital facilities of the Waterworks Utility System. Gross Revenue excludes ULID Assessments, government grants (including Tax Credit Subsidy Payments), proceeds from the sale of Waterworks Utility System property, City taxes collected by or through the Waterworks Utility System, principal proceeds of bonds or other obligations, deposits to the Rate Stabilization Fund, revenue from any Separate System, and earnings or proceeds from any investments in a trust, defeasance or escrow fund created to defease or refund Waterworks Utility System obligations (until commingled with other earnings and revenues of the Waterworks Utility System) or held in a special account for the purpose of paying a rebate to the United States Government under the Code.

(bb) “*Issue Date*” means, with respect to the Bonds, the date of issuance and delivery of the Bonds to the Purchaser.

(cc) “*MSRB*” means the Municipal Securities Rulemaking Board.

(dd) “*Maintenance and Operation Expense*” means all reasonable expenses incurred by the City in causing the Waterworks Utility System to be operated and maintained in good repair, working

order and condition, including payments made to any other municipal corporation or private entity for drainage, sewerage, and water service (or other utility service if the City combines such service in the Waterworks Utility System and enters into a contract for such services), but not including any depreciation or taxes levied or imposed by the City or payments to the City in lieu of taxes, or capital additions to or capital replacements of any portion of the Waterworks Utility System.

(ee) “*Maximum Annual Debt Service*” means, at the time of calculation, the maximum amount of Annual Debt Service that will mature or come due in the current calendar year or any future year with respect to the then-outstanding Parity Bonds.

(ff) “*Net Proceeds*” when used in this ordinance with reference to the Bonds, and unless another meaning is assigned under the Code, means the aggregate principal amount of the Bonds plus accrued interest and original issue premium, if any, and less original issue discount, and proceeds (if any) deposited in the Reserve Account.

(gg) “*Net Revenue*” means the Gross Revenue Less Maintenance and Operation Expense. Net Revenue also shall include withdrawals from the Rate Stabilization Account and shall exclude deposits into the Rate Stabilization Account.

(hh) “*Outstanding Parity Bond Ordinances*” mean Ordinance No. 4632, authorizing the issuance of the 2013 Bond, and Ordinance No. 4753, authorizing the issuance of the 2016 Bond.

(ii) “*Outstanding Parity Bonds*” mean the 2013 Bond and the 2016 Bond.

(jj) “*Parity Bonds*” means the Outstanding Parity Bonds, the Bonds, and any Future Parity Bonds.

(kk) “*Parity Conditions*” means those conditions for the issuance of Future Parity Bonds, as set forth in Section 15 and Exhibit A of Ordinance No. 4632, and in Section 15 and Exhibit A of Ordinance No. 4753, as such conditions are now set forth in Section 17 and Exhibit A of this ordinance.

(ll) “*Parity Covenant Date*” means the date on which the 2013 Bonds and the 2016 Bonds are legally defeased or redeemed and no longer outstanding.

(mm) “*Permitted Investments*” means any investment that is a legal investment for cities in the State of Washington.

(nn) “*Plan of Additions*” means the system or plan of additions and improvements to and betterments and extensions of the Waterworks Utility System (1) identified in the City’s Capital Improvement Plan for the Sewer System, the Stormwater System, and the Water System, as adopted and in effect from time to time (most recently, the 2020-2025 Capital Improvement Plan, adopted by the City Council on December 2, 2019); and (2) the Projects described in Exhibit C, which are incorporated into the Plan of Additions by this reference.

(oo) “*Principal and Interest Account*” means the account of that name created in the Bond Fund for the payment of the principal of and interest on the Parity Bonds.

(pp) “*Projects*” means certain flood control improvements to the storm and surface water management system, including costs of land acquisition, as more fully described in Exhibit C.

(qq) “*Purchaser*” means the initial underwriter, financial institution, or bank purchaser of the Bonds. If sold pursuant to a private or direct placement, the term “Purchaser” shall refer to the Registered Owner shown on the books of the Bond Registrar.

(rr) “*Rate Stabilization Fund*” means the fund or account within the Waterworks Utility System Funds (or the relevant special funds of the component utilities) created pursuant to and for the purposes set forth in Section 17 of Ordinance No. 4632, Section 17 of Ordinance No. 4753, or Section 20 of this ordinance.

(ss) “*Rating Agency*” means any nationally recognized rating agency then maintaining a rating for the Parity Bonds at the request of the City.

(tt) “*Record Date*” means, unless otherwise provided in the applicable Bond Purchase Agreement, the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date, and with respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar send the notice of redemption in accordance with Section 8.

(uu) “*Registered Owner*” means the person named as the registered owner of the Bond in the Bond Register. For as long as the Bond is held in Book-Entry Form, Registered Owner shall mean the Securities Depository.

(vv) “*Reserve Account*” means the account of that name created in the Bond Fund for the purpose of securing the payment of the principal of and interest on the Covered Parity Bonds. For purposes of clarity, references to the Reserve Account and amounts on deposit therein shall refer collectively to all debt service reserve accounts created within the Waterworks Utility System Funds for the purpose of securing payment of the Covered Parity Bonds without priority or distinction as to a particular series of Covered Parity Bonds.

(ww) “*Reserve Insurance*” means, in lieu of cash and investments, insurance obtained by the City equal to part or all of the Reserve Requirement for any Covered Parity Bonds then outstanding with respect to which such insurance is obtained.

(xx) “*Reserve Requirement*” means, for all Covered Parity Bonds, the lesser of (i) Maximum Annual Debt Service on the Covered Parity Bonds, or (ii) 125% of Average Annual Debt Service on the Covered Parity Bonds, but at no time shall the Reserve Requirement exceed 10% of the proceeds of the Covered Parity Bonds.

(yy) “*SEC*” means the United States Securities and Exchange Commission.

(zz) “*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the City, or the nominee of any of the foregoing. Any successor or substitute Securities Depository must be qualified under applicable laws and regulations to provide the services proposed to be provided by it.

(aaa) “*Separate Utility System*” means any water supply, sewage collection or treatment, stormwater or other utility service or facilities that may be created, acquired or constructed by the City as provided in Section 19.

(bbb) “*State*” means the State of Washington.

(ccc) “*System of Registration*” means the system of registration for the City’s bonds and other obligations set forth in Ordinance No. 3925 of the City.

(ddd) “*Tax Credit Subsidy Bond*” means any bond that is designated by the City as a “build America bond” or other tax credit bond, pursuant to the Code, and which is further designated as a “qualified bond” under Section 6431 of the Code, and with respect to which the City is eligible to receive a Tax Credit Subsidy Payment.

(eee) “*Tax Credit Subsidy Payment*” means the amounts which the City is entitled to receive a tax credit payable by the United States Treasury to the City under Section 6431 of the Code, in respect of any bonds issued as Tax Credit Subsidy Bonds.

(fff) “*Term Bond Maturity Year*” means any calendar year in which Term Bonds are scheduled to mature.

(ggg) “*Term Bonds*” means those Parity Bonds designated as such pursuant to the ordinance authorizing their issuance and sale.

(hhh) “*Treasurer*” means the Finance Director of the City, or any successor to the functions of the Treasurer.

(iii) “*ULID*” means Utility Local Improvement District.

(jjj) “*ULID Assessments*” means all assessments levied and collected in any ULID of the City created for the acquisition or construction of additions to and extensions and betterments of the Waterworks Utility System (or any component utility thereof) if such assessments are pledged to be paid into the Bond Fund (less any prepaid assessments permitted by law to be paid into a construction fund or account). ULID Assessments shall include installments thereof and any interest or penalties that may be due thereon.

(kkk) “*Utility Professional*” means a licensed professional engineer experienced in the design, construction and operation of municipal utilities, or an independent certified public accountant experienced with municipal utilities.

(lll) “*Waterworks Utility System*” (formerly known as the Sewerage System prior to the combination of the water system of the City therewith) means the City’s combined water utility, sanitary sewage collection and disposal utility, and storm and surface water utility, together with all additions thereto and betterments and extensions thereof at any time made, and shall include any other utility systems hereafter combined with the Waterworks Utility System and shall include the Projects. The Waterworks Utility System shall not include a Separate Utility System.

(mmm) “*Waterworks Utility System Funds*” means, collectively, the Water Funds (Nos. 481 and 485), the Sewer Funds (Nos. 491 and 495), and the Stormwater Funds (Nos. 431 and 435).

Section 3. Purpose and Authorization of Bond. The City is authorized to issue negotiable Waterworks Utility System revenue bonds evidencing indebtedness in the principal amount not to exceed \$5 million to provide funds (i) to pay or reimburse all or a portion of the costs of the Plan of Additions including the Projects, consisting of certain flood control improvements to the storm and surface water management system, including costs of land acquisition, (ii) to satisfy the debt service reserve requirement, if necessary, and (iii) to pay the costs of issuance and sale of the bonds. The

proceeds of the Bonds shall be allocated to paying the costs of Plan of Additions, or a portion of the Plan of Additions, in such order of time as the City determines is advisable and practicable.

Section 4. Compliance with Parity Conditions. In accordance with the Parity Conditions set forth in the Outstanding Parity Bond Ordinances, the City Council hereby finds and determines, subject to the execution of a certificate by the Designated Representative dated the Issue Date evidencing her determination that, as of the Issue Date, such facts remain true and correct and all other Parity Conditions have been met or satisfied:

(a) There is no deficiency in the Bond Fund and provision is made in this ordinance for the payment of the principal of and interest on the Bonds from the Bond Fund and for satisfaction of the Reserve Requirement within the time prescribed;

(b) The City is (and as of the Issue Date will be) in compliance with the other Parity Conditions set forth in Section 18 and Exhibit A of the 2013 Bond Ordinance and Section 15 and Exhibit A of the 2016 Bond Ordinance.

If the Parity Conditions set forth in the Outstanding Parity Bond Ordinances are met and complied with based on the determination of the Designated Representative as of the Issue Date, the payments required to be made out of the Waterworks Utility System Funds into the Bond Fund and the Reserve Account to pay and secure the payment of the principal of and interest on the Bonds shall constitute a lien and charge upon the money in the Waterworks Utility System Funds equal in rank with the lien and charge thereon for the payments required to be made for the Outstanding Parity Bonds. The Bonds may not be issued until the certificate described in this section has been executed and delivered.

Section 5. Description of the Bonds; Appointment of Designated Representative. The Finance Director is appointed as the Designated Representative of the City, and is authorized and directed to conduct the sale of the Bonds in the manner and upon the Bond Sale Terms deemed most advantageous to the City. The Designated Representative shall approve the Bond Sale Terms, with such additional terms and covenants, as the Designated Representative deems necessary or advisable, within the parameters set forth in Exhibit B, which is attached to this ordinance and incorporated by this reference. The Bonds may be sold in one or more series, and a series may be structured as a draw-down facility or exchanged for its full purchase price at closing. Each Bond shall be numbered, dated, and mature as set forth in the Bond Sale Terms. Interest on the principal amount of each Bond then-outstanding shall accrue at the interest rate or rates set forth in the Bond Sale Terms, from its Issue Date (or from the date of each principal draw) through and including its maturity or prepayment date, and shall be computed on the basis of the 360-day year consisting of twelve 30-day months or on such other basis as may be set forth in the Bond Sale Terms.

Section 6. Bond Registrar; Registration and Transfer of Bonds.

(a) **Registration of Bonds.** The Bonds shall be issued only in registered form as to both principal and interest and the ownership of the Bond shall be recorded on the Bond Register.

(b) **Bond Registrar; Duties.** Unless otherwise determined by the Finance Director, the Fiscal Agent is appointed as initial Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bond, which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver

bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) ***Bond Register; Transfer and Exchange.*** The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Bond Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same interest rate and maturity. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

(d) ***Securities Depository; Book-Entry Only Form.*** In the Bond Purchase Agreement or certificate approving the Bond Sale Terms, the City's Designated Representative shall determine whether the Bonds initially shall be issued and held fully immobilized in Book-Entry Form by the Securities Depository in accordance with the provisions of the Letter of Representations.

If any Bond is held in Book-Entry Form at any time, neither the City nor the Bond Registrar shall have any responsibility or obligation to participants of the Securities Depository or the persons for whom they act as nominees with respect to the Bond regarding the accuracy of any records maintained by the Securities Depository or its participants of any amount in respect of principal or interest on the Bond, or any notice which is permitted or required to be given to Registered Owners hereunder (except such notice as is required to be given by the Bond Registrar to the Securities Depository). Registered ownership of a Bond initially held in Book-Entry Form, or any portion thereof, may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City or such substitute Securities Depository's successor; or (iii) to any person if the Bond is no longer held in Book-Entry Form.

If the Securities Depository resigns from its functions as depository, or upon a determination by the Finance Director to discontinue utilizing the then-current Securities Depository, the Finance Director may appoint a substitute Securities Depository. If the Securities Depository resigns from its functions as depository and no substitute Securities Depository can be obtained, or if the Finance Director determines not to utilize a Securities Depository, then the Bonds shall no longer be held in Book-Entry Form and ownership may be transferred only as provided herein.

Nothing herein shall prevent the Bond Sale Terms from providing that the Bonds shall be issued in certificated form without utilizing a Securities Depository, and that the Bonds shall be registered as of the Issue Date in the name(s) of the Owner(s) thereof, in which case ownership may be transferred only as provided herein.

(e) ***Lost or Stolen Bonds.*** In case any Bond shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new bond or bonds of like amount, date, tenor and effect to

the Registered Owner(s) thereof upon the Registered Owner(s)' paying the expenses and charges of the City in connection therewith and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such bond or bonds were actually lost, stolen or destroyed and of Registered Ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

Section 7. Form and Execution of Bonds.

(a) ***Form of Bonds; Signatures and Seal.*** Each Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. Each Bond shall be signed by the Mayor and City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) ***Authentication Required.*** Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate of Authentication. This Bond is one of the fully registered City of Ellensburg, Washington, [*name of issue and Series designation*], described in Ordinance No. [*number of this ordinance*]." The authorized signing of a Certificate of Authentication shall be conclusive evidence that such Bond so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

Section 8. Redemption.

(a) ***Optional Redemption.*** Each Bond may be issued subject to redemption prior to its stated maturity date at the option of the City at the times and on the terms set forth in the Bond Sale Terms, consistent with the parameters set forth in Exhibit B.

(b) ***Mandatory Redemption.*** A Bond may be designated as a Term Bond, subject to mandatory redemption in principal installment payments, as set forth in the Bond Sale Terms. If not redeemed or purchased at the City's option prior to maturity, a Term Bond must be redeemed, at a price equal to one hundred percent of the principal amount to be redeemed, plus accrued interest, on the dates and in the years and principal amounts as set forth in the Bond Sale Terms. If the City optionally redeems or purchases a Term Bond prior to its maturity, the principal amount of the Term Bond so redeemed or purchased (irrespective of its redemption or purchase price) shall be credited against the remaining mandatory redemption installment payments in the manner as directed by the Finance Director. In the absence of direction by the Finance Director, credit shall be allocated to each mandatory redemption installment payment for that Bond on a *pro rata* basis.

(c) ***Partial Redemption; Selection of Bonds for Redemption.*** If the Bonds are to be partially redeemed at the option of the City, the Finance Director shall select the maturity or maturities to be redeemed. If less than all of the principal amount of a maturity is to be redeemed, (1) if the Bonds are then held in Book-Entry Form, the portion of such maturity to be redeemed shall be selected for redemption by the Securities Depository in accordance with the Letter of Representations, and (2) if

the Bonds are not then held in Book-Entry Form, the portion of such maturity to be redeemed shall be selected by the Bond Registrar randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same maturity and interest rate, in the aggregate principal amount to remain outstanding, which amount shall be in any Authorized Denomination.

(d) **Notice of Redemption.** Notice of an intended redemption of any Bond then in Book-Entry Form shall be given in accordance with the Letter of Representations. If the Bonds are not then in Book-Entry Form, then unless otherwise set forth in the applicable Bond Sale Terms, the City must cause notice of any intended redemption not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of each Bond to be redeemed at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the Owner of any Bond, and may be waived by the Registered Owner of the Bond to be redeemed. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Continuing Disclosure Agreement), to each Rating Agency, and to such other persons and with such additional information as the Finance Director shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

(e) **Rescission of Optional Redemption Notice.** In the case of an optional redemption, the notice of redemption may state that the City retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond for which a notice of optional redemption has been rescinded shall remain outstanding.

(f) **Effect of Redemption.** Interest on each Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in a trust account established to refund or defease the Bond.

(g) **Purchase of Bonds.** The City reserves the right to purchase any Bond offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

Section 9. Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on the Bond (the “defeased Bond”); (b) redeeming the defeased Bond prior to its maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bond in accordance with their terms, then all right and interest of the Registered Owner of the defeased Bond in the covenants of this ordinance and in the funds and account obligated to the payment of the defeased Bond shall cease and become void. Thereafter, the Registered Owner of the defeased Bond shall have the right to receive payment of the principal of and interest on the defeased

Bond solely from the trust account and the defeased Bond shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bond to any lawful purpose. Notice of a refunding or defeasance shall be given as set forth in the Bond Sale Terms for a prepayment or redemption prior to maturity.

Section 10. Failure to Pay Bonds. If the principal of a Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 11. Application of Bond Proceeds.

(a) On the Issue Date, proceeds of the Bonds shall be deposited as set forth in the Bond Sale Terms and as further detailed in a closing memorandum. Such deposits shall include:

(1) If necessary, proceeds in an amount sufficient to satisfy the Reserve Requirement shall be deposited into the Reserve Account.

(2) The remaining proceeds shall be deposited in such account as may be created in the Stormwater Utility Funds for the accomplishment of the Plan of Additions, and shall be used to pay or reimburse the costs of carrying out the Plan of Additions (including the Projects) and to pay the costs of issuance and sale of the Bonds.

(b) Until needed to pay such costs, the City may invest proceeds deposited in the Stormwater Utility Funds temporarily in any Permitted Investment, and the investment earnings shall be retained therein and used for the purposes set forth in subparagraph (2) above, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn and used for those tax or rebate purposes.

Section 12. Pledge of Revenue and Lien Position. The Bonds shall be special limited obligations of the City payable from and secured solely by the Net Revenue and all ULID Assessments (if any) and money in the Bond Fund (including any accounts or subaccounts created therein). If the Designated Representative determines that it is necessary or advisable in order to obtain favorable financing terms, the Bonds may be designated in the Bond Sale Terms as Covered Parity Bonds, and if so designated, shall additionally be secured by amounts in the Reserve Account. The Net Revenue and ULID Assessments (if any) are pledged to make the payments into the Bond Fund required by this ordinance. This pledge constitutes a charge and lien upon such Net Revenue and ULID Assessments (if any) that is prior and superior to all other liens and charges whatsoever. The Bonds shall not constitute general obligations of the City, the State or any political subdivision of the State or a charge upon any general fund or upon any money or other property of the City, the State or any political subdivision of the State not specifically pledged by this ordinance. The Bonds shall not constitute an indebtedness of the City within the meaning of the constitutional provisions and debt limitations of the State of Washington.

Section 13. Bond Fund; Payments into Bond Fund.

(a) **Bond Fund.** The Bond Fund has previously been created in the office of the Finance Director and is divided into two accounts: a Principal and Interest Account and a Reserve Account. So long as any Parity Bonds are outstanding against the Bond Fund, the City shall set aside and pay into the Bond Fund all ULID Assessments on their collection and, out of the Net Revenue, certain fixed amounts without regard to any fixed proportion, namely:

(1) Into the Principal and Interest Account on or before each interest and payment date, an amount sufficient, together with other money on deposit therein, to make the next ensuing payment of interest, or of principal (including mandatory redemption installments of Term Bonds) and interest, with respect to the outstanding Parity Bonds; and

(2) Into the Reserve Account, such additional amount (if any) necessary to satisfy the Reserve Requirement for the Covered Parity Bonds. This deposit may consist of (i) a deposit on the Issue Date, (ii) approximately equal annual installments beginning on the Issue Date, which (together with other money and Alternate Securities on deposit therein) will equal the Reserve Requirement for the Covered Parity Bonds (calculated as of the Issue Date), accumulated by no later than five years from the Issue Date; or (iii) one or more Alternate Securities the amount payable under which, together with any amounts deposited under subparagraph (i) above, will be equal to the Reserve Requirement for the outstanding Parity Bonds on the Issue Date.

When the total amount in the Bond Fund is equal to the total amount of outstanding principal of and interest on all remaining outstanding Parity Bonds to the last maturity thereof, no further payment need be made into the Bond Fund. The City may provide for the purchase, redemption or defeasance of Parity Bonds by the use of money on deposit in any account in the Bond Fund as long as the money remaining in those accounts is sufficient to satisfy the required deposits in those accounts for the remaining Parity Bonds outstanding. The City may create sinking fund accounts or other accounts or subaccounts in the Bond Fund to pay or secure the payment of Parity Bonds as long as the maintenance of such accounts does not conflict with the rights of the owners of any Parity Bonds. If the City fails to set aside and pay into the Bond Fund the amounts set forth above, the owner of any of the outstanding Parity Bonds may bring action against the City and compel such setting aside and payment.

(b) **Reserve Account.** The Reserve Account shall be maintained at the Reserve Requirement for all Covered Parity Bonds except for withdrawals authorized in this section. The Reserve Account may be divided into subaccounts for each issue of Parity Bonds but shall equally and ratably secure all Covered Parity Bonds, as set forth below. The amounts required to be deposited into the Reserve Account (or any subaccount therein) may be decreased for any issue of Parity Bonds when and to the extent the City has provided for an Alternate Security or Reserve Insurance.

The Reserve Account operates as a common (pooled) reserve for the Covered Parity Bonds. If there is a deficiency in the Principal and Interest Account to meet maturing installments of principal or payments of interest then due and payable with respect to any Covered Parity Bonds, that deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom for that purpose. If the City has divided the Reserve Account into subaccounts (and except as required under an Alternate Security), such deficiency shall be made up by withdrawals made ratably from each subaccount, based

on the proportion of the total Reserve Requirement held in each subaccount without regard to a particular series of Parity Bonds with respect to which such subaccount may have been originally funded.

Any deficiency created in the Reserve Account (or its subaccounts) by reason of any such withdrawal shall then be made up from ULID Assessment payments and the Net Revenue first available after making necessary provisions for the required payments into the Principal and Interest Account.

Except for the withdrawals authorized in this section, the money in the Reserve Account otherwise shall be held intact and may be applied against the last outstanding Covered Parity Bonds, except that if the Reserve Account is fully funded, any money in excess of the Reserve Requirement may be withdrawn and deposited, at the option of the Finance Director after consultation with Bond Counsel, either (i) into the Principal and Interest Account, and spent for the purpose of retiring Parity Bonds; or (ii) in the Waterworks Utility System Funds, and spent for any other lawful Waterworks Utility System purpose.

(c) **Permitted Investments.** All money in the Bond Fund may be kept in cash or invested in Permitted Investments maturing not later than the date when the funds are required for the payment of principal of or interest on the outstanding Parity Bonds (for investments in the Principal and Interest Account) or having a guaranteed redemption price prior to maturity and, in no event, maturing later than the last maturity of any remaining outstanding Parity Bonds (for investments in the Reserve Account). Earnings from investments in the Principal and Interest Account shall be deposited in that account. Income from investments in the Reserve Account shall be deposited in that account.

Section 14. Flow of Funds. For so long as the Parity Bonds are outstanding, the Gross Revenue of the Waterworks Utility System shall be deposited in the Waterworks Utility System Funds used for the following purposes only and in the following order of priority:

- (a) To pay the Maintenance and Operation Expense;
- (b) Together with ULID Assessments, to pay the principal of and interest on the Parity Bonds when due, including making all payments required to be made under Section 14 (including all payments required to be made into any mandatory redemption or sinking fund account created to provide for the payment of the principal of Term Bonds);
- (c) Together with ULID Assessments, to make all payments required to be made into the Reserve Account, including making any payments required to be made pursuant to a reimbursement agreement in connection with an Alternate Security or Reserve Insurance, except that if there is not sufficient money to make all payments under reimbursement agreements, the payments will be made on a *pro rata* basis;
- (d) To make all payments required to be made into any revenue bond, note, warrant or other revenue obligation redemption fund, debt service account or reserve account created to pay or secure the payment of the principal of and interest on any revenue bonds, notes, warrants or other obligations of the City having a lien upon the Net Revenue of the Waterworks Utility System subordinate to the lien thereon for the payment of the principal of and interest on the Parity Bonds; and

(e) To any of the following purposes without priority: to make necessary additions, betterments and improvements and repairs to or extensions and replacements of the Waterworks Utility System, to retire by redemption or purchase in the open market any outstanding revenue obligations or other obligations of the Waterworks Utility System, or for any other lawful City purpose.

The City may transfer any money from any funds or accounts of the Waterworks Utility System legally available therefor, except bond redemption funds, refunding escrow funds or defeasance or other trust funds, to meet the required payments to be made into the Bond Fund.

Section 15. Covenants. The City covenants and agrees with the owner of each Bond at any time outstanding, as follows:

(a) ***ULID Assessments.*** All ULID Assessments shall be paid into the Bond Fund to pay the principal of and interest on the Parity Bonds, and may be used to fund the Reserve Requirement, without those ULID Assessments being particularly allocated to the payment of the principal of and interest on any particular series of bonds.

(b) ***Maintenance and Operation.*** The City will at all times maintain, preserve and keep the properties of the Waterworks Utility System in good repair, working order and condition, will make all necessary and proper additions, betterments, renewals and repairs thereto, and improvements, replacements and extensions thereof, and will at all times operate or cause to be operated the properties of the Waterworks Utility System and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) ***Establishment and Collection of Rates and Charges.*** The City will establish, maintain and collect rates and charges for all services and facilities provided by the Waterworks Utility System which will be fair and nondiscriminatory, and will adjust those rates and charges from time to time so that:

(1) The Gross Revenue of the Waterworks Utility System will at all times be sufficient to (i) pay all Maintenance and Operation Expense on a current basis, (ii) pay when due all amounts that the City is obligated to pay into the Bond Fund and the accounts therein, and (iii) pay all taxes, assessments or other governmental charges lawfully imposed on the Waterworks Utility System or the revenue therefrom (or payments in lieu thereof), and any and all other amounts which the City may now or hereafter become obligated to pay from the Gross Revenue of the Waterworks Utility System by law or contract; and

(2) The Net Revenue (together with any ULID Assessment collections) in each calendar year will be at least equal to the Coverage Requirement.

(d) ***Sale or Disposition of the Waterworks Utility System.*** The City will not sell or otherwise dispose of the Waterworks Utility System in its entirety unless, simultaneously with such sale or other disposition, all Parity Bonds are redeemed and retired, or defeased pursuant to the provisions of this ordinance. It will not sell, lease, mortgage or in any manner encumber or otherwise dispose of any part of the Waterworks Utility System, including all additions and improvements thereto and extensions thereof at any time made, that are used, useful or material in the operation of the Waterworks Utility System, unless provision is made for the replacement thereof or for payment into the Bond Fund of the greatest of the following:

(1) An amount which will be in the same proportion to the net amount of any Parity Bonds then outstanding (defined as the total amount of those bonds less the amount of cash and investments in the Bond Fund and accounts therein) that the Gross Revenue of the Waterworks Utility System from the portion of the Waterworks Utility System sold or disposed of for the preceding year bears to the total Gross Revenue of the Waterworks Utility System for that period; or

(2) An amount which will be in the same proportion to the net amount of any Parity Bonds then outstanding (as defined above) that the Net Revenue from the portion of the Waterworks Utility System sold or disposed of for the preceding year bears to the total Net Revenue for such period; or

(3) An amount which will be in the same proportion to the net amount of any Parity Bonds then outstanding (as defined above) that the depreciated cost value of the facilities sold or disposed of bears to the depreciated cost value of the entire Waterworks Utility System immediately prior to such sale or disposition.

The City in its discretion may sell or otherwise dispose of any of the works, plant, properties or facilities of the Waterworks Utility System or any real or personal property comprising a part of the same which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the Waterworks Utility System, or no longer necessary, material to or useful to the operation of the Waterworks Utility System, without making any deposit into the Bond Fund. Furthermore, the City may transfer the Waterworks Utility System to another municipal corporation so long as ULID Assessments and Net Revenue of the portion of the Waterworks Utility System so transferred are used for payment of debt service on the Parity Bonds prior to any other purpose.

(e) ***Liens Upon the Waterworks Utility System Revenues.*** The City will not at any time create or permit to accrue or to exist any lien or other encumbrance or indebtedness upon the Gross Revenue or the Net Revenue, or any part thereof, prior or superior to the lien thereon for the payment of the Parity Bonds, and will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Gross Revenue or the Net Revenue, or any part thereof, prior to or superior to the lien of the Parity Bonds, or which would impair the security of the Parity Bonds.

(f) ***Books and Accounts.*** It will keep proper books, records and accounts with respect to the operations, income and expenditures of the Waterworks Utility System in accordance with proper accounting procedures and any applicable rules and regulations prescribed by the State of Washington. It will prepare annual financial and operating statements within 180 days of the close of each fiscal year (which may or may not be audited within that timeframe) showing in reasonable detail the financial condition of the Waterworks Utility System as of the close of the previous year, and the income and expenses for such year, including the amounts paid into the Bond Fund and into any and all special funds or accounts created pursuant to the provisions of this ordinance, the status of all funds and accounts as of the end of such year, and the amounts expended for maintenance, renewals, replacements and capital additions to the Waterworks Utility System. Such statements shall be sent to the owner of any Parity Bonds upon written request therefor being made to the City.

(g) ***No Free Service.*** Except to aid the poor or infirm, to provide for resource conservation or to provide for the proper handling of hazardous materials, it will not furnish or supply or permit the furnishing or supplying of any service or facility in connection with the operation of the Waterworks

Utility System free of charge to any person, firm or corporation, public or private, other than the City, so long as any Parity Bonds are outstanding.

(h) **Collection of Delinquent Accounts.** On at least an annual basis, it will determine all accounts that are delinquent and will take all necessary action to enforce payment of such accounts against those property owners whose accounts are delinquent.

(i) **Insurance.** The City will at all times carry fire and such other forms of insurance (which may be satisfied by participation in a state-authorized municipal self-insurance pool) on such of the buildings, equipment, facilities and properties of the Waterworks Utility System as are ordinarily carried on such buildings, equipment, facilities, and properties by utilities engaged in the operation of similar municipal utility systems to the full insurable value thereof, and also will carry adequate public liability insurance (and war risk insurance if available at reasonable rates) at all times. The premiums or other payments due with respect to such insurance policies (or municipal self-insurance pool) are declared to be a normal part of Maintenance and Operation Expense.

Section 16. Federal Tax Matters. The Bonds and Bond Purchase Agreement shall include a designation of the Bonds as Tax-Exempt or Taxable Bonds and may include such additional terms and covenants relating to federal tax matters as the Designated Representative deems necessary or appropriate, consistent with the following:

(1) **Tax-Exempt Bonds.** If the Bonds are issued as Tax-Exempt Bonds, the City covenants that it will take all actions that are reasonably within its power and necessary to prevent interest on that Series from being included in gross income for federal income tax purposes. The City further covenants that it will neither take any action nor make or permit any use of gross proceeds of that Series (or other funds of the City treated as gross proceeds of that Series) at any time during the term of such Series that will cause interest on such Series to be included in gross income for federal income tax purposes. The City also covenants that, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to any Series issued as Tax-Exempt Bonds, it will take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with that Series (including the calculation and payment of any penalties that the City may elect to pay as an alternative to calculating rebatable arbitrage and the payment of any other penalties if required under Section 148 of the Code) to prevent interest on such Series from being included in gross income for federal income tax purposes.

(b) **Taxable Bonds; Tax Credit Subsidy Bonds.** If the Bonds are issued as Taxable Bonds or as Tax Credit Subsidy Bonds, the Designated Representative is authorized to make provision in the Bonds and related documents, to execute additional written agreements, and to make additional covenants on behalf of the City, all as he or she may deem necessary or appropriate in order to obtain, maintain, and administer such tax status. In the case of Tax Credit Subsidy Bonds, such additional covenants and agreement may include (without limiting the generality of the foregoing) those necessary in order for the City: (i) to receive from the United States Treasury the applicable Tax Credit Subsidy Payments in respect of such Tax Credit Subsidy Bonds; and (ii) to ensure that such Series otherwise become and remain eligible for tax benefits under the Code.

(2) **Post-Issuance Compliance.** The Finance Director is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bonds from being included in gross income for federal tax purposes.

(b) ***Designation of Tax-Exempt Bond as a “Qualified Tax-Exempt Obligation.”*** If the following conditions are met, as determined by the Finance Director as of the Issue Date, the City the Bonds shall be designated as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code, if (1) the Bonds do not constitute “private activity bonds” within the meaning of Section 141 of the Code; and (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the city (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Bonds are issued will not exceed \$10,000,000.

Section 17. Official Statement; Continuing Disclosure. To the extent that the Bonds are sold to the public in a sale subject to Rule 15c2-12 and related rules and regulations promulgated by the SEC under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the Designated Representative is authorized as follows:

(1) ***Preliminary Official Statement.*** The Designated Representative and other appropriate City officials are directed to cause the preparation of and review the form of a preliminary Official Statement in connection with any sale of the Bonds to the public. For the sole purpose of an underwriter’s compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been deemed final in accordance with this subsection.

(2) ***Final Official Statement.*** The City approves the preparation of a final Official Statement for the Bonds to be sold to the public in the form of the preliminary Official Statement that has been deemed final in accordance with subsection (a), with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver such final Official Statement to the Purchaser, if required under Rule 15c2-12. The City authorizes and approves the distribution by the Purchaser of the final Official Statement so executed and delivered to purchasers and potential purchasers of the Bonds.

(3) ***Agreement to Provide Continuing Disclosure.*** If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a Purchaser acting as a participating underwriter for the Bonds, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of the Bonds (the “Continuing Disclosure Agreement”).

Section 18. Future Parity Bonds. The City reserves the right to issue Future Parity Bonds if the Parity Conditions are met and complied with at the time of issuance of those Future Parity Bonds. Nothing contained herein shall prevent the City from issuing Future Parity Bonds to refund maturing Parity Bonds then outstanding, money for the payment of which is not otherwise available. Nothing contained herein shall prevent the City from issuing revenue bonds or other obligations that are a charge upon the Net Revenue subordinate to the Parity Bonds, or from pledging the payment of utility local improvement district assessments into a bond redemption fund created for the payment of the principal of and interest on those subordinate lien bonds or obligations, as long as such utility local improvement district assessments are levied for improvements constructed from the proceeds of those subordinate lien bonds.

Section 19. Separate Utility Systems. The City may create, acquire, construct, finance, own and operate one or more additional systems for water supply or sewerage, transmission or other commodity or service relating to the Waterworks Utility System. The revenue of that separate utility system shall not be included in the Gross Revenue and may be pledged to the payment of revenue obligations issued to purchase, construct, condemn or otherwise acquire or expand that separate utility system. Neither the Gross Revenue nor the Net Revenue shall be pledged by the City to the payment of any obligations of a separate utility system except that the Net Revenue may be pledged on a basis subordinate to that provided for the payment of the principal of and interest on the Parity Bonds, all payments to be made under a reimbursement agreement with respect to an Alternate Security, and all payments required to be made into the Reserve Account under any Parity Bond Ordinance.

Section 20. Rate Stabilization Fund. The City Finance Director is authorized to establish a Waterworks Utility System Rate Stabilization Fund within the Waterworks Utility System Fund, into which funds may be deposited from time to time as described in this section at the option of the City. The Finance Director is authorized to establish within that fund such accounts or subaccounts as may be necessary or desirable. Upon the recommendation of the Finance Director, as approved by the City Council (which approval may be reflected in an adopted budget or may be approved by other action) and as consistent with this ordinance, the City may deposit into the Rate Stabilization Fund amounts derived from Gross Revenue or any other money received by the Waterworks Utility System and available for this purpose. With approval by the City Council, the Finance Director may at any time make withdrawals from the Rate Stabilization Fund and, for purposes of calculating the Net Revenue in any year, may include such withdrawals in the Net Revenue for the current fiscal year. Deposits or withdrawals may be made up to and including the date that is 90 days after the end of the fiscal year for which the deposit is to be excluded from Gross Revenue, or for which the withdrawal is to be included as Net Revenue. Money withdrawn from the Rate Stabilization Fund may be used for any proper Waterworks Utility System purpose. Interest earnings on the Fund shall be allocated to the fund or account designated by the Finance Director from time to time. No deposit of Gross Revenue may be made into the Rate Stabilization Fund to the extent that such deposit would result in Net Revenue less than the amount required to meet the Coverage Requirement in the relevant fiscal year.

Section 21. Sale and Delivery of the Bonds.

(a) ***Manner of Sale of Bonds; Delivery of Bonds.*** The Designated Representative is authorized to sell each the Bonds by negotiated sale, direct placement or competitive sale, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate City officials, staff, municipal advisor, Bond Counsel and other advisors. In determining the method of sale and accepting the Bond Sale Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City.

(b) ***Procedure for Negotiated Sale or Direct Placement.*** If the Designated Representative determines that the Bonds are to be sold by negotiated sale or direct placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement shall set forth the Bond Sale Terms. The Designated Representative is authorized to execute and deliver the Bond Purchase Agreement on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

(c) ***Procedure for Competitive Sale.*** If the Designated Representative determines that a Series of Bonds are to be sold by competitive sale, the Designated Representative shall cause the

preparation of an official notice of bond sale setting forth bid parameters that the Designated Representative deems appropriate consistent with this ordinance. Bids for the purchase of the Bonds shall be received at such time or place and by such means as the Designated Representative directs. On the date and time established for the receipt of bids, the Designated Representative (or the designee of the Designated Representative) shall accept bids and shall cause the bids to be mathematically verified. The Designated Representative is authorized to award, on behalf of the City, the winning bid and to accept the winning bidder's offer to purchase the Bonds with such adjustments to the aggregate principal amount and principal amount per maturity as the Designated Representative deems appropriate consistent with the terms of this ordinance. The Designated Representative may reject any or all bids submitted and may waive any formality or irregularity in any bid or in the bidding process if the Designated Representative deems it to be in the City's best interest to do so. If all bids are rejected, the Bonds may be sold pursuant to negotiated sale or in any manner provided by law as the Designated Representative determines is in the best interest of the City, within the parameters set forth in this ordinance.

(d) ***Preparation, Execution and Delivery of the Bonds.*** The Bonds will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 22. Amendatory Ordinances. This ordinance shall not be modified or amended in any respect subsequent to the initial issuance of the Bond, except as provided in and in accordance with and subject to the provisions of this section.

(a) ***Amendments Permitted Without Consent.*** The City, from time to time, and at any time, without the consent of or notice to the registered owners of the Parity Bonds, may pass amendatory ordinances as follows:

(1) To cure any formal defect, omission, inconsistency or ambiguity in this ordinance in a manner not adverse to the owner of any Parity Bond;

(2) To impose upon the Bond Registrar (with its consent) for the benefit of the registered owners of the Parity Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this ordinance as theretofore in effect;

(3) To add to the covenants and agreements of, and limitations and restrictions upon, the City in this ordinance, other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary or inconsistent with this ordinance as thereto fore in effect;

(4) To confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by this ordinance of any other money, securities or funds;

(5) To authorize different denominations of Parity Bonds and to make correlative amendments and modifications to this ordinance regarding exchangeability of Parity Bonds of different authorized denominations, redemptions of portions of

Parity Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(6) To modify, alter, amend or supplement this ordinance in any other respect which is not materially adverse to the registered owners of Parity Bonds and which does not involve a change described in paragraph (c) of this section; and

(7) Because of change in federal law or rulings, to maintain the exclusion from gross income of the interest on Parity Bonds (excluding any Parity Bonds issued as Tax Credit Subsidy Bonds) from federal income taxation.

Before the City shall pass any such amendatory ordinance pursuant to this subsection (a), there shall have been delivered to the City and the Bond Registrar an opinion of Bond Counsel, stating that such amendatory ordinance is authorized or permitted by this ordinance and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Parity Bonds (except any Parity Bonds issued as Tax Credit Subsidy Bonds).

(b) ***Amendments Requiring Consent.*** Except for any amendatory ordinance entered into pursuant to paragraph (a) of this section, subject to the terms and provisions contained in this paragraph (b) and not otherwise, registered owners of not less than 60% in aggregate principal amount of Parity Bonds shall have the right from time to time to consent to and approve the passage by the City of any amendatory ordinance deemed necessary or desirable by the City for the purpose of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this ordinance.

(1) However, unless approved in writing by the registered owners of all Parity Bonds, nothing contained in this section shall permit, or be construed as permitting:

(i) A change in the times, amounts or currency of payment of the principal of or interest on any outstanding Parity Bond or a reduction in the principal amount or redemption price of any outstanding Parity Bond or a change in the redemption price of any outstanding Parity Bond or a change in the method of determining the rate of interest thereon, or

(ii) A preference of priority of any Parity Bonds or any other bond or bonds, or

(iii) A reduction in the aggregate principal amount of any Parity Bond.

(2) If at any time the City shall pass any amendatory ordinance for any of the purposes of this subsection (b), the Bond Registrar shall cause notice of the proposed amendatory ordinance to be given by first class United States mail to all registered owners of Parity Bonds, and to each Rating Agency. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Bond Registrar for inspection by all registered owners of Parity Bonds.

(3) Within two years after the date of the mailing of such notice, the City may pass such amendatory ordinance in substantially the form described in such notice, but only if there shall have first been delivered to the Bond Registrar (i) the required consents, in writing, of the registered owners of Parity Bonds, and (ii) an opinion of Bond Counsel stating that such amendatory ordinance is authorized or permitted by this ordinance and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on Parity Bonds.

(4) If registered owners of not less than the percentage of Parity Bonds required by this paragraph (b) shall have consented to and approved the execution and delivery thereof as herein provided, no owner of the Parity Bonds shall have any right to object to the passage of such amendatory ordinance, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the passage thereof, or to enjoin or restrain the City or the Bond Registrar from passing the same or from taking any action pursuant to the provisions thereof.

(c) ***Effect of Amendment.*** Upon the execution and delivery of any amendatory ordinance pursuant to the provisions of this section, this ordinance shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City, the Bond Registrar and all registered owners of Parity Bonds, shall thereafter be determined, exercised and enforced under this ordinance subject in all respects to such modifications and amendments.

Section 23. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of each Series of Bonds to the Purchaser and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 24. Severability. If any provision in this ordinance is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bond.

Section 25. Corrections. Upon the approval of the City Attorney, the City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's or clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 26. Effective Date. This ordinance shall take effect and be in force five (5) days after its passage, approval and publication.

PASSED by the City Council of the City of Ellensburg, Washington, at a regular open public meeting thereof this ____ day of February, 2020, and signed in authentication of its passage this ____ day of February, 2020.

CITY OF ELLENSBURG, WASHINGTON

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Bond Counsel

I, Beth Leader, City Clerk of said City, do hereby certify that Ordinance No. ____ is a true and correct copy of said Ordinance of like number as the same was passed by said Council, and that Ordinance No. ____ was published as required by law.

Beth Leader

EXHIBIT A

Parity Conditions

The City may issue Future Parity Bonds on parity with the outstanding Parity Bonds if the following conditions are met and complied with at the time of issuance of those bonds:

- (a) There may be no deficiency in the Bond Fund.
- (b) The ordinance providing for the issuance of those Future Parity Bonds must provide that all ULID Assessments and interest thereon that may be levied in any ULID created for the purpose of paying, in whole or in part, the principal of and interest on those Future Parity Bonds, shall be paid directly into the Bond Fund, except for any prepaid assessments permitted by law to be paid into a construction fund or account.
- (c) The ordinance providing for the issuance of those Future Parity Bonds must provide for the payment of the principal thereof and interest thereon out of the Bond Fund.
- (d) The ordinance providing for the issuance of those Future Parity Bonds must provide for the deposit into the Reserve Account (or subaccount therein) of amounts necessary to meet the Reserve Requirement (if any) applicable to those Future Parity Bonds, and must designate whether such Future Parity Bonds are to be deemed Covered Parity Bonds after the Parity Covenant Date.
- (e) The ordinance providing for the issuance of those Future Parity Bonds must provide for the payment of mandatory redemption or sinking fund requirements into the Bond Fund for any Term Bonds to be issued and for regular payments to be made for the payment of the principal of such Term Bonds on or before their maturity, or, as an alternative, the mandatory redemption of those Term Bonds prior and up to their maturity date from money in the Principal and Interest Account.
- (f) There must be on file with the City, either:
 - (1) a certificate of the City Finance Director demonstrating that the Coverage Requirement would have been satisfied during any twelve consecutive calendar months out of the immediately preceding 24 calendar months, assuming that (i) those Future Parity Bonds had been outstanding (using Average Annual Debt Service, adjusted for any Tax Credit Subsidy Payments, as the debt service on those Future Parity Bonds), and (ii) any Parity Bonds to be refunded by those Future Parity Bonds were not outstanding; or
 - (2) a certificate of a Utility Professional (which may take into account the adjustments described below), setting forth his or her underlying assumptions and stating that, in his or her opinion, assuming that those Future Parity Bonds are outstanding and any Parity Bonds to be refunded by those Future Parity Bonds are not outstanding, the Coverage Requirement (including permitted adjustments to Annual Debt Service in respect of Tax Credit Subsidy Bonds) will be satisfied (i) in each of the calendar years for the five calendar years next following the earlier of: (A) the year in which those Future Parity Bonds are issued (or, if interest is capitalized, the end of the period during which the interest on those Future Parity Bonds is fully capitalized), (B) the date on which substantially all new facilities or improvements financed in substantial part by those Future Parity Bonds are expected to commence operations; and (ii) in the calendar year in which those Future Parity Bonds are issued and any subsequent year prior to but not included in the years for which certification is provided.

(3) A certificate of a Utility Professional may take into account the following adjustments to historical Net Revenue for the relevant 12-month period:

(i) Any rate change that has taken place or been adopted by ordinance or contract may be reflected, or expected to be charged in accordance with a program of specific levels of increase (or decrease) in overall revenue.

(ii) Revenue from customers added or projected to be added after the relevant 12-month period, may be adjusted to reflect one year's Net Revenue allocable to those new customers.

(iii) A full year's revenue may be included on a pro forma basis from any customer being served but who has not been receiving service for the full period of operation used as a basis for the certificate.

(iv) Actual or reasonably anticipated changes in the Maintenance and Operation Expense subsequent to the relevant 12-month period shall be added or deducted, as is applicable.

(v) Net Revenue allocable to any person, firm, corporation or municipal corporation under any executed contract for utility service, which revenue was not included in the historical Net Revenue, may be included in Net Revenue.

(vi) Transfers into or out of the Rate Stabilization Fund pursuant to outstanding Parity Bond Ordinances may be taken into account, and those amounts may be added to or deducted from Net Revenues, as applicable.

(4) If Future Parity Bonds are being issued for the sole purpose of refunding Parity Bonds (including costs of issuance and providing for the Reserve Requirement), no certification is required under this section (f) if, as result of the issuance of those Future Parity Bonds, (a) the Annual Debt Service on the Future Parity Bonds to be issued is not increased by more than \$5,000 over the Annual Debt Service for that year of the bonds being refunded, and (b) the various annual maturities of the refunding Future Parity Bonds will not extend more than one year longer than the Parity Bonds being refunded. Annual Debt Service shall be adjusted for each calendar year by subtracting any amount scheduled to be received in that calendar year by the City as a Tax Credit Subsidy Payment in respect of any Parity Bonds issued as Tax Credit Subsidy Bonds.

(5) Nothing contained in this section (f) shall prevent the City from issuing revenue bonds having a junior lien on the Net Revenue or from pledging the payment of assessments in any ULID into a bond redemption fund or account created to pay and secure the payment of the principal of and interest on such junior lien bonds as long as such assessments are levied to pay part or all of the cost of improvements being constructed out of the proceeds of the sale of such junior lien bonds.

EXHIBIT B

Bond Sale Terms

- (a) Principal Amount. The maximum aggregate principal amount of the Bonds authorized by this ordinance shall not exceed \$5 million. The Bonds or any series of the Bonds may be structured as a draw-down facility or may be exchanged for their full purchase price at closing.
- (b) Date or Dates. Each Bond shall be dated its date of initial delivery to the Purchaser, which shall be its Issue Date, regardless of any provision for making principal draws over time after the Issue Date. The Issue Date may not be later than one year after the effective date of this ordinance.
- (c) Denominations, Name, etc. The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative. The Designated Representative may select alternative Authorized Denominations in connection with a direct placement of any Bond or series of Bonds.
- (d) Interest Rate(s). The Bonds shall bear interest at fixed rates per annum (computed on the basis of a 360-day year of twelve 30-day months or such other basis as may be acceptable to the Designated Representative) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for a Bond, which may be reset prior to the scheduled maturity of the Bond.
- (e) Payment Dates. Interest shall be payable on dates acceptable to the Designated Representative, commencing no later than one year after the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments on dates acceptable to the Designated Representative.
- (f) Final Maturity. The Bonds shall mature no later than 20 years after their Issue Date.
- (g) Redemption Rights. The Designated Representative may approve in the Bond Purchase Agreement provisions for the optional and mandatory redemption of the Bonds, subject to the following:
 - (1) Optional Redemption. A Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.

- (2) Mandatory Redemption. A Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement or pricing certificate.
- (h) Price. The purchase price for the Bonds may not be less than 90% or more than 135% of the stated aggregate principal amount.
- (i) Other Terms and Conditions.
- (1) Expected Life of Capital Facilities. As of the Issue Date, the Designated Representative must find to his or her satisfaction that the average expected life of the capital facilities to be financed with the proceeds of the Bonds must exceed the weighted average maturity of such Bonds (or share thereof allocated to financing those capital facilities).
- (2) Satisfaction of Parity Conditions. The Designated Representative must determine to his or her satisfaction that the Parity Conditions have been met or satisfied as of the Issue Date.
- (3) Credit Enhancement. The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as he or she may determine are in the best interests of the City, consistent with this ordinance.

EXHIBIT C

Description of Projects

The Projects include capital improvements to the Stormwater Utility including the purchase of 56 acres of active floodplain, construction of a fish-passable bridge and three flood swales, construction of a setback levee, and all related costs.

Purchase price including senior water rights:

Site value = \$2,715,000.00

Water rights = \$91,000.00

Total	\$2,806,000.00
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Engineers Estimate to construct bridge, flood swales and setback levee:

Fixed Costs = \$327,500.00

Schedule A Dolarway Bridge = \$705,502.00

Schedule B Floodplain Improvements = \$858,085.00

Cultural Resources Archeologist = \$20,000

Construction Management (10%) = \$189,108.70

WA State Sales Tax (8.3%) Schedule B only = \$71,221.06

Total	\$2,171,416.76
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Total Project Costs = \$4,977,417.76

CERTIFICATE

I, the undersigned, City Clerk of the City of Ellensburg, Washington (the "City") and keeper of the records of the City Council (the "Council"), DO HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. ____ of the Council (the "Ordinance"), duly passed at a regular meeting thereof held on the ____ day of _____, 2020.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the adoption of the Ordinance; that all other requirements and proceedings incident to the proper adoption of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of February, 2020.

City Clerk



MANAGER'S REPORT

DATE: February 3, 2020
TO: Ellensburg City Council
FROM: John Akers, City Manager

A handwritten signature in blue ink, likely belonging to John Akers, the City Manager.

1. Naming of Downtown Park.

The City of Ellensburg will solicit suggestions for the naming of the future downtown park, located at the intersection of 4th Avenue and Pearl Street, from February 4, 2020 – March 4, 2020. Information about the park naming process will be available on the City's website, social media pages, through the Daily Record, direct outreach to stakeholders, and promoted at a variety of City facilities. Per the City Council adopted policy for the naming of public parks, which can be found in Section 2.34.060 of the Ellensburg City Code, staff will take all the recommendations to the Parks and Recreation Commission at their March 11, 2020 meeting for their consideration, and then come back to April 6th Council meeting for a final decision. In the next few months staff will begin the application process for grant programs offered through the Recreation and Conservation Office, going into that process staff would like to have an official park name identified.

2. Request to Set a Public Hearing.

In conjunction with the second reading of the bond ordinance for the Reecer Creek Floodplain Levee Project, staff requests that Council set a public hearing for the February 18, 2020 City Council meeting to consider approval of a Purchase and Sale Agreement with the Trust for Public Lands for the parcels required for proceeding with the project.

3. Public Works and Utilities Office Closure.

The Public Works and Utilities (PW&U) offices will be closed to business on Wednesday, February 12, from 8:00 a.m. to 4:00 p.m. The Public Works and Utilities administration personnel, as well as forepersons from electric, natural gas, sewer, shop and warehouse, street, and water divisions will be in a staff retreat. Personnel from the City Manager's office will staff the PW&U front counter to take messages and answer phone calls during this time.

4.. Natural Gas Purchase.

Staff is notifying City Council, as required by Chapter 9.80 of the Ellensburg City Code, of a recent natural gas purchase commitment to Shell Energy North America. The purchase commitment is for 1000 MMBtu/day at \$1.630/MMBtu for the month of March 2020. The total value of the contract purchase is \$33,712.