

Kelso City Council Agenda

Regular Meeting, 6:00 pm
November 1, 2016
City Hall, Council Chambers
203 South Pacific
Kelso, WA 98626



**Special accommodations for the handicapped and hearing impaired are available
by special arrangement through the City Clerk's Office at 360-423-0900**

Roll Call to Council Members:

Invocation:

Marv Kasemeier from New Song

1. Approve Minutes:

1.1. October 18, 2016 – Regular Meeting

2. Public Hearing:

2.1. Proposed Preliminary 2017-2018 Budget

3. Consent Item:

4. Citizen Business:

5. Council Business:

- 5.1. Southwest Washington Regional Airport Interlocal Agreement Amendment
- 5.2. Onsite Computer Services Contract Renewal
- 5.3. Kelso Longview Chamber of Commerce Visitor Center Operating Agreement Amendment

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6. Action/Motion Items:

6.1. Resolution

6.1.1. Declaration of Substantial Need for the purpose of setting the Limit Factor for the Property Tax Levy for 2017

6.2. Resolution

6.2.1. Authorize the Increase in the Property Tax Levy

6.3. Ordinance 1st Reading

6.3.1. Setting 2017 Property Tax Levy Amount

6.4. Ordinance 1st Reading

6.4.1. Updating Water & Sewer Rates

6.5. Ordinance 1st Reading

6.5.1. Updating Solid Waste Rates

6.6. Ordinance 1st Reading

6.6.1. Updating Stormwater Drainage Rates

Other Items:

- City Manager Report
- Staff/Dept Head Reports
- Council Reports
- Other Business
- Executive Session

Pastor Chris Davis, Abundant Life Nazarene, gave the invocation. Mayor David Futcher led the flag salute. Mayor Futcher called the Regular Meeting of the Kelso City Council to order. Councilmembers in attendance were Larry Alexander, Kim Lefebvre, David Futcher, Todd McDaniel, Jim Hill, and Nancy Malone. Councilmember Roberson was absent.

Minutes: Upon motion by Councilmember Lefebvre, seconded by Councilmember Hill, 'Approve the 10/04/16 Regular Meeting,' motion carried, all voting yes.

PRESENTATION:

Adopt-A-Street Program: Public Works Departmental Assistant Erica Geiszler provided a brief overview of the volunteer based program. She distributed information sheets and registration packets.

CONSENT AGENDA:

1. **Auditing of Accounts:** \$ 2,765,052.56

Upon motion by Councilmember Malone, seconded by Councilmember Hill, 'Approve the Consent Agenda and the Auditing of Accounts in the amount of \$2,765,052.56,' motion carried, all voting yes.

CITIZEN BUSINESS: None.

COUNCIL BUSINESS:

Anchor Point Industrial Site Economic and Engineering Feasibility Study: David Evans & Associates, Project Manager Marc Pudists presented the findings of the study. Discussion followed. Upon motion by Councilmember Hill, seconded by Councilmember Lefebvre, 'Adopt the feasibility study as presented,' motion carried, all voting yes.

2017-2018 Budget – City Utility Rate Adjustment Discussion: City Manager Steve Taylor provided a presentation on the proposed 2017-2018 rate adjustments to the water, sewer, stormwater, and solid waste utilities. A new parcel-based billing process for the stormwater utility was included in the proposal. Lengthy discussion followed. **Upon motion by Councilmember Hill, seconded by Councilmember Malone, 'Direct Staff to quantify the difference between the amounts expected to be recovered by billing the parcel owners for stormwater utility verses billing the utility users.'** Discussion followed. **Councilmembers Alexander, Hill, and Malone voted yes.**

Councilmembers Lefebvre, Futcher, and McDaniel voted no. Motion failed, 3 to 3. Upon motion by Councilmember McDaniel, seconded by Councilmember Hill,

‘Direct Staff to bring back an ordinance with the proposed rates as presented for consideration’. Motion passed, all voting yes

MOTION ITEMS:

Ordinance No. (1st Reading) – Business & Occupations Utility Tax Amendment:

The Deputy Clerk read the proposed ordinance by title only. Upon motion by Councilmember Lefebvre, seconded by Councilmember McDaniel, ‘Pass on 1st reading, ‘AN ORDINANCE OF THE CITY OF KELSO AMENDING KMC 5.05.120 TO INCREASE UTILITY BUSINESS TAX RATES FROM EIGHTEEN PERCENT TO TWENTY PERCENT FOR WATER SEWER AND GARBAGE PROVIDERS.’

Discussion followed. Councilmembers Futch, Lefebvre, and McDaniel voted yes. Councilmembers Alexander, Hill, and Malone voted no. Motion failed, 3 to 3.

MANAGER’S REPORT:

Steve Taylor: 1) Reported that the Kelso Longview Chamber of Commerce is proposing a change in the hours the visitor center is open to the public. He will bring forward a revised operating agreement for approval.

STAFF REPORTS:

City Attorney Janean Parker: Informed the Council that SEPA has alternative programs for Environmental Impact Studies that may provide the City with a pre-permit status regarding the Anchor Point Industrial Site.

Utility Operations Manager Devin Mackin: Commented that all went well with the recent storm because the Public Works Department prepared for potential power outages.

COUNCIL REPORTS:

Larry Alexander: No report.

Kim Lefebvre: No report.

Todd McDaniel: No report.

Jim Hill: 1) Commented that he would like to see the B&O Utility Tax Ordinance come back at 21% for consideration. 2) Spoke about the upcoming relocation of the Love Overwhelming Homeless Shelter. Discussion followed. Council directed Staff to research and report back on what regulatory options the City has if the shelter relocates within the city limits.

Nancy Malone: Had questions for staff.

David Futcher: No report.

There being no further business, Mayor Futcher adjourned the meeting at 7:50 p.m.

MAYOR

CITY CLERK

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Southwest Washington Regional Airport
Authority Interlocal Agreement (Amended)

Agenda Item: _____

Dept. of Origin: _____ City Manager _____

For Agenda of: _____ November 1, 2016 _____

Originator: _____ Steve Taylor _____

City Attorney: **Janean Parker**

City Manager: **Steve Taylor**

PRESENTED BY:

Steve Taylor, City Manager

Agenda Item Attachments:

SWRA Interlocal Cooperation Agreement (Amended 2016) Clean Version

SWRA Interlocal Cooperation Agreement – Redlined Version

SUMMARY STATEMENT:

In February 2012, the City of Kelso, City of Longview, Port of Longview and Cowlitz County entered into the Southwest Washington Regional Airport Cooperation Agreement to participate jointly in the operation, repair, improvement, and regulation of the Airport. This Agreement is set to expire in February 2017. At the September SWRA Operating Board meeting the Airport Board reviewed the existing SWRA Interlocal Agreement.

After Board and legal review, amendments to the Interlocal Agreement include:

- the term of two (2) years, commencing on January 1st, 2017 and ending on December 31st 2018,
- a change to Board membership structure eliminating the current at large position,
- that the Airport Budget will be approved by a majority of all PARTIES (meaning three of the four jurisdictions),
- that real estate may be acquired by a unanimous vote of all PARTIES,
- contribution level for the Port of Longview reduced to an annual contribution of \$65,000,

As a result the Airport Board agreed to revise the ILA to include these changes. (see attached ILA)

FINANCIAL IMPACT

Fixes the City's airport support contribution at \$76,000 in both 2017 and 2018.

RECOMMENDED ACTION(S):

Move to approve the Southwest Washington Regional Airport Authority Interlocal Cooperation Agreement (Amended 2016).

**SOUTHWEST WASHINGTON REGIONAL AIRPORT INTERLOCAL
COOPERATION AGREEMENT (AMENDED _____, 2016)**

This agreement (AGREEMENT) is entered into between the City of Kelso (“Kelso”), a municipal corporation of the State of Washington; the City of Longview (“Longview”), a municipal corporation of the State of Washington; the Port of Longview (“Port”), a municipal corporation of the state of Washington; and Cowlitz County (“County”), a political subdivision of the state of Washington, all the above entities are each referred to as PARTY or jointly as the PARTIES. Additional governmental entities may be included in the AGREEMENT by addendum executed by all PARTIES existing at that time and the proposed additional PARTY.

NOW THEREFORE, The PARTIES agree as follows:

I. RECITALS

The Southwest Washington Regional Airport (“Airport”) is located within Kelso in Cowlitz County, Washington.

Kelso is currently the sole sponsoring agency for purposes of existing federal grants with the FAA and it is expected that this role will continue.

The PARTIES previously created an airport board for the joint operation of the airport. This agreement was terminated in 1997.

The PARTIES subsequently entered into the Southwest Washington Regional Airport Interlocal Cooperation Agreement dated February 28, 2012 to participate jointly in the operation, repair, improvement and regulation of the Airport for the benefit of the region.

The PARTIES wish to amend and renew said Agreement on the terms and conditions set forth herein.

The continued operation of the Airport as a public airport is a benefit and service to the citizenry of the region and supports several public purposes for each of the PARTIES, including economic development and public safety, as well as improves opportunities for growth and alternatives for transportation.

The PARTIES are authorized to enter into and carry out the AGREEMENT pursuant to the provisions of Chapter 39.34 of the Revised Code of Washington (RCW), and RCW 14.08.200.

II. OBJECTIVES

The objectives of this AGREEMENT are as follows:

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1. To establish an Airport Board (“Board”) to participate jointly in the funding and decision-making for the operation, repair, improvement and regulation of the Airport to assure the continued operation of the Airport for the benefit of all;
 2. To make additional money available for operation, repair, and improvement of the Airport;
 3. To define the rights and responsibilities, and risk allocation of the PARTIES in the operation, repair, improvement, and regulation of the Airport;
 4. To maintain Kelso’s ownership of the Airport and all existing and FAA funded facilities therein;
 5. To maintain Kelso’s rights and power and final decision making authority in all decisions as may be required of a sponsor by the FAA under the grant assurances included in Kelso’s grant agreements.
 6. “To affirm the Parties’ and the Board’s intent is to keep the Airport open and make it available for public use as an airport, to protect the Airport, and to ensure continued safe and efficient Airport operations and development.”

III. CREATION OF AIRPORT BOARD

Except as provided elsewhere in this Agreement and subject to all grant obligations and assurances as set forth in Paragraph IV below all operation and management of the Airport shall be vested in a Board. The Board shall consist of one (1) member of each PARTY to this Agreement. Each member shall have one vote. All matters will require only a majority vote of the Board unless otherwise provided by the Board’s rules. The appointment, termination, or reappointment of any member shall be within the sole discretion and control of the appointing authority and each appointing authority may appoint an alternate to serve in the absence, incapacity, or unavailability of any Board member appointed to it.

IV. GRANT ASSURANCES AND KELSO RATIFICATION

- A.** Parties acknowledge and agree that Kelso is the sole sponsor for grants from the FAA and that such grants require Kelso to meet certain obligations and to make certain grant assurances that govern how the Airport is financed, operated, managed, and regulated.
- B.** Parties agree that this AGREEMENT is subordinate to the FAA grant assurances and obligations and that the Board shall abide by these assurances and obligations as it relates to the Airport.
- C.** Parties agree that the Board is subject to and its authority is limited by the grant assurances and obligations imposed upon Kelso by the FAA as set forth in Exhibits A, B, and C attached hereto and incorporated by reference and by such grant assurances as they may be from time to time amended or expanded by the sole determination of the FAA. The parties understand that such limitation is further clarified by FAA Order 5190.6B Airport Compliance Manual as now adopted or as hereafter amended by the FAA, including but not limited to Appendix G, Guide to Sponsorship, attached hereto as Exhibit D and incorporated by reference. A request by Kelso to amend or expand grant

assurances with the FAA must first be authorized by a majority of the Board unless it is otherwise required that Kelso be the sole determining authority in a particular grant assurance.

- D.** Parties agree that where such grant obligations and assurances require that Kelso maintain the sole discretion and authority to make certain decisions as the sole sponsor, that such authority is vested solely with Kelso and that Kelso may act contrary to the direction of the Board in carrying out its role as sponsor. Kelso agrees that in the exercise of such authority that it will consider the advice and direction of the Board in reaching its decision and that where it acts contrary to the direction of the Board, it will provide an explanation in writing to the Board within ten (10) days of such contrary act stating its reasons for deviating from the Board's direction.
- E.** In reaching any decision required by Kelso by Kelso's grant obligations and assurances, the PARTIES agree to the following steps:
1. The Board will consider the matter and make a decision that is subject to the ratification of Kelso before it is final.
 2. The Board will bring the matter requiring ratification to Kelso.
 3. The Kelso City Council or their duly authorized representative/s will consider the matter including the preliminary decision of the Board and reach a final decision. Such a decision may be to ratify, amend, or deny the decision. In the event Kelso does not ratify the Board's decision, it will provide reasons therefor in writing to the Board.
 4. If time permits, the Board and Kelso will work to negotiate a resolution that is satisfactory to both parties.
 5. The final decision of Kelso in these matters is binding on the Board. The Board shall act consistent with Kelso's final decision. If the Board does not act consistent with Kelso's decision, Kelso is authorized to take such action as may be necessarily consistent with its decision, including termination of the AGREEMENT pursuant to Section IX.
- F.** Kelso agrees that all other discretionary authority related to the operation, repair, improvement, and regulation of the Airport that is not required to be vested with Kelso by the FAA under the grant assurances is hereby delegated to the Board pursuant to RCW 14.08.200.

V. OPERATION AND MANAGEMENT

A. Authority and Duties

Subject to the terms and provisions of this AGREEMENT and all limitations and grant obligations and assurances as set forth in Section IV including ratification by Kelso where required, the Board is hereby authorized and it shall be its duty to do and perform any and all acts and business reasonably necessary to carry on the operation of the Airport as a public airport, including all facilities and services common to

similar airports and as have been heretofore provided at the Airport. Specifically, the authority and duties of the Board include but are not limited to the following:

1. Elect its own officers and make its own regulations, rules, and by-laws for the conduct of the business of the Board and of the Airport.
2. Employ and/or contract for an airport manager and such other employees as the Board may deem necessary and to fix all duties, salaries, wages, employee benefits, working terms, agreements, rules, and regulations.
3. To establish and enforce all reasonable rules and regulations not in conflict with law, any lawful regulation, or any grant obligations or assurances of the FAA governing users of the Airport and of any Airport improvements and facilities.
4. To negotiate, fix, determine, charge, and collect all rents, fees, and charges for the use of services provided at the Airport.
5. Execute contracts, leases, user agreements, licenses and other agreements as necessary to carry out the business of the Airport.
6. As fiduciaries for the PARTIES to this AGREEMENT, to give any notice and to make any demand and bring any action at law or in equity to recover any claim, money, debt, obligation, and property due the Airport and to which it may be entitled, including the enforcement of any fine or penalty provided by law or any authorized regulation.
7. As fiduciaries for the PARTIES to this AGREEMENT, to defend any action at law or in equity arising from or connected with the operation of the Airport.
8. To acquire by gift, governmental grant, purchase, and trade or exchange real or tangible personal property for the Airport use including the acquisition by contract of buildings and building improvements and/or in the alternative to construct any of the same by the direct employment of labor, rental of equipment, and the purchase of materials, supplies, and equipment, subject to the limitations on real property acquisition set forth herein.
9. To improve any land used or owned by the Airport by ditching, filling, leveling, diking, fencing, gravelling, paving, grading and otherwise improving the same for airport purposes, said work and improvements may be done by contract or by the direct employments of labor, rental of equipment, and the purchase of materials, supplies, equipment and necessary permits.
10. To keep full and accurate financial records and accounts in such manner as required by law for municipal corporations, together with minutes of all Board meetings and such other records and accounts necessary to fully show all assets, liabilities, and business transactions. All such records shall be available at any reasonable time for inspection by any officer or agent of any of

the PARTIES, by a representative of the FAA and/or Auditor for the State of Washington. Further, all records shall be kept in the manner and for the length of time required under the records retention laws of the State of Washington. Additionally, all PARTIES shall comply with and promptly assist in responding to any disclosure of public records in accordance with Chapter 42.56 RCW. In the event any records responsive to a public records request belong to any of the PARTIES, the Board must immediately inform the Party of the request and provide the Party with the opportunity for objecting to release of the records pursuant to the state statute. The Board may contract with one of the PARTIES for all or a portion of the duties in paragraph 10 herein. All meetings shall be held in compliance with the Open Public Meetings Act as found in Chapter 42.30 RCW.

11. To make any and all reports as required by law and regulation in the operation of the Airport.
12. To maintain in good order and repair all Airport property of useful value and to insure against loss by fire and storm damage airport personal property and building improvements (which may be subject to such damage) in the amount of the reasonable value thereof.
13. To carry public liability insurance in the manner set forth in Section VII to adequately protect the Airport and the PARTIES to this AGREEMENT from damage claims and liability exposure.
14. Within the resources of the Airport under the control of the Board to borrow money, execute promissory notes, issue bonds, pledge airport assets and /or revenues, enter into government matching fund agreements, and execute security agreements.
15. To sell and trade or exchange any personal property of the Airport when the same is no longer reasonably usable by the Airport, is surplus to the needs of the Airport, or is being traded for other property of like kind. Any such transaction may be by a privately negotiated agreement or by the giving of public notice and call for bids.
16. To take reasonable action to improve and expand the Airport operations and services, including the attraction of airport oriented industry.
17. To establish and regularly use such claims procedure for the payment of Airport expenses, debts, obligations, and liabilities as will comply with the law and provide a reasonable means of auditing and approving the payment of claims.
18. To submit a proposed annual budget for the succeeding year to the PARTIES on or before August 1 of each year.

B. Limitations on Authority.

1. None of the foregoing authorizations shall be interpreted as authorizing anything otherwise prohibited by local, state and/or federal law, or grant assurances with the federal government.
2. Real estate may be acquired only by approval of the governing bodies of each of the PARTIES to the AGREEMENT. No money may be borrowed for capital improvement without a majority vote of the PARTIES, nor expended without authorization from a budget duly adopted or amended in accordance with the AGREEMENT.
3. No person, firm, association, corporation, or group shall be given the exclusive right to the use of the Airport. This restriction shall not apply to the lease of any Airport building or portion thereof.
4. The authority of the Board shall at all times be subject to the control and direction of the PARTIES hereto by a majority vote of the Board, including the amendment or modification of or termination of this AGREEMENT; provided however, that the AGREEMENT may be terminated by Kelso pursuant to section IX.
5. No compensation shall be paid to any Board member.
6. The Airport Board shall not discriminate in any matter prohibited by law, against any person, firm, corporation, association, or group in the use of the Airport and in the fixing of fees, rents, or any Airport charge and such fees, rents, and charges shall be uniform for all like uses or services.
7. No member of the Board shall be an Airport employee or enter into any contract with the Board or Airport for the purchase or sale of any property or for the performance of any construction contract.
8. No Airport property or money shall be loaned to anyone, provided that this provision shall not be construed to prevent the deposit of any money with any bank on interest or the purchase of any investment authorized by law for municipal corporations.

VI. FINANCES

- A. Income: All income from rents, fees, charges, and any and all income from the Airport operations whatsoever shall be collected and received as money of the Airport to be used exclusively for the operating expenses, repair and maintenance expenses, furniture, fixtures, machinery, equipment, improvements, and such other necessary Airport expenses.

B. Contributions: To provide additional money needed for management, operations, repairs, and improvements, in excess of the income generated by the Airport, each PARTY hereto shall appropriate and contribute to the Airport each year, by no later than January 31st, the fixed amounts as follows:

1. Kelso - \$76,000
2. Longview - \$76,000
3. Port - \$65,000
4. County - \$76,000

All unspent funds shall remain in the Airport Fund and shall be carried over from year to year, without credit against the amount owed by a PARTY for the next year. The PARTIES acknowledge that the contributions are subject to annual appropriation by the governing bodies.

C. FAA Regulations: The Board agrees that it shall manage the Airport revenue in accordance with FAA Policy and Procedures Concerning the Use of Airport Revenue, 64 Fed. Reg. 7696, dated February 16, 1999 (attached hereto as Exhibit E and incorporated by reference) and any subsequent amendments thereto.

D. Airport Accountant/Bookkeeper: The Board shall employ and/or contract for an accountant/bookkeeper, who may also be the manager of the Airport, who shall be directly responsible for the collection of all Airport income and the payment of all Airport expenses as well as the keeping of all Airport financial records and reports. In addition, the accounting records shall be reviewed not less than one (1) time per month by a separate accountant/bookkeeper for financial monitoring and provide a report to each Party in a form acceptable to the Board within ten (10) days of the review of the books.

E. Airport Treasurer: The treasurer of Kelso shall be the Airport treasurer and all money received shall be deposited with the treasurer to be expended upon warrants submitted by the Airport accountant/bookkeeper with approval of the Board.

F. Budget: The Board shall submit a proposed annual budget for the succeeding year to each of the PARTIES on or before August 1 of each year. The proposed budget should include among other things, detail of all anticipated receipts and expenditures for the coming calendar year and clearly show the proposed contribution of each of the PARTIES. The PARTIES shall review the proposed budget not later than October 1 each year. The budget of the Board shall become the Airport Budget for the calendar year specified upon receiving the approval by a majority of all of the PARTIES, meaning three of the four jurisdictions. If not so approved the budget shall be revised by the Board as to obtain the approval of a majority of all the PARTIES. The budget shall be approved at the fund level, and the Board may authorize transfers between budget operating items so long as the total

amount of expenditures does not exceed the total approved budget amount. Amendments to the annual budget must be approved by a majority of the PARTIES.

VII. PROPERTY OWNERSHIP

- A. All funds, real property, buildings, fixtures, and personal property of the Airport currently owned by Kelso shall remain the property of Kelso.
- B. Title to any additional real property or any buildings or fixtures acquired after the commencement of this AGREEMENT shall be held by and in the name of Kelso, but will be a joint asset of the Parties. Disposal of such property is not anticipated by the parties; however, any such disposal of property shall require the written approval of the FAA. Any proceeds from any sale of such property shall be returned to the Airport and used for Airport maintenance and operations consistent with FAA Revenue Use Policy. In the event the Airport ceases to operate, any proceeds remaining from such property acquired after the commencement of this Agreement, and after the full satisfaction of all Federal obligations, grant repayments to the FAA, and satisfaction of FAA's Revenue Use Policy, shall be distributed to the parties in the same proportion as the financial contribution of the parties for its acquisition.
- C. Any personal property of the Airport, except buildings and fixtures described above, that are acquired by the Board after the commencement of this Agreement shall belong to the Board. Proceeds from any sale of such property shall be returned to the Airport and used for Airport maintenance and operations, consistent with FAA Revenue Use Policy.
- D. An inventory of all personal property, including buildings of the airport, shall be made, kept, and maintained as a part of the permanent records of the Airport.

Kelso hereby agrees that it will furnish to the Airport the real estate known as the Southwest Washington Regional Airport at 2215 Parrott Way in Kelso Washington and legally described as set forth in Exhibits F and G, attached hereto and incorporated by this reference, owned by it for the uses and purposes herein agreed for the duration of this Agreement. The Parties also acknowledge and agree to the Airport boundaries and use map as set forth in Exhibit H (which is Exhibit A to the City of Kelso's ALP set) as delineating all Airport property owned or to be acquired, regardless of whether the federal government participated in the cost of acquiring any or all such land. The Parties agree that the property as set forth in Exhibit H cannot be disposed of or encumbered without FAA approval. Kelso and the Board are hereby authorized to negotiate any rental and or use agreement for the land as may be mutually beneficial. It is intended and expected that Kelso will continue during the duration of this Agreement to hold title to the land underlying the existing Airport and the Board will not acquire any title thereto.

VIII. INSURANCE AND INDEMNIFICATION

A. The Board shall defend, indemnify, and hold harmless the PARTIES and their officers, officials, employees, and volunteers from any and all claims, injuries, damages, losses, or suits, including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries or damages caused by the sole negligence of one of the PARTIES.

B. It is the intent of the PARTIES to provide services set forth in this AGREEMENT without the threat of being subject to liability to one another and to fully cooperate in the defense of any claims or lawsuits arising out of or connected with the PARTIES' actions under this AGREEMENT that are brought against the jurisdictions. To this end, the PARTIES agree to equally share responsibility and liability for the acts or omissions of their participating officers and employees when acting in furtherance of this AGREEMENT. In the event that an action is brought against any of the PARTIES, each jurisdiction shall be responsible for an equal share of any legal costs, award for, or settlement of claims of damages, fines, fees, or costs regardless of which jurisdiction, officer, or employee is ultimately responsible for the conduct. The PARTIES shall share equally regardless of the number of jurisdictions named in the lawsuit or claim or the number of officers from each jurisdiction named in the lawsuit or claim. Nothing herein, however, shall require or be interpreted to require indemnification or sharing in the payment of any judgment for intentionally wrongful conduct that is outside the scope of employment or authority of the Board or for any judgment or punitive damages against the individual or jurisdiction for such intentionally wrongful conduct.

C. The Board shall procure and maintain for the duration of this AGREEMENT, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work under this AGREEMENT by the Board, its agents, representatives, employees, or subcontractors. The Airport Board shall maintain the following insurance policies with the stated limits:

1. Airport General Liability policy covering any general liability for the airport in the amount of \$20 million per occurrence.
2. Errors and Omissions Liability policy in the amount of \$1 million.
3. Such other insurance policies as the Board deems necessary including (a) any Employment Liability policy in the event that the Board has any direct employees, (b) any Property Liability policy in the event the Board acquires any personal property, and (c) any Automobile Liability policy in the event the Board acquires any automobiles.

D. Other Insurance Provisions.

1. The Board's Automobile Liability and Errors and Omissions insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the Parties.

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2. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.
 3. **Verification of Coverage.** The Board shall furnish the Parties with original certificates and a copy of any applicable amendatory endorsements evidencing the insurance requirements of the Board each calendar year.
 4. **Notice of Cancellation.** The Board shall provide the Parties with written notice of any policy cancellation, within two business days of their receipt of such notice.

IX. TERM, TERMINATION, AND WITHDRAWAL

- A. **Term.** This extension of the AGREEMENT shall be for a Term of two (2) years, commencing January 1st, 2017 and ending December 31st, 2018 unless terminated as provided herein. Thereafter, the AGREEMENT shall automatically terminate unless the PARTIES unanimously agree by written amendment to renew the AGREEMENT for an additional term or terms.
- B. **Termination by PARTIES.** This AGREEMENT may be terminated at any time upon the approval by a majority of the PARTIES. Upon the termination of this AGREEMENT, all real estate and airport personal property shall be distributed as defined in Section VII above. Any debt obligations of the Board acquired after the date of this AGREEMENT shall be resolved proportionally to the contributions of the PARTIES as outlined in Section VI above. Any debt acquired by Kelso prior to this AGREEMENT shall remain the sole obligation of Kelso.
- C. **Termination by KELSO.** Pursuant to Grant Assurance #5, Preservation of Rights and Powers, Kelso, as Sponsor, shall have the authority to terminate this AGREEMENT immediately, without a majority vote, in the event the Board or the PARTIES act contrary to the grant assurances and obligations and this termination is reasonably necessary to preserve the rights and powers required by Grant Assurance #5.
- D. **Notice of Withdrawal:**
 1. Any Party may withdraw from this AGREEMENT by giving nine (9) months' written notice to the other PARTIES.
 2. In the event of the withdrawal of a PARTY, the withdrawing PARTY shall cease to be bound by the terms and conditions of this AGREEMENT after the effective date of the withdrawal; PROVIDED HOWEVER, that any and all multiyear debt incurred by the Airport or by Kelso which is approved while the PARTY was subject to this Agreement and which extends beyond the date of withdrawal shall remain the responsibility of the withdrawing PARTY

and shall be due to the Board by January 31 of each year. Any PARTY who withdraws from this AGREEMENT is not entitled to any share of funds in the Airport Fund remaining at the time of withdrawal or in any distribution of proceeds as provided in Section VII except as may be specifically identified in accordance with the contributions of the Party. If three PARTIES withdraw, any remaining funds in the Airport Fund will be transferred to the owner of the Airport for use at the Airport.

X. GENERAL PROVISIONS

- A. This extension of the Agreement together with attachments or addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral.
- B. No provisions of this Agreement may be amended, modified or added to except by written instrument properly signed by the PARTIES hereto.
- C. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.
- D. Any failure by one Party to enforce strict performance of any provision of the Agreement will not constitute a waiver of that Party's right to subsequently enforce such provision or any other provision of the Agreement.
- E. All notices and other communications required under the Agreement must be in writing, and must be given by registered or certified mail, postage prepaid, or delivered by hand to the Party to whom the communication is to be given, at its address as follows:

City of Kelso:

City Manager
203 South Pacific, Suite 216
P.O. Box 819
Kelso, WA 98626

City of Longview:

City Manager
Executive Department
City of Longview
1525 Broadway
Longview, WA 98632

Port of Longview:

Executive Director
Port of Longview
10 Port Way
P.O. Box 1258
Longview, WA 98632

Cowlitz County:

Board of Commissioners
Cowlitz County Administration Building, Room 305
207 North Fourth Avenue
Kelso, WA 98626

F. In any lawsuit between the Parties with respect to the matters covered by the Agreement, the prevailing party will be entitled to receive its reasonable attorney's fees and costs incurred in the lawsuit, in addition to any other relief it may be awarded.

G. The captions in this Agreement are for convenience only and do not in any way limit or amplify particular provisions.

H. This Agreement may be executed in any number of counterparts, which counterparts shall collectively constitute the entire Agreement.

IN WITNESS WHEREOF, each of the PARTIES has executed this AGREEMENT by their duly authorized officials on the date and year indicated following his or her signature.

THE CITY OF KELSO, WASHINGTON

By _____
City Manager

Date _____

ATTEST:

Clerk

APPROVED AS TO FORM:

City Attorney

THE CITY OF LONGVIEW, WASHINGTON

By _____
City Manager

Date _____

ATTEST:

Clerk

APPROVED AS TO FORM:

City Attorney

PORT OF LONGVIEW , WASHINGTON

By _____
President

Date _____

ATTEST:

Secretary

APPROVED AS TO FORM:

Port Attorney

COWLITZ COUNTY, WASHINGTON

By _____
Commissioner

By _____
Commissioner

By _____
Commissioner

Date _____

APPROVED AS TO FORM:

Chief Civil Deputy Prosecuting Attorney

STATE OF WASHINGTON)
) ss.
County of Cowlitz)

On this day personally appeared before me _____, CITY MAGNAGER, and _____, FINANCE DIRECTOR/CITY CLERK, respectively for the CITY OF KELSO, A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON, the municipal corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument, and that the seal affixed is the corporate seal of said municipal corporation.

GIVEN under my hand and official seal this ____ day of _____,

NOTARY PUBLIC in and for the State
of Washington, residing at _____.
My commission expires:_____.

STATE OF WASHINGTON)
) ss.
County of Cowlitz)

On this day personally appeared before me _____, CITY MANAGER, and _____, CITY CLERK, respectively for the CITY OF LONGVIEW , A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON, the municipal corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument, and that the seal affixed is the corporate seal of said municipal corporation.

GIVEN under my hand and official seal this ____ day of _____,

NOTARY PUBLIC in and for the State
of Washington , residing at _____.
My commission expires:_____.

STATE OF WASHINGTON)
) ss.
County of Cowlitz)

On this day personally appeared before me _____, _____, for the PORT OF LONGVIEW, A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON, the municipal corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument, and that the seal affixed is the corporate seal of said municipal corporation.

GIVEN under my hand and official seal this ____ day of _____,

NOTARY PUBLIC in and for the State
of Washington, residing at _____.
My commission expires:_____.

STATE OF WASHINGTON)
) ss.
County of Cowlitz)

On this day personally appeared before me _____, _____, and _____, COMMISSIONERS respectively for the COUNTY OF COWLITZ, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON, the political subdivision that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said political subdivision, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument, and that the seal affixed is the corporate seal of said political subdivision.

GIVEN under my hand and official seal this ____ day of _____,

NOTARY PUBLIC in and for the State
of Washington , residing at _____.
My commission expires:_____.

EXHIBITS

- Exhibit A. FAA Order 5190.6B, Airport Compliance Manual, Appendix A—Airport Sponsors Assurances
- Exhibit B. FAA Order 5100.38C, Appendix 7—Grant Special Conditions
- Exhibit C. FAA Order 5100.38C, Appendix 6. Grant Agreement
- Exhibit D. FAA Order 5190.6B, Airport Compliance Manual, Appendix G
- Exhibit E. FAA Policy and Procedures Concerning the Use of Airport Revenue, 64 Fed.. Reg. 7696, February 16, 1999
- Exhibit F. Statutory Warranty Deed for Airport Property, Auditor No: 941122009
- Exhibit G. Record of Survey for Airport Property, Auditor No: 3171562
- Exhibit H. Map of Airport, ALP drawing set for FAA, Exhibit A to ALP set

**SOUTHWEST WASHINGTON REGIONAL AIRPORT INTERLOCAL
COOPERATION AGREEMENT (AMENDED , 2016)**

This agreement (AGREEMENT) is entered into between the City of Kelso (“Kelso”), a municipal corporation of the State of Washington; the City of Longview (“Longview”), a municipal corporation of the State of Washington; the Port of Longview (“Port”), a municipal corporation of the state of Washington; and Cowlitz County (“County”), a political subdivision of the state of Washington, all the above entities are each referred to as PARTY or jointly as the PARTIES. Additional governmental entities may be included in the AGREEMENT by addendum executed by all PARTIES existing at that time and the proposed additional PARTY.

NOW THEREFORE, The PARTIES agree as follows:

I. RECITALS

The Southwest Washington Regional Airport (“Airport”) is located within Kelso in Cowlitz County, Washington.

Kelso is currently the sole sponsoring agency for purposes of existing federal grants with the FAA and it is expected that this role will continue.

The PARTIES previously created an airport board for the joint operation of the airport. This agreement was terminated in 1997.

The PARTIES subsequently entered into the Southwest Washington Regional Airport Interlocal Cooperation Agreement dated February 28, 2012 to participate jointly in the operation, repair, improvement and regulation of the Airport for the benefit of the region.

The PARTIES wish to amend and renew said Agreement on the terms and conditions set forth herein.

The continued operation of the Airport as a public airport is a benefit and service to the citizenry of the region and supports several public purposes for each of the PARTIES, including economic development and public safety, as well as improves opportunities for growth and alternatives for transportation.

~~The PARTIES wish to form an Airport Board to participate jointly in the operation, repair, improvement and regulation of the Airport for the benefit of the region.~~

The PARTIES are authorized to enter into and carry out the AGREEMENT pursuant to the provisions of Chapter 39.34 of the Revised Code of Washington (RCW), and RCW 14.08.200.

II. OBJECTIVES

The objectives of this AGREEMENT are as follows:

1. To establish an Airport Board (“Board”) to participate jointly in the funding and decision-making for the operation, repair, improvement and regulation of the Airport to assure the continued operation of the Airport for the benefit of all;
2. To make additional money available for operation, repair, and improvement of the Airport;
3. To define the rights and responsibilities, and risk allocation of the PARTIES in the operation, repair, improvement, and regulation of the Airport;
4. To maintain Kelso’s ownership of the Airport and all existing and FAA funded facilities therein;
5. To maintain Kelso’s rights and power and final decision making authority in all decisions as may be required of a sponsor by the FAA under the grant assurances included in Kelso’s grant agreements.
6. “To affirm the Parties’ and the Board’s intent is to keep the Airport open and make it available for public use as an airport, to protect the Airport, and to ensure continued safe and efficient Airport operations and development.”

III. CREATION OF AIRPORT BOARD

Except as provided elsewhere in this Agreement and subject to all grant obligations and assurances as set forth in Paragraph IV below all operation and management of the Airport shall be vested in a Board. The Board shall consist of one (1) member of each PARTY to this Agreement. Each member shall have one vote. All matters will require only a majority vote of the Board unless otherwise provided by the Board’s rules. The appointment, termination, or reappointment of any member shall be within the sole discretion and control of the appointing authority and each appointing authority may appoint an alternate to serve in the absence, incapacity, or unavailability of any Board member appointed to it.

~~Except as provided elsewhere in this Agreement and subject to all grant obligations and assurances as set forth in Paragraph IV below all operation and management of the Airport shall be vested in a Board. The Board shall consist of one (1) member of each PARTY to this Agreement and one (1) ‘at large’ member to be appointed by a majority vote of the other members. The term of the at large member shall be set by the Board. Each member shall have one vote. Matters herein requiring a supermajority shall require a 2/3 vote of the jurisdictions or 3 of the 4 jurisdictions. All other matters will require only a majority vote of the Board unless otherwise provided by the Board’s rules. The ‘at large’ member shall be in a managing/supervisory staff role for any of the entities a part of this Agreement or other designated employee if approved by each of the Parties. The appointment, termination, or reappointment of any member shall be within the sole discretion and control of the appointing authority and each appointing authority may appoint an alternate to serve in the absence, incapacity, or unavailability of any Board member appointed to it.~~

IV. GRANT ASSURANCES AND KELSO RATIFICATION

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- A. Parties acknowledge and agree that Kelso is the sole sponsor for grants from the FAA and that such grants require Kelso to meet certain obligations and to make certain grant assurances that govern how the Airport is financed, operated, managed, and regulated.
- B. Parties agree that this AGREEMENT is subordinate to the FAA grant assurances and obligations and that the Board shall abide by these assurances and obligations as it relates to the Airport.
- C. Parties agree that the Board is subject to and its authority is limited by the grant assurances and obligations imposed upon Kelso by the FAA as set forth in Exhibits A, B, and C attached hereto and incorporated by reference and by such grant assurances as they may be from time to time amended or expanded by the sole determination of the FAA. The parties understand that such limitation is further clarified by FAA Order 5190.6B Airport Compliance Manual as now adopted or as hereafter amended by the FAA, including but not limited to Appendix G, Guide to Sponsorship, attached hereto as Exhibit D and incorporated by reference. A request by Kelso to amend or expand grant assurances with the FAA must first be authorized by a ~~super~~-majority of the Board unless it is otherwise required that Kelso be the sole determining authority in a particular grant assurance.
- D. Parties agree that where such grant obligations and assurances require that Kelso maintain the sole discretion and authority to make certain decisions as the sole sponsor, that such authority is vested solely with Kelso and that Kelso may act contrary to the direction of the Board in carrying out its role as sponsor. Kelso agrees that in the exercise of such authority that it will consider the advice and direction of the Board in reaching its decision and that where it acts contrary to the direction of the Board, it will provide an explanation in writing to the Board within ten (10) days of such contrary act stating its reasons for deviating from the Board's direction.
- E. In reaching any decision required by Kelso by Kelso's grant obligations and assurances, the PARTIES agree to the following steps:
1. The Board will consider the matter and make a decision that is subject to the ratification of Kelso before it is final.
 2. The Board will bring the matter requiring ratification to Kelso.
 3. The Kelso City Council or their duly authorized representative/s will consider the matter including the preliminary decision of the Board and reach a final decision. Such a decision may be to ratify, amend, or deny the decision. In the event Kelso does not ratify the Board's decision, it will provide reasons therefor in writing to the Board.
 4. If time permits, the Board and Kelso will work to negotiate a resolution that is satisfactory to both parties.
 5. The final decision of Kelso in these matters is binding on the Board. The Board shall act consistent with Kelso's final decision. If the Board does not act consistent with Kelso's decision, Kelso is authorized to take such action as may be necessarily consistent with its decision, including termination of the AGREEMENT pursuant to Section IX.

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- F. Kelso agrees that all other discretionary authority related to the operation, repair, improvement, and regulation of the Airport that is not required to be vested with Kelso by the FAA under the grant assurances is hereby delegated to the Board pursuant to RCW 14.08.200.

V. OPERATION AND MANAGEMENT

A. Authority and Duties

Subject to the terms and provisions of this AGREEMENT and all limitations and grant obligations and assurances as set forth in Section IV including ratification by Kelso where required, the Board is hereby authorized and it shall be its duty to do and perform any and all acts and business reasonably necessary to carry on the operation of the Airport as a public airport, including all facilities and services common to similar airports and as have been heretofore provided at the Airport. Specifically, the authority and duties of the Board include but are not limited to the following:

1. Elect its own officers and make its own regulations, rules, and by-laws for the conduct of the business of the Board and of the Airport.
2. Employ and/or contract for an airport manager and such other employees as the Board may deem necessary and to fix all duties, salaries, wages, employee benefits, working terms, agreements, rules, and regulations.
3. To establish and enforce all reasonable rules and regulations not in conflict with law, any lawful regulation, or any grant obligations or assurances of the FAA governing users of the Airport and of any Airport improvements and facilities.
4. To negotiate, fix, determine, charge, and collect all rents, fees, and charges for the use of services provided at the Airport.
5. Execute contracts, leases, user agreements, licenses and other agreements as necessary to carry out the business of the Airport; ~~provided that any contractual obligation in excess of \$50,000 shall require prior approval by a supermajority of the Board.~~
6. As fiduciaries for the PARTIES to this AGREEMENT, to give any notice and to make any demand and bring any action at law or in equity to recover any claim, money, debt, obligation, and property due the Airport and to which it may be entitled, including the enforcement of any fine or penalty provided by law or any authorized regulation.
7. As fiduciaries for the PARTIES to this AGREEMENT, to defend any action at law or in equity arising from or connected with the operation of the Airport.

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8. To acquire by gift, governmental grant, purchase, and trade or exchange real or tangible personal property for the Airport use including the acquisition by contract of buildings and building improvements and/or in the alternative to construct any of the same by the direct employment of labor, rental of equipment, and the purchase of materials, supplies, and equipment, subject to the limitations on real property acquisition set forth herein.
 9. To improve any land used or owned by the Airport by ditching, filling, leveling, diking, fencing, gravelling, paving, grading and otherwise improving the same for airport purposes, said work and improvements may be done by contract or by the direct employments of labor, rental of equipment, and the purchase of materials, supplies, equipment and necessary permits.
 10. To keep full and accurate financial records and accounts in such manner as required by law for municipal corporations, together with minutes of all Board meetings and such other records and accounts necessary to fully show all assets, liabilities, and business transactions. All such records shall be available at any reasonable time for inspection by any officer or agent of any of the PARTIES, by a representative of the FAA and/or Auditor for the State of Washington. Further, all records shall be kept in the manner and for the length of time required under the records retention laws of the State of Washington. Additionally, all PARTIES shall comply with and promptly assist in responding to any disclosure of public records in accordance with Chapter 42.56 RCW. In the event any records responsive to a public records request belong to any of the PARTIES, the Board must immediately inform the Party of the request and provide the Party with the opportunity for objecting to release of the records pursuant to the state statute. The Board may contract with one of the PARTIES for all or a portion of the duties in paragraph 10 herein. All meetings shall be held in compliance with the Open Public Meetings Act as found in Chapter 42.30 RCW.
 11. To make any and all reports as required by law and regulation in the operation of the Airport.
 12. To maintain in good order and repair all Airport property of useful value and to insure against loss by fire and storm damage airport personal property and building improvements (which may be subject to such damage) in the amount of the reasonable value thereof.
 13. To carry public liability insurance in the manner set forth in Section VII to adequately protect the Airport and the PARTIES to this AGREEMENT from damage claims and liability exposure.
 14. Within the resources of the Airport under the control of the Board to borrow money, execute promissory notes, issue bonds, pledge airport assets and /or revenues, enter into government matching fund agreements, and execute security agreements.
 15. To sell and trade or exchange any personal property of the Airport when the same is no longer reasonably usable by the Airport, is surplus to the needs of the Airport, or is being traded for

other property of like kind. Any such transaction may be by a privately negotiated agreement or by the giving of public notice and call for bids.

16. To take reasonable action to improve and expand the Airport operations and services, including the attraction of airport oriented industry.
17. To establish and regularly use such claims procedure for the payment of Airport expenses, debts, obligations, and liabilities as will comply with the law and provide a reasonable means of auditing and approving the payment of claims.
18. To submit a proposed annual budget for the succeeding year to the PARTIES on or before August 1 of each year.

B. Limitations on Authority.

1. None of the foregoing authorizations shall be interpreted as authorizing anything otherwise prohibited by local, state and/or federal law, or grant assurances with the federal government.
2. ~~No~~ Real estate ~~may~~ shall be ~~purchased or~~ acquired only by approval of the governing bodies of each of the PARTIES to the AGREEMENT. by lease, nor shall any ~~No~~ money ~~may~~ be borrowed for capital improvement; without a ~~super~~ majority vote of the PARTIES, nor expended without authorization from a budget duly adopted or amended in accordance with the AGREEMENT; ~~meaning three of the four jurisdictions.~~
3. No person, firm, association, corporation, or group shall be given the exclusive right to the use of the Airport. This restriction shall not apply to the lease of any Airport building or portion thereof.
4. The authority of the Board shall at all times be subject to the control and direction of the PARTIES hereto by a ~~super~~ majority vote of the Board, including the amendment or modification of or termination of this AGREEMENT; provided however, that the AGREEMENT may be terminated by Kelso pursuant to section IX.
5. No compensation shall be paid to any Board member.
6. The Airport Board shall not discriminate in any matter prohibited by law, against any person, firm, corporation, association, or group in the use of the Airport and in the fixing of fees, rents, or any Airport charge and such fees, rents, and charges shall be uniform for all like uses or services.
7. No member of the Board shall be an Airport employee or enter into any contract with the Board or Airport for the purchase or sale of any property or for the performance of any construction contract.

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8. No Airport property or money shall be loaned to anyone, provided that this provision shall not be construed to prevent the deposit of any money with any bank on interest or the purchase of any investment authorized by law for municipal corporations.

VI. FINANCES

A. Income: All income from rents, fees, charges, and any and all income from the Airport operations whatsoever shall be collected and received as money of the Airport to be used exclusively for the operating expenses, repair and maintenance expenses, furniture, fixtures, machinery, equipment, improvements, and such other necessary Airport expenses.

B. Contributions: To provide additional money needed for management, operations, repairs, and improvements, in excess of the income generated by the Airport, each PARTY hereto shall appropriate and contribute to the Airport each year, by no later than January 31st, the fixed amounts as follows:

1. Kelso - \$76,000

2. Longview - \$76,000

3. Port - \$65,000

4. County - \$76,000

All unspent funds shall remain in the Airport Fund and shall be carried over from year to year, without credit against the amount owed by a PARTY for the next year. The PARTIES acknowledge that the contributions are subject to annual appropriation by the governing bodies.

~~B. Contributions: To provide additional money needed for management, operations, repairs, and improvements, each PARTY hereto shall appropriate and contribute to the Airport, each year, by no later than March 31, 2012 and January 31 of each subsequent year, a percentage of the approved budget for the Airport for that year as follows:~~

~~1. Kelso - 25%~~

~~2. Longview - 25%~~

~~3. Port - 25%~~

~~4. County - 25%~~

~~All unspent funds shall remain in the Airport Fund and shall be carried over from year to year, without credit against the amount owed by a PARTY for the next year. The PARTIES acknowledge that the contributions are subject to annual appropriation by the governing bodies.~~

- C. FAA Regulations: The Board agrees that it shall manage the Airport revenue in accordance with FAA Policy and Procedures Concerning the Use of Airport Revenue, 64 Fed. Reg. 7696, dated February 16, 1999 (attached hereto as Exhibit E and incorporated by reference) and any subsequent amendments thereto.
- D. Airport Accountant/Bookkeeper: The Board shall employ and/or contract for an accountant/bookkeeper, who may also be the manager of the Airport, who shall be directly responsible for the collection of all Airport income and the payment of all Airport expenses as well as the keeping of all Airport financial records and reports. In addition, the accounting records shall be reviewed not less than one (1) time per month by a separate accountant/bookkeeper for financial monitoring and provide a report to each Party in a form acceptable to the Board within ten (10) days of the review of the books.
- E. Airport Treasurer: The treasurer of Kelso shall be the Airport treasurer and all money received shall be deposited with the treasurer to be expended upon warrants submitted by the Airport accountant/bookkeeper with approval of the Board.

F. Budget: ~~The Board shall submit a proposed annual budget for the succeeding year to each of the PARTIES on or before August 1 of each year. The proposed budget should include among other things, detail of all anticipated receipts and expenditures for the coming calendar year and clearly show the proposed contribution of each of the PARTIES. The PARTIES shall review the proposed budget not later than October 1 each year. The budget of the Board shall become the Airport Budget for the calendar year specified upon receiving the approval by a majority of all of the PARTIES, meaning three of the four jurisdictions. If not so approved the budget shall be revised by the Board as to obtain the approval of a majority of all the PARTIES. The budget shall be approved at the fund level, and the Board may authorize transfers between budget operating items so long as the total amount of expenditures does not exceed the total approved budget amount. Amendments to the annual budget must be approved by a majority of the PARTIES.~~

~~Budget: The Board shall submit a proposed annual budget for the succeeding year to each of the PARTIES on or before August 1 of each year. The proposed budget should include among other things, detail of all anticipated receipts and expenditures for the coming calendar year and clearly show the proposed contribution of each of the PARTIES. The PARTIES shall review the proposed budget not later than October 1 each year. The budget of the Board shall become the Airport Budget for the calendar year specified upon receiving the approval by a super majority of all of the PARTIES, meaning three of the four jurisdictions. If not so approved the budget shall be revised by the Board as to obtain the approval of a super majority of all the PARTIES. All expenditures for the calendar year covered shall be restricted and limited to the budget items as so adopted and approved~~

~~excepting that transfers between budget operating items may be made by the Board. No transfer may be made from any item of repair or capital improvement. Other transfers, supplements, and amendments of the budget may be made at any time in any manner with the unanimous approval of all the PARTIES.~~

VII. PROPERTY OWNERSHIP

- A. All funds, real property, buildings, fixtures, and personal property of the Airport currently owned by Kelso shall remain the property of Kelso.
- B. Title to any additional real property or any buildings or fixtures acquired after the commencement of this AGREEMENT shall be held by and in the name of Kelso, but will be a joint asset of the Parties. Disposal of such property is not anticipated by the parties; however, any such disposal of property shall require the written approval of the FAA. Any proceeds from any sale of such property shall be returned to the Airport and used for Airport maintenance and operations consistent with FAA Revenue Use Policy. In the event the Airport ceases to operate, any proceeds remaining from such property acquired after the commencement of this Agreement, and after the full satisfaction of all Federal obligations, grant repayments to the FAA, and satisfaction of FAA's Revenue Use Policy, shall be distributed to the parties in the same proportion as the financial contribution of the parties for its acquisition.
- C. Any personal property of the Airport, except buildings and fixtures described above, that are acquired by the Board after the commencement of this Agreement shall belong to the Board. Proceeds from any sale of such property shall be returned to the Airport and used for Airport maintenance and operations, consistent with FAA Revenue Use Policy.
- D. An inventory of all personal property, including buildings of the airport, shall be made, kept, and maintained as a part of the permanent records of the Airport.

Kelso hereby agrees that it will furnish to the Airport the real estate known as the Southwest Washington Regional Airport at 2215 Parrott Way in Kelso Washington and legally described as set forth in Exhibits F and G, attached hereto and incorporated by this reference, owned by it for the uses and purposes herein agreed for the duration of this Agreement. The Parties also acknowledge and agree to the Airport boundaries and use map as set forth in Exhibit H (which is Exhibit A to the City of Kelso's ALP set) as delineating all Airport property owned or to be acquired, regardless of whether the federal government participated in the cost of acquiring any or all such land. The Parties agree that the property as set forth in Exhibit H cannot be disposed of or encumbered without FAA approval. Kelso and the Board are hereby authorized to negotiate any rental and or use agreement for the land as may be mutually beneficial. It is intended and expected that Kelso will continue during the duration of this Agreement to hold title to the land underlying the existing Airport and the Board will not acquire any title thereto.

VIII. INSURANCE AND INDEMNIFICATION

A. The Board shall defend, indemnify, and hold harmless the PARTIES and their officers, officials, employees, and volunteers from any and all claims, injuries, damages, losses, or suits, including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries or damages caused by the sole negligence of one of the PARTIES.

B. It is the intent of the PARTIES to provide services set forth in this AGREEMENT without the threat of being subject to liability to one another and to fully cooperate in the defense of any claims or lawsuits arising out of or connected with the PARTIES' actions under this AGREEMENT that are brought against the jurisdictions. To this end, the PARTIES agree to equally share responsibility and liability for the acts or omissions of their participating officers and employees when acting in furtherance of this AGREEMENT. In the event that an action is brought against any of the PARTIES, each jurisdiction shall be responsible for an equal share of any legal costs, award for, or settlement of claims of damages, fines, fees, or costs regardless of which jurisdiction, officer, or employee is ultimately responsible for the conduct. The PARTIES shall share equally regardless of the number of jurisdictions named in the lawsuit or claim or the number of officers from each jurisdiction named in the lawsuit or claim. Nothing herein, however, shall require or be interpreted to require indemnification or sharing in the payment of any judgment for intentionally wrongful conduct that is outside the scope of employment or authority of the Board or for any judgment or punitive damages against the individual or jurisdiction for such intentionally wrongful conduct.

C. The Board shall procure and maintain for the duration of this AGREEMENT, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of work under this AGREEMENT by the Board, its agents, representatives, employees, or subcontractors. The Airport Board shall maintain the following insurance policies with the stated limits:

1. Airport General Liability policy covering any general liability for the airport in the amount of \$20 million per occurrence.
2. Errors and Omissions Liability policy in the amount of \$1 million.
3. Such other insurance policies as the Board deems necessary including (a) any Employment Liability policy in the event that the Board has any direct employees, (b) any Property Liability policy in the event the Board acquires any personal property, and (c) any Automobile Liability policy in the event the Board acquires any automobiles.

D. Other Insurance Provisions.

1. The Board's Automobile Liability and Errors and Omissions insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the Parties.

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2. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.
 3. **Verification of Coverage.** The Board shall furnish the Parties with original certificates and a copy of any applicable amendatory endorsements evidencing the insurance requirements of the Board each calendar year.
 4. **Notice of Cancellation.** The Board shall provide the Parties with written notice of any policy cancellation, within two business days of their receipt of such notice.

IX. TERM, TERMINATION, AND WITHDRAWAL

A. Term. This extension of the AGREEMENT shall be for a Term of two (2) years, commencing January 1st, 2017 and ending December 31st, 2018 unless terminated as provided herein. Thereafter, the AGREEMENT shall automatically terminate unless the PARTIES unanimously agree by written amendment to renew the AGREEMENT for an additional term or terms.

~~A. Term. This AGREEMENT shall be for a Term of five (5) years. Within the last year of the initial term, the Board shall review the AGREEMENT to assure compliance and to determine if there is a need for any amendments and submit the AGREEMENT, including any recommended changes, to each entity at least ninety (90) days prior to the expiration of the initial term of the Agreement.~~

B. Termination by PARTIES. This AGREEMENT may be terminated at any time ~~only~~ upon the approval by a ~~super~~majority of the PARTIES. Upon the termination of this AGREEMENT, all real estate and airport personal property shall be distributed as defined in Section VII above. Any debt obligations of the Board acquired after the date of this AGREEMENT shall be resolved proportionally to the contributions of the PARTIES as outlined in Section VI above. Any debt acquired by Kelso prior to this AGREEMENT shall remain the sole obligation of Kelso.

C. Termination by KELSO. Pursuant to Grant Assurance #5, Preservation of Rights and Powers, Kelso, as Sponsor, shall have the authority to terminate this AGREEMENT immediately, without a ~~super~~majority vote, in the event the Board or the PARTIES act contrary to the grant assurances and obligations and this termination is reasonably necessary to preserve the rights and powers required by Grant Assurance #5.

D. Notice of Withdrawal:

1. Any Party may withdraw from this AGREEMENT by giving nine (9) months' written notice to the other PARTIES.
2. In the event of the withdrawal of a PARTY, the withdrawing PARTY shall cease to be bound by the terms and conditions of this AGREEMENT after the effective date of the withdrawal;

PROVIDED HOWEVER, that any and all multiyear debt incurred by the Airport or by Kelso which is approved while the PARTY was subject to this Agreement and which extends beyond the date of withdrawal shall remain the responsibility of the withdrawing PARTY and shall be due to the Board by January 31 of each year. Any PARTY who withdraws from this AGREEMENT is not entitled to any share of funds in the Airport Fund remaining at the time of withdrawal or in any distribution of proceeds as provided in Section VII except as may be specifically identified in accordance with the contributions of the Party. If three PARTIES withdraw, any remaining funds in the Airport Fund will be transferred to the owner of the Airport for use at the Airport.

X. GENERAL PROVISIONS

A. This extension of the Agreement together with attachments or addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral, ~~except as follows:~~

~~1997 Rescission Agreement of Kelso, Longview, Port and County providing for Airport repayment of \$85,000 remaining on the Loan to Longview by 2015 (attached hereto as Exhibit I, Paragraph 4(a)). This loan was originally for \$230,000 from U.S. Bank and was incurred by the City of Longview on behalf of the Kelso/Longview Regional Airport Authority for the construction of T-Hangars. The loan bears an interest rate 4.25% - 6.0%.~~

B. No provisions of this Agreement may be amended, modified or added to except by written instrument properly signed by the PARTIES hereto.

C. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

D. Any failure by one Party to enforce strict performance of any provision of the Agreement will not constitute a waiver of that Party's right to subsequently enforce such provision or any other provision of the Agreement.

E. All notices and other communications required under the Agreement must be in writing, and must be given by registered or certified mail, postage prepaid, or delivered by hand to the Party to whom the communication is to be given, at its address as follows:

City of Kelso:

City Manager
203 South Pacific, Suite 216
P.O. Box 819
Kelso, WA 98626

City of Longview:

City Manager
Executive Department
City of Longview
1525 Broadway
Longview, WA 98632

Port of Longview:

~~Chief Executive Officer~~~~Executive Director~~
Port of Longview
10 Port Way
P.O. Box 1258
Longview, WA 98632

Cowlitz County:

Board of Commissioners
Cowlitz County Administration Building, Room 305
207 North Fourth Avenue
Kelso, WA 98626

F. In any lawsuit between the Parties with respect to the matters covered by the Agreement, the prevailing party will be entitled to receive its reasonable attorney's fees and costs incurred in the lawsuit, in addition to any other relief it may be awarded.

G. The captions in this Agreement are for convenience only and do not in any way limit or amplify particular provisions.

H. This Agreement may be executed in any number of counterparts, which counterparts shall collectively constitute the entire Agreement.

IN WITNESS WHEREOF, each of the PARTIES has executed this AGREEMENT by their duly authorized officials on the date and year indicated following his or her signature.

THE CITY OF KELSO, WASHINGTON

By _____
City Manager

Date _____

ATTEST:

Clerk

APPROVED AS TO FORM:

City Attorney

THE CITY OF LONGVIEW, WASHINGTON

By _____
City Manager

Date _____

ATTEST:

Clerk

APPROVED AS TO FORM:

City Attorney

PORT OF LONGVIEW , WASHINGTON

By _____
President

Date _____

ATTEST:

Secretary

APPROVED AS TO FORM:

Port Attorney

COWLITZ COUNTY, WASHINGTON

By _____
Commissioner

By _____
Commissioner

By _____
Commissioner

Date _____

APPROVED AS TO FORM:

Chief Civil Deputy Prosecuting Attorney

STATE OF WASHINGTON)
) ss.
County of Cowlitz)

On this day personally appeared before me _____, CITY MAGNAGER, and _____, FINANCE DIRECTOR/CITY CLERK, respectively for the CITY OF KELSO, A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON, the municipal corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument, and that the seal affixed is the corporate seal of said municipal corporation.

GIVEN under my hand and official seal this _____ day of _____,

NOTARY PUBLIC in and for the State
of Washington, residing at _____.
My commission expires:_____.

STATE OF WASHINGTON)
) ss.
County of Cowlitz)

On this day personally appeared before me _____, CITY MANAGER, and _____, CITY CLERK, respectively for the CITY OF LONGVIEW , A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON, the municipal corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument, and that the seal affixed is the corporate seal of said municipal corporation.

GIVEN under my hand and official seal this _____ day of _____,

NOTARY PUBLIC in and for the State
of Washington , residing at _____.
My commission expires:_____.

STATE OF WASHINGTON)
) ss.
County of Cowlitz)

On this day personally appeared before me _____, _____, for the PORT OF LONGVIEW, A MUNICIPAL CORPORATION OF THE STATE OF WASHINGTON, the municipal corporation that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument, and that the seal affixed is the corporate seal of said municipal corporation.

GIVEN under my hand and official seal this ____ day of _____,

NOTARY PUBLIC in and for the State
of Washington, residing at _____.
My commission expires:_____.

STATE OF WASHINGTON)
) ss.
County of Cowlitz)

On this day personally appeared before me _____, _____, and _____, COMMISSIONERS respectively for the COUNTY OF COWLITZ, A POLITICAL SUBDIVISION OF THE STATE OF WASHINGTON, the political subdivision that executed the foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of said political subdivision, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument, and that the seal affixed is the corporate seal of said political subdivision.

GIVEN under my hand and official seal this ____ day of _____,

NOTARY PUBLIC in and for the State
of Washington , residing at _____.

My commission expires:_____.

EXHIBITS

- A. Exhibit A. FAA Order 5190.6B, Airport Compliance Manual, Appendix A—
Airport Sponsors Assurances
- B. Exhibit B. FAA Order 5100.38C, Appendix 7—Grant Special Conditions
- C. Exhibit C. FAA Order 5100.38C, Appendix 6. Grant Agreement
- D. Exhibit D. FAA Order 5190.6B, Airport Compliance Manual, Appendix G
- E. Exhibit E. FAA Policy and Procedures Concerning the Use of Airport Revenue, 64
Fed. Reg. 7696, February 16, 1999
- F. Exhibit F. Statutory Warranty Deed for Airport Property, Auditor No: 941122009
- G. Exhibit G. Record of Survey for Airport Property, Auditor No: 3171562
- H. Exhibit H. Map of Airport, ALP drawing set for FAA, Exhibit A to ALP set
- I. ~~Exhibit I. 1997 Rescission Agreement between City of Kelso, City of Longview,
Port of Longview and Cowlitz County~~

AGENDA SUMMARY SHEET

AGENDA ITEM: Agreement regarding
onsite computer support services for
2017 - 2018

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____
FOR AGENDA OF: 11/1/2016
ORIGINATING DEPT: Finance
DATE SUBMITTED: 10/28/2016
COST OF ITEM: _____
AMT. BUDGETED _____
CITY ATTY. APPROVAL _____
CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:
Compass Lane Agreement Extension

SUMMARY STATEMENT:
Agreement for 2017 - 2018 services, the first year \$89,400 annually and the second year \$91,635 annually. These figures reflect approximately 1440 hours of on-site computer support, including the increased on-site service in the Kelso Police Department. The term of this contract extension is January 1, 2017 through December 31,2018.

RECOMMENDED ACTION:
Staff recommends approval of the contract extension.



Sept 10, 2016

Contract Extension

The Contract for on-site computer services between the City of Kelso, WA and Compass Lane, Inc. shall be extended from Jan. 1, 2017 to Dec. 31, 2018

The terms of the contract shall be as follows:

Billing for 2017

On-Site Support – 720 hrs. \$ 89,400 annually.

Billable Monthly at \$ 7,450.00 (approx. 60 hours per month).

Additional time over the 720 hours shall be billed at the current hourly rate of \$ 170/hr.

Billing for 2018

On-Site Support – 720 hrs. \$ 91,635 annually.

Billable Monthly at \$ 7,636.00 (approx. 60 hours per month).

Additional time over the 720 hours shall be billed at the current hourly rate of \$ 170/hr.

A handwritten signature in cursive script that reads "Dave Roberts".

Dave Roberts
President
Compass Lane, Inc.
09/09/2016
Date

City of Kelso, WA

Date

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

**Kelso Visitor Center Operations Agreement
Amended Scope of Services**

Agenda Item: _____

Dept. of Origin: _____ City Manager _____

For Agenda of: _____ November 1, 2016 _____

Originator: _____ Steve Taylor _____

City Attorney: **Janean Parker**

City Manager: **Steve Taylor**

PRESENTED BY:

Steve Taylor, City Manager

Agenda Item Attachments:

Professional Services Operations Agreement for the Kelso Visitor's Center, Addendum (No. 1) to the Kelso Visitors Center Operations Agreement, and the Amended Scope of Services (Exhibit A-1).

SUMMARY STATEMENT:

This Kelso Visitor Center Operations Agreement was entered into between the City of Kelso and the Kelso-Longview Chamber of Commerce on October 1, 2013. The original agreement set forth in Exhibit A, Scope of Work, identified certain hours of operations for the Visitor Center. The Visitor Center's existing weekday hours identified for operations open to the public are from 8:00 a.m. to 5:00 p.m. Monday through Friday. The attached amendment, Scope of Services, amends the hours of operations that are identified on Saturday and Sunday at the Visitors Center, (See the Amended Scope of Services (Exhibit A-1).

RECOMMENDED ACTION(S):

Move to approve the recommended Addendum No. 1 to Kelso Visitor Center Operations Agreement and the Amended Scope of Services (Exhibit A-1).

PROFESSIONAL SERVICES OPERATIONS AGREEMENT
FOR OPERATION OF KELSO VISITOR CENTER

This Operations Agreement ("Agreement") is dated effective this _____ day of _____, 20___. The parties ("Parties") to this Agreement are the City of Kelso, a Washington municipal corporation ("City"), and the Kelso-Longview Chamber of Commerce, a _____ ("Chamber").

Whereas, the City leases real property at 105 Minor Road, Kelso, Washington 98626, upon which it has the right to and is constructing a modular office structure totaling approximately two thousand (2,000) square feet of interior office space; and

Whereas, the Chamber, by separate agreement, leases a portion of the premises, which is agreed to be forty percent (40%) of the interior office space, from the City for office space to conduct general Chamber business operations and regional tourism marketing; and

Whereas, the City intends to operate its regional Visitor Center from the premises in the remaining sixty percent (60%) of the interior office space and desires to have the Chamber operate the Visitor Center at the premises; and

Whereas, the parties wish to set forth the terms and conditions under which the Chamber will operate the City's Visitor Center;

NOW, THEREFORE, in consideration of the terms and condition set forth herein, the City and the Chamber agree as follows:

1. SERVICES.

1.1 The Chamber agrees to furnish all personnel, materials, and services and to otherwise do all things necessary for or incidental to the performance of the work set forth below and more particularly described in Attachment "A," attached hereto and incorporated by this reference ("Services").

Operate the City's Visitor Center at 105 Minor Road in Kelso during established business hours, staffing the Visitor Center reception counter, answering telephones and inquiries of the public related to tourism and tourist-related facilities in Kelso and the surrounding area, maintain the tourist information exhibits and displays within the Visitors Center, and such other duties and responsibilities as are set forth in Attachment A.

1.2 Compliance With Laws. All duties of the Chamber or designees shall be performed in accordance with all applicable federal and state laws and city ordinances as now existing or hereafter adopted or amended.

1.3 The Chamber shall control and direct the performance of the work. The City reserves the right to inspect, review and approve the work to assure that it has been completed as specified prior to payment.

1.4 Performance Standard. All duties by the Chamber or designees shall be performed in a manner consistent with accepted practices for other similar services, performed to the City's satisfaction, within the time period prescribed by this Agreement and pursuant to the direction of the City Manager or designee.

2. TERM.

The Term of this Agreement shall commence on October 1st, 2013 and shall continue until December 31st, 2021, unless terminated earlier as provided herein. This Agreement may be extended for additional periods of time upon the mutual written agreement of the City and the Chamber.

3. DEFAULT AND TERMINATION.

3.1 The following circumstances shall not be an event of default:

- (a) The City ceases to budget funds to operate the Visitor Center, or
- (b) The City funds the operation of a Visitor Center at a location other than the facilities at 105 Minor Road, or
- (c) The City terminates the services of the Chamber and engages a different service provider to operate the Visitor Center at 105 Minor Road.

3.2 These events shall not be an event of default under this Agreement. In these circumstances, the City may terminate this Agreement upon ninety days written notice to the Chamber. If the City terminates this Agreement for these causes, the Chamber may elect to keep all rights and obligations under separate lease agreement, including the right to lease space at 105 Minor Road, or to terminate the lease Agreement with the City and receive back from the City the balance of any pre-paid lease amount. City shall pay for all services rendered and the City's pro rata share of interior common area maintenance and operation costs of the Visitors Center up to the date of termination.

The City's failure to pay for services rendered or failure to meet its obligations under this Agreement shall be an event of default. In the event of the City's default, the Chamber's sole remedy is to recover amounts owed for services rendered and maintenance and operation costs incurred. In addition, the Chamber may terminate agreement. Under these circumstances, the Chamber keeps all rights under its separate lease agreement with the City, including right to lease space at 105 Minor Road.

3.3 The Chamber's failure to perform the services set forth in this Agreement or its failure to meet its obligations under this Agreement shall be an event of default.

In the event of a default, the City may recover its damages and the City may terminate the Agreement.

- 3.4 The Chamber's operation of the Visitor Center is a condition of the Chamber's lease of space under a separate lease agreement. In the event the Chamber is in default under this Agreement, or otherwise terminates this Agreement for any reason but City's default or the City's failure to fund the Visitor Center, the City may terminate the Lease Agreement and retain prepaid lease payments made under that Agreement.

4. COMPENSATION.

4.1 In consideration of the Chamber performing the Services, the City agrees to pay the Chamber a base monthly management fee of \$1,250.00 for administering the Services, and, additionally, an amount determined annually following the Chamber's submittal and the City's approval of a budget ("Budget") delineating the operating costs of the Visitors Center. The Budget will be submitted to the City's Lodging Tax Advisory Committee following the Committee's annual call for projects. The City's legislative body receives the Committee's Budget recommendation and either approves, amends, or rejects the Budget. The City will be considered in breach of this Operating Agreement in the instance where either no or inadequate funding is approved for the Chamber to perform the Services described in Attachment "A".

4.2 Compensation Rates. The rate of compensation shall be adjusted as follows:

City shall pay the Chamber a base monthly fee of \$1,250.00 for the above-specified Services through December 31st, 2013. The base monthly fee shall be increased to \$1,500.00 beginning January 1st, 2014 through Dec 31st 2015, after which adjustments to the fee may be agreed to in the annual Budget taking into consideration changes to the Consumer Price Index over the previous Budget period and the general fiscal state of the City's Hotel/Motel Tax Fund.

Additionally, the City shall pay a flat monthly fee for the City's pro rata share of interior common area maintenance and operation costs of the Visitors Center including but not limited to utilities (water, sewer, sanitation, stormwater, electricity, etc.), telecommunications, services cleaning, repairs, and general office supplies. Such payments shall be determined and adjusted in the following manner: Chamber shall submit the annual Budget described in 4.1 for the upcoming year which shall include the interior common area maintenance and operation costs. The proportion of shared maintenance and operation costs allocated to the Visitors Center within the Budget should be based upon reasonable estimates of usage given the square footage of the structure, hours of operation, and hours worked by employees within the structure. The Chamber shall submit the budget to the City by August 1st of each year

for the City's review and comment. The City shall pay 1/12 of its pro rata share of the budgeted amount each month. At the conclusion of the year, the Chamber shall provide the City with an accounting of actual costs incurred and documentation of the reasons for any costs in excess of the budgeted amount. In the event the City's payments exceeded its pro rata share of actual costs incurred, that amount will be deducted from the calculation the following year. In the event the City's payments did not reach its pro rata share of actual costs incurred, that amount will be added to the calculation the following year.

4.3 Method of Payment. Payment by the City for the Services will be made in accordance with the procedures set forth in the agreement between the City and Chamber for the distribution and use of Lodging Tax funds.

4.4 Chamber Responsible for Taxes. The Chamber shall be solely responsible for the payment of any taxes imposed by any lawful jurisdiction as a result of performance and payment under this Agreement.

5. REPRESENTATIONS.

5.1 The Chamber warrants that it has the requisite training, skill and experience necessary to provide the Services and is appropriately accredited and licensed by all applicable agencies and governmental entities.

6. INDEPENDENT CONTRACTOR.

6.1 It is the intention and understanding of the Parties that the Chamber shall be an independent contractor. The Chamber or his or her employees or agents performing under this Agreement are not employees or agents of the City. The Chamber will not hold himself or herself out as nor claim to be an officer or employee of the City. The Chamber will not make any claim of right, privilege, or benefit which would accrue to an employee under law. The City shall neither be liable for nor obligated to pay sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax which may arise as an incident of employment. The Chamber shall pay all income and other taxes as due. Industrial or any other insurance which is purchased for the benefit of the Chamber shall not be deemed to convert this Agreement to an employment contract.

6.2 It is recognized that the Chamber may or will be performing professional services during the term for other parties and that the City is not the exclusive user of the Chamber's services; provided, however, that the performance of other professional services shall not conflict with or interfere with the Chamber's ability to perform the Services. The Chamber agrees to resolve any conflict in favor of the City.

7. INDEMNIFICATION.

7.1 Chamber Indemnification. The Chamber shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims,

injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the negligence of the City.

7.2 City Indemnification. The City shall defend, indemnify and hold the Chamber, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the negligence of the Chamber.

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

8. INSURANCE.

The Chamber shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Chamber, their agents, representatives, employees or committees.

8.1 Minimum Scope of Insurance. Chamber shall obtain insurance of the types described below:

A. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and shall cover liability arising from premises, operations, independent Chambers, products-completed operations, stop gap liability, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide Aggregate Products-Completed Operations coverage. There shall be no endorsement or modification of the Commercial General Liability insurance for liability arising from explosion, collapse or underground property damage. The City shall be named as an insured under the Chamber's Commercial General Liability insurance policy with respect to the work performed for the City using ISO Additional Insured endorsement CG 20 10 10 01 and Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing equivalent coverage.

B. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

8.2 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions for Commercial General Liability insurance:

A. The Chamber's insurance coverage shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Chamber's insurance and shall not contribute with it.

B. The Chamber's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

C. The City shall provide and maintain adequate property and general liability insurance coverage as referenced in Section 9(D) of the lease agreement, in which this Operating Agreement is incorporated, for the structure, property, and premises in and on which the operations of the Visitor Center shall occur.

8.3 Verification of Coverage. Chamber shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Chamber before commencement of the work.

9. EQUAL OPPORTUNITY EMPLOYER.

In the performance of all Services under this Agreement, the Chamber, or its employees, agents, subcontractors or representatives, shall not discriminate against any person because of sex, age (except minimum age and retirement provisions), race, color, creed, national origin, marital status or the presence of any disability, including sensory, mental, or physical handicaps, based upon a bona fide occupational qualification in relationship to hiring and employment. The Chamber shall comply with the Washington Law Against Discrimination (Chapter 49.60 RCW) and with any other applicable federal or state law or local ordinance regarding non-discrimination. Any material violation of this provision shall be grounds for immediate termination of this Agreement by the City and, in the case of the Chamber's breach, may result in ineligibility for further City agreements.

10. INTELLECTUAL PROPERTY.

10.1 Warranty of Noninfringement. Chamber represents and warrants that the Chamber is either the author of all deliverables to be provided under this Agreement or has obtained and holds all rights necessary to carry out this Agreement. Chamber further represents and warrants that the Services to be provided under this Agreement do not and will not infringe any copyright, patent, trademark, trade secret or other intellectual property right of any third party.

10.2 Rights in Data. Unless otherwise provided, data which originates from this Agreement shall be a "work for hire" as defined by the U.S. Copyright Act of 1976 and shall

be owned by the City. Data shall include, but not be limited to reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, films, tapes, and sound reproductions. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights.

11. CONFIDENTIALITY.

The Chamber agrees that all materials containing confidential information received pursuant to this Agreement shall not be disclosed without the City's express written consent. Chamber agrees to provide the City with immediate written notification of any person seeking disclosure of any confidential information obtained for the City.

12. WORK PRODUCT.

All work product, including records, files, documents, plans, computer disks, magnetic media or material which may be produced or modified by the Chamber while performing the Services shall belong to the City. Upon written notice by the City during the Term of this Agreement or upon the termination or cancellation of this Agreement, the Chamber shall deliver all copies of any such work product remaining in the possession of the Chamber to the City.

13. BOOKS AND RECORDS.

The Chamber agrees to maintain books, records, and documents that sufficiently and properly reflect all direct and indirect costs related to the performance of the Services and maintain such accounting procedures and practices as may be deemed necessary by the City to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject, at all reasonable times, to inspection, review, or audit by the City, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

14. GENERAL PROVISIONS.

14.1 Entire Agreement. This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement and no prior agreements shall be effective for any purpose.

14.2 Modification. No provisions of this Agreement may be amended or modified except by written agreement signed by the Parties.

14.3 Full Force and Effect. Any provision of this Agreement which is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

14.4 Assignment. Neither the Chamber nor the City shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the other party.

14.5 Successors in Interest. Subject to the foregoing Subsection, the rights and obligations of the Parties shall inure to the benefit of and be binding upon their respective successors in interest, heirs and assigns.

14.6 Attorney Fees. In the event either party brings a lawsuit to enforce the terms of this Agreement, or arising from a breach of this Agreement, the prevailing party shall be entitled to its costs and attorneys' fees for bringing or defending against the action.

14.7 No Waiver. Failure or delay of the City to declare any breach or default immediately upon occurrence shall not waive such breach or default. Failure of the City to declare one breach or default does not act as a waiver of the City's right to declare another breach or default.

14.8 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington.

14.9 Venue. The venue for any dispute related to this Agreement or for any action to enforce any term of this Agreement shall be Cowlitz County, Washington.

14.10 Authority. Each individual executing this Agreement on behalf of the City and the Chamber represents and warrants that such individuals are duly authorized to execute and deliver this Agreement on behalf of the Chamber or the City.

14.11 Notices. Any notices required to be given by the Parties shall be delivered at the addresses set forth below. Any notices may be delivered personally or may be deposited in the United States mail, postage prepaid, to the address set forth below. Any notice so posted in the United States mail shall be deemed received three (3) days after the date of mailing.

14.12 Performance. Time is of the essence of this Agreement in each and all of its provisions in which performance is a factor.

14.13 Remedies Cumulative. Any remedies provided for under the terms of this Agreement are not intended to be exclusive, but shall be cumulative with all other remedies available to the City at law or in equity.

14.14 Counterparts. This Agreement may be executed in any number of counter-parts, which counterparts shall collectively constitute the entire Agreement.

Executed on the dates written below.

CHAMBER

CITY OF KELSO

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

Date: _____

Date: _____

Approved as to form:

City Attorney

ATTACHMENT "A"

SCOPE OF SERVICES

The base of level of service required for the operation of the Visitors Center is described below:

A. The Visitors Center will be open to the public between the hours of 8:00am and 5:00pm Monday through Friday and ~~9:00~~10:00am and 5:00pm Saturday ~~and Sunday~~.

Visitors Center hours on Sunday will be as follows:

- November 1st through February 28th – Closed
- March 1st through May 31st – 10:00am – 3:00pm
- June 1st through September 15th – 10:00am – 5:00pm
- September 16th through October 31st – 10:00am – 3:00pm

–Weekend hours may be further adjusted for seasonal activities. Exceptions to the established business hours are allowed for certain holidays, inclement weather, and unforeseen circumstances.

A.B. Ensure the Visitor Center reception counter is adequately staffed and phone answered during established business hours.

B.C. Respond to tourism-related inquiries made by the general public and direct visitors to tourist-related facilities in Kelso and the surrounding area.

C.D. Maintain tourist information exhibits and displays within the Visitors Center in a professional and orderly manner.

D.E. Provide for all administration of the Visitors Center including:

- a) the hiring, training, and supervising of staff and volunteers for the promotion of tourism in Kelso and the surrounding area,
- b) accounts payable and accounts receivable, and
- c) implementation of the terms of the Operating Agreement.

E.F. Prepare a tourism promotion strategy for Kelso, and implement those portions of the strategy within the constraints of the resources provided for tourism promotion by the City. Chamber staff, including the CEO and Project Manager, will participate in the implementation of the strategy. The onsite management, knowledge and experience of the additional staff will provide greater assistance in promoting Kelso and regional businesses and encouraging visitors and tourists to patronize local businesses and lodging establishments. The onsite management will also provide additional opportunities for the Visitors Center and Chamber in produce marketing products and/or programs to further tourist promotion.

F.G. Other duties and responsibilities mutually agreed to by the City and the Chamber.

Addendum No. 1 to Kelso Visitor Center Operations Agreement

This Addendum No. 1 is dated effective this ____ day of November, 2016.

WHEREAS, the Parties, City of Kelso (“City”) and Kelso-Longview Chamber of Commerce (“Chamber”) entered into an agreement on October 1, 2013 for the Chamber to Operate a Visitor Center within the City of Kelso on property leased to the City of Kelso; and

WHEREAS, the original agreement set forth in Exhibit A, Scope of Work, certain required hours of operation for the Visitor Center; and

WHEREAS, the Parties wish to modify the hours of operation of the Visitor Center;

NOW THEREFORE, the Parties agree to the following terms and conditions:

1. That Attachment A, Scope of Services, as set forth in the original Agreement is hereby amended to adjust the hours of operation as set forth in Exhibit A-1, attached hereto and incorporated fully by this reference.
2. That all other terms and conditions of the original Agreement remain in full force and effect.

Executed on the dates written below.

CHAMBER

CITY OF KELSO

By: _____

Printed Name: _____

Title: _____

Address: _____

Date: _____

Printed Name: _____

Title: _____

Address: _____

Date: _____

Approved as to form:

City Attorney

EXHIBIT A-1

Amended Scope of Services

The base of level of service required for the operation of the Visitors Center is described below:

- A. The Visitors Center will be open to the public between the hours of 8:00am and 5:00pm Monday through Friday and 10:00am to 5:00pm Saturday. Visitors Center hours on Sunday will be as follows:
- November 1st through February 28th – Closed
 - March 1st through May 31st – 10:00am – 3:00pm
 - June 1st through September 15th – 10:00am – 5:00pm
 - September 16th through October 31st – 10:00am – 3:00pm

Weekend hours may be further adjusted for seasonal activities. Exceptions to the established business hours are allowed for certain holidays, inclement weather, and unforeseen circumstances.

- B. Ensure the Visitor Center reception counter is adequately staffed and phone answered during established business hours.
- C. Respond to tourism-related inquiries made by the general public and direct visitors to tourist-related facilities in Kelso and the surrounding area.
- D. Maintain tourist information exhibits and displays within the Visitors Center in a professional and orderly manner.
- E. Provide for all administration of the Visitors Center including:
- a) the hiring, training, and supervising of staff and volunteers for the promotion of tourism in Kelso and the surrounding area,
 - b) accounts payable and accounts receivable, and
 - c) implementation of the terms of the Operating Agreement.
- F. Prepare a tourism promotion strategy for Kelso, and implement those portions of the strategy within the constraints of the resources provided for tourism promotion by the City. Chamber staff, including the CEO and Project Manager, will participate in the implementation of the strategy. The onsite management, knowledge and experience of the additional staff will provide greater assistance in promoting Kelso and regional businesses and encouraging visitors and tourists to patronize local businesses and lodging establishments. The onsite management will also provide additional opportunities for the Visitors Center and Chamber in produce marketing products and/or programs to further tourist promotion.
- G. Other duties and responsibilities mutually agreed to by the City and the Chamber.

AGENDA SUMMARY SHEET

AGENDA ITEM: A Resolution making
a declaration of substantial need for the
purposes of setting the limit factor for
the property tax levy for 2017.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____
FOR AGENDA OF: 11/1/16
ORIGINATING DEPT: Finance
DATE SUBMITTED: 10/28/16
COST OF ITEM: _____
AMT. BUDGETED _____
CITY ATTY. APPROVAL _____
CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See Resolution

SUMMARY STATEMENT

In taxing districts with a population of under 10,000, the legislative body may, by a simple majority, vote to increase its levy by a maximum of one percent of the highest levy of the past three years plus the revenue resulting from new construction and improvements to property, and any increase in the assessed value of state-assessed property. If the taxing district has a population of 10,000 or more, it can only increase its levy by an amount equal to the increase in the implicit price deflator (IPD) from the prior July or one percent, whichever is less, plus new construction and state-assessed utility revenue. This can be done with a simple majority vote. RCW 84.55.010.

When the increase in the IPD is less than one percent, if a majority plus one of the city council finds substantial need, it can increase its levy by an amount up to one percent, assuming that its maximum statutory rate is not reached.

July's IPD rate was .953 percent and the City has not reached it's maximum statutory rate.

OPTIONS:

- 1) Move to approve resolution
- 2) Do not approve resolution.
- 3) Provide direction to staff regarding desired level of increase to property taxes.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF KELSO, WASHINGTON,
DECLARING A SUBSTANTIAL NEED FOR PURPOSES OF
SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY
AND AUTHORIZING THE INCREASE IN THE 2017 REGULAR
PROPERTY TAX LEVY LIMIT DUE TO SUBSTANTIAL NEED**

WHEREAS, State law at Chapter 84.55 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor (which is the lesser of 101% or 100% plus inflation) multiplied by the highest levy of the most recent three years plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, RCW 84.55.0101 provides that upon finding of substantial need by a majority plus one members of Council, the City may use a limit factor of 101% or less in the levy of property tax; and

WHEREAS, inflation for 2016 is .953 percent (.953%) and the limit factor is 100.953 percent, meaning that the taxes levied in the City of Kelso for 2016 for collection in 2017 can only be increased by .953 percent except for the amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, the City of Kelso continues to recover from the severe economic downturn, but has not yet recovered to its pre 2009 service levels, leading to deteriorating infrastructure and reduced staffing; and

WHEREAS, the City of Kelso continues to have increased personnel and operations costs which are higher than the rates used to calculate the limit factor; and

WHEREAS, the City has given notice of a public hearing held on September 20, 2016 to consider the City's current expense budget for the 2017 calendar year pursuant to RCW 84.55.120;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF KELSO DO HEREBY RESOLVE:

SECTION 1. Finding of Substantial Need. Based upon the findings set forth in the recitals above, hereby incorporated fully by this reference, and after consideration of the relevant evidence and testimony related to the City's expected revenues and expenses, the City Council finds and determines that there is a substantial need to set the 2016 tax levy limit at 1%.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2016.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

AGENDA SUMMARY SHEET

AGENDA ITEM: A Resolution authorizing
an increase in the regular property tax
levy in addition to any amount resulting
from new construction etc.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____
FOR AGENDA OF: 11/1/16
ORIGINATING DEPT: Finance
DATE SUBMITTED: 10/28/16
COST OF ITEM: _____
AMT. BUDGETED _____
CITY ATTY. APPROVAL _____
CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See attached resolution.

SUMMARY STATEMENT/DEPT. RECOMMENDATION:

The total increase is set forth
as follows:

1) 1.00% increase over prior levy	\$14,501
2) New construction	8,169

Total Increase	<u>\$22,670</u>
----------------	-----------------

OPTIONS:

- 1) Move to approve resolution
- 2) Do not approve resolution.
- 3) Provide direction to staff regarding desired level of increase to property taxes.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KELSEY AUTHORIZING AN INCREASE IN THE REGULAR PROPERTY TAX LEVY IN ADDITION TO ANY AMOUNT RESULTING FROM NEW CONSTRUCTION AND IMPROVEMENTS TO PROPERTY, NEWLY CONSTRUCTED WIND TURBINES, AND ANY INCREASE IN THE VALUE OF STATE ASSESSED UTILITY PROPERTY.

WHEREAS, the City Council of the City of Kelso, Washington, a city of more than 10,000 population, has properly given notice of the public hearing held on September 6, 2016, to consider the City's current expense budget for the 2017 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, the City Council, after hearing and after duly considering all relevant evidence and testimony presented, determined that the City requires an increase in property tax revenue from the previous year in addition to that resulting from new construction and improvements, newly constructed wind turbines, and any increase in the value of state-assessed utility property; in order to discharge the expected expenses and obligations of the City and in its best interest; now, therefore,

THE CITY COUNCIL OF THE CITY OF KELSEY DO RESOLVE AS FOLLOWS:

SECTION 1. That an increase in the regular property tax levy, in addition to any amount resulting from new construction and improvements, newly constructed wind turbines, and any increase in the value of state-assessed utility property, is authorized by the 2017 levy which is the amount of \$14,501.00 a percentage increase of 1.00% from the previous year.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2016.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

AGENDA SUMMARY SHEET

AGENDA ITEM: An ordinance setting
the 2017 property tax levy amount.

First reading.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____

FOR AGENDA OF: 11/1/16

ORIGINATING DEPT: Finance

DATE SUBMITTED: 10/28/16

COST OF ITEM: _____

AMT. BUDGETED _____

CITY ATTY. APPROVAL _____

CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See attached ordinance.

SUMMARY STATEMENT/DEPT. RECOMMENDATION:

The levy amount for the 2017 General Levy is \$1,472,805

This represents a dollar increase of \$22,670 over the 2016 General Levy. The increase is made up of two components:

1) New Construction:	\$8,169
2) 1.00% increase over prior year levy:	<u>\$14,501</u>

Total Increase \$22,670

OPTIONS:

- 1) Move to approve ordinance.
- 2) Do not approve ordinance.
- 3) Provide direction to staff regarding desired level of increase to property taxes.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KELSO FIXING THE ESTIMATED AMOUNT TO BE RAISED BY AD VALOREM TAXES AT \$1,472,805 FOR THE 2017 BUDGET OF THE CITY.

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. The estimated dollar amount to be raised upon real and personal property in Cowlitz County, Washington, to raise said dollar amount to cover the estimated budget needs of the City of Kelso for calendar year 2017 are as follows:

DOLLAR AMOUNT

General Levy \$1,472,805 or maximum allowed by law

SECTION 2. This Ordinance shall be in full force and effect five (5) days from and after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2016.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: _____

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE: AN ORDINANCE OF THE CITY OF KELSO REPEALING ORDINANCE NO. 15-3843 AND FIXING THE RATES TO BE CHARGED BY THE CITY OF KELSO RELATING TO THE WATER AND SEWER RATES.

Agenda Item: _____

Dept. of Origin: Com. Dev./Engineering

For Agenda of: November 1, 2016

Cost of Item: _____

City Manager: Steve Taylor

PRESENTED BY:

Michael Kardas, P.E.
Community Development Director / City Engineer

Agenda Item Attachments:

Proposed Ordinance

SUMMARY STATEMENT:

In 2014, the City Council adopted water and sewer utility rates for 2015-2019 following the acceptance of the utility rate study conducted by FCS Group. While the rates covered a five-year period, Council included a provision requiring the annual review of the water and sewer utilities' financial condition by November 30th, with the possibility of adjusting rates upward or downward depending upon revenue and expense forecasts, capital needs, and reserve balances. Staff has performed the financial condition analysis and recommends the rate percentage adjustments from the prior year below:

The proposed rate increases are as follows:

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water			
Residential (base and volume)	2%	3%	7.5%
Commercial (base and volume)	2%	3%	7.5%
Industrial (base)	2%	2%	7.5%
Industrial (volume)	0%	1%	7.5%
Sewer			
Residential	2%	2%	2%
Residential standby	7%	7%	7%
Commercial (Fixed)	2%	2%	2%
Commercial (Volume)	0.7%	0.7%	0.7%
Industrial (Volume)	4%	2%	5.9%

FINANCIAL IMPACT:

See above summary

RECOMMENDED ACTION:

Move to approve the Ordinance amending water and sewer utility rates for 2017, 2018 and 2019 on first reading.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF KELSO REPEALING
ORDINANCE NO. 15-3843 AND FIXING THE RATES TO BE
CHARGED BY THE CITY OF KELSO RELATING TO THE
WATER AND SEWER RATES.**

WHEREAS, Ordinance No. 15-3855 last amended the City’s water and sewer rates in 2015; and

WHEREAS, the City operates utilities for the provision of water and sewer services and has set rates and fees to fund the costs of these services; and

WHEREAS, the regular review and adjustment of rates and fees are necessary to maintain the fiscal sustainability of the sewer and water utilities; and

WHEREAS, the City Council desires to review the financial condition of the water and sewer utilities no later than November 30th of each year to consider potential adjustments to the rates established within this ordinance;

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. That Ordinance No. 15-3843, relating to the City’s water and sewer rates, is hereby repealed.

SECTION 2. That KMC 13.08.395, relating to the City’s Sewer rates – Schedule of charges, be amended to read:

The bimonthly charges for sanitary sewer collection and treatment service shall be established by ~~ordinance resolution~~ of the city council

SECTION 3. That pursuant to Sections 13.04.355 and of the Kelso Municipal Code, the rates to be charged for use of the storm drainage system effective January 1st of the listed year below shall be as follows:

1. Water Rates for All Residential and Commercial Users within the Corporate Limits:

BI-MONTHLY CHARGES:

2015	2016	2017	2018	2019
------	------	------	------	------

	3/4" & 5/8"	\$22.64	\$23.09	\$23.55	\$24.26	\$26.08
Meter Size (In Inches)	1"	\$46.78	\$47.72	\$48.67	\$50.13	\$53.89
	1.5"	\$87.61	\$89.36	\$91.15	\$93.88	\$100.92
	2"	\$136.16	\$138.88	\$141.66	\$145.91	\$156.85
	3"	\$265.90	\$271.22	\$276.64	\$284.94	\$306.31
	4"	\$412.24	\$420.48	\$428.89	\$441.76	\$474.89
	6"	\$1,305.76	\$1,331.88	\$1,358.52	\$1,399.27	\$1,504.22
	8"	\$1,815.11	\$1,851.41	\$1,888.44	\$1,945.09	\$2,090.97
	10"	\$2,609.19	\$2,661.37	\$2,714.60	\$2,796.04	\$3,005.74

In addition to the fixed charge set forth above, each residential and commercial water customer of the utility shall pay an additional sum for every 100 cubic feet of water consumed.

	2015	2016	2017	2018	2019
	\$ 3.33	\$ 3.40	\$ 3.47	\$ 3.57	\$ 3.84

2. Water Rates for all Industrial Users within the Corporate Limits:

BI-MONTHLY CHARGES

		2015	2016	2017	2018	2019
Meter Size (In Inches)	2"	\$3,630.93	\$3,703.55	\$3,777.62	\$3,853.17	\$4,142.16
	3"	\$7,263.62	\$7,408.89	\$7,557.07	\$7,708.21	\$8,286.32
	4"	\$11,351.91	\$11,578.95	\$11,810.53	\$12,046.74	\$12,950.25
	6"	\$22,719.68	\$23,174.07	\$23,637.55	\$24,110.30	\$25,918.58
	8"	\$36,318.01	\$37,044.37	\$37,785.26	\$38,540.96	\$41,431.53
	10"	\$52,203.28	\$53,247.35	\$54,312.30	\$55,398.54	\$59,553.43

In addition to the fixed charge above, each industrial water customer of the utility shall pay an additional sum for every 100 cubic feet of water consumed.

	2015	2016	2017	2018	2019
	\$ 2.27	\$ 2.32	\$ 2.32	\$ 2.34	\$ 2.52

Customers must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial user.

3. Youth Athletic Leagues:

Water consumed for irrigation purposes by youth athletic leagues utilizing a current Facility Use Agreement shall be charged at twenty-five percent (25%) of the rates set forth in this Ordinance. In order to qualify for this reduced rate, the youth athletic league facilities must be the account customer and must be metered to determine actual usage. Penalties, turn on charges, and other related charges shall be billed at one hundred percent (100%) of the amounts as set forth in the Master Fee Schedule.

4. Private Fire System Connections (including sprinklers) shall be as follows:

“Connection” shall mean individual line size (not size of water appurtenance).

BI-MONTHLY CHARGES

		2015	2016	2017	2018	2019
Meter Size (In Inches)	1"	\$3.49	\$3.56	\$3.63	\$3.74	\$4.02
	2"	\$13.97	\$14.25	\$14.54	\$14.97	\$16.09
	3"	\$31.43	\$32.06	\$32.70	\$33.68	\$36.21
	4"	\$55.87	\$56.99	\$58.13	\$59.87	\$64.36
	6"	\$111.63	\$113.86	\$116.14	\$119.62	\$128.59
	8"	\$192.10	\$195.94	\$199.86	\$205.85	\$221.29
	10"	\$267.18	\$272.52	\$277.97	\$286.31	\$307.78

These charges also apply to references regarding fire services, fire standby fees, and fire monthly service charge.

5. Service Outside City Limits:

The normal rates for water and sewer service to individual accounts located outside the City boundaries shall be 1.5 times the in-City rate.

6. Wholesale or Bulk Rates:

Water rates charged for wholesale or bulk use purposes shall be at a rate for every 100 cubic feet of water delivered as follows:

2015	2016	2017	2018	2019
\$ 3.33	\$ 3.40	\$ 3.47	\$ 3.57	\$ 3.84

A Fire Hydrant Use Permit is required to obtain water from hydrants connected to the City of Kelso water supply. The permit shall be on site at any time water is to be withdrawn from the hydrant and shall be subject to examination on request of employees of the City. The Public Works Director or his/her designee shall have the authority to limit the amount of water used, or temporarily suspend hydrant meter service, in order to maintain system capacity and continuity of service to customers. Permit fees and use deposits will be assessed as set forth in the Master Fee Schedule.

7. Sewer Rates for All Residential and Commercial Users within the Corporate Limits

BI-MONTHLY CHARGES

SERVICE TYPE

A. Residential standby only (use less than 200 cf/ Bi-monthly)

2015	2016	2017	2018	2019
\$ 17.93	\$ 19.19	\$ 20.53	\$ 21.97	\$ 23.51

B. All other residential dwellings

2015	2016	2017	2018	2019
\$ 111.14	\$ 114.47	\$ 116.76	\$ 119.10	\$ 121.48

C. (1) All Commercial Users

2015	2016	2017	2018	2019
\$ 111.14	\$ 114.47	\$ 116.76	\$ 119.10	\$ 121.48

(2) In addition, all commercial users consuming a quantity of water greater than 1100 cubic feet per Bi-month shall be charged for every 100 cubic feet of water consumed in excess of 1100 cubic feet per Bi-month.

2015	2016	2017	2018	2019
\$ 6.75	\$ 6.82	\$ 6.87	\$ 6.92	\$ 6.97

8. Sewer Rates for All industrial Users within the Corporate Limits:

All industrial customers shall pay the following sewer rates based on water consumption:

BI-MONTHLY FIXED CHARGE

2015	2016	2017	2018	2019
\$ 194.19	\$ 379.76	\$ 565.33	\$ 750.90	\$ 936.74

VOLUME CHARGE

2015	2016	2017	2018	2019
\$ 3.50	\$ 3.71	\$ 3.86	\$ 3.94	\$ 4.17

Customer must consume a minimum of 25,000 cubic feet per day of water to qualify as an industrial customer.

9. Treatment of “High Strength Waste” – Surcharge:

In the event that “high strength waste” is accepted for treatment by the Facilities, a surcharge shall be imposed and paid to the TRRWA in addition to any other charges for sewage treatment as follows:

BOD: \$ 0.42 per pound

Suspended Solids (SS): \$ 0.57 per pound

Such surcharge shall be assessed to “high strength waste” which is hereby defined to be waste that is in excess of a baseline concentration of 250 mg/l.

Such surcharge shall be calculated as follows:

BOD: (concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.42

SS: (concentration [mg/l] – 250 mg/l) x 8.34 x flow (mgd) x \$0.57

10. Miscellaneous

A. Irrigation meter: Standard bi-monthly water use rates as listed in this ordinance shall apply.

11. Capital Recovery Fees – Water Connections:

		2015	2016	2017	2018	2019
Meter Size (In Inches)	3/4" & 5/8"	\$ 2,644.00	\$ 2,930.00	\$ 3,217.00	\$ 3,504.00	\$ 3,791.00
	1"	\$ 6,610.00	\$ 7,325.00	\$ 8,042.50	\$ 8,760.00	\$ 9,477.50
	1.5"	\$ 13,220.00	\$ 14,650.00	\$ 16,085.00	\$ 17,520.00	\$ 18,955.00
	2"	\$ 21,152.00	\$ 23,440.00	\$ 25,736.00	\$ 28,032.00	\$ 30,328.00
	3"	\$ 42,304.00	\$ 46,880.00	\$ 51,472.00	\$ 56,064.00	\$ 60,656.00
	4"	\$ 66,100.00	\$ 73,250.00	\$ 80,425.00	\$ 87,600.00	\$ 94,775.00
	6"	\$ 132,200.00	\$ 146,500.00	\$ 160,850.00	\$ 175,200.00	\$ 189,550.00
	8"	\$ 211,520.00	\$ 234,400.00	\$ 257,360.00	\$ 280,320.00	\$ 303,280.00
	10"	\$ 304,060.00	\$ 336,950.00	\$ 369,955.00	\$ 402,960.00	\$ 435,965.00

12. Capital Recovery Fees – Sewer Connections:

		2015	2016	2017	2018	2019
Meter Size (In Inches)	3/4" & 5/8"	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00	\$ 1,721.00
	1"	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00	\$ 4,302.00
	1.5"	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00	\$ 8,605.00
	2"	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00	\$ 13,768.00
	3"	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00	\$ 27,536.00
	4"	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00	\$ 43,025.00
	6"	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00	\$ 86,050.00
	8"	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00	\$ 137,680.00
	10"	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00	\$ 197,915.00

In addition to all “hook-up” charges, sanitary sewer service charges and other existing charge and fees imposed by a member entity or by the TRRWA, a System Development Charge (SDC) for waste water treatment in the sum of \$1,957.00 will be charged for each new Equivalent Residential Unit (ERU) hereafter connected to the

facilities of the TRRWA through the sanitary sewer lines of the member entities in accordance with the following conversion tables:

<u>RESIDENTIAL</u>		<u>COMMERCIAL</u>		<u>INDUSTRIAL</u>
<u>Dwelling</u>	ERU's per <u>Dwelling Unit</u>	Water Meter Size (<u>Inches</u>)	ERU's <u>Per Meter</u>	
Single family	1.00	$\frac{5}{8}$	1.00	1 ERU per each
Duplex, 3 or 4-plex	0.86	$\frac{3}{4}$	1.50	300 gallons /day flow
Apartment (5 or more)	0.67	1	2.50	
		1.5	5.00	
		2	8.00	
		3	16.00	
		4	25.00	
		6	50.00	
		8	80.00	

13. Senior Citizens Reduction:

Senior Citizens occupying residential dwellings shall be eligible for a reduction of the water/sewer portion of their utility bill of four dollars (\$4.00) per billing period, provided they apply and are qualified for such a reduction pursuant to the authority contained in RCW 74.38.070 as a low-income senior citizen. Further, for purposes of implementing this section, the rate reduction will be applied at \$2.00 for water service and \$2.00 for sewer service per billing period. Those customers receiving either water service of sewer service will only receive a \$2.00 reduction per billing period.

For purposes of implementing this section, “low-income senior citizen” means a person who is sixty-one-(61) years of age or older and whose total income, including that of his or her spouse or co-tenant, does not exceed the amount specified in RCW 84.36.381(5) as it now exists or is hereafter amended. Further, for purposes of implementing this section, the definitions of “combined disposable income,” “disposable income” and “co-tenant” shall be as defined in RCW 84.36.383(5), (6), and (7), as they now exist or are hereafter amended.

SECTION 4. The rates and fees established within Section 3 of this ordinance shall be annually reviewed by the City Council no later than November 30th of each year this ordinance to evaluate the effectiveness of the rate structure and determine if adjustments to the ordinance are necessary.

SECTION 5. This Ordinance shall be in full force and effect on January 1, 2017 upon its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2016.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED:

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Ordinance Fixing the rates to be charged by the City of Kelso for furnishing garbage service, effective January 1, 2017

Agenda Item: _____

Dept. of Origin: Com. Dev./Engineering

For Agenda of: November 1, 2016

PRESENTED BY:

Michael Kardas, P.E.
Community Development Director / City Engineer

Cost of Item: _____

City Manager: Steve Taylor

AGENDA ITEM ATTACHMENTS:

Proposed Ordinance

SUMMARY STATEMENT:

The attached proposed Ordinance provides necessary changes relating to KMC 8.04.090 reflecting rates to be charged by the City of Kelso for furnishing solid waste utility services effective January 1, 2017.

The proposed annual rate increases from the prior year are as follows:

	<u>2017</u> (above prior year)	<u>2018</u> (above prior year)
Residential	4%	2%
Commercial	4%	2%

The fee for the residential recycling program would increase from \$0.50 to \$0.75 in 2017.

FINANCIAL SUMMARY:

See above summary

RECOMMENDED ACTION:

Move to approve the Ordinance establishing solid waste utility rates for 2017 and 2018 and amending KMC 8.04.090 on first reading.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KELSO AMENDING KMC 8.04.100 AND REPEALING ORDINANCE NO. 13-3810 AND FIXING THE RATES TO BE CHARGED BY THE CITY OF KELSO FOR FURNISHING GARBAGE SERVICES EFFECTIVE JANUARY 1, 2017.

WHEREAS, Ordinance No. 13-3810 last amended the City's solid waste rates in 2013;
and

WHEREAS, the City has a continued need to adjust rates in consideration of the City's long term plan to bring rates into balance with expenditures and escalating costs of doing business; and

WHEREAS, The City has provided public notices of the proposed rate increases pursuant to RCW 35.21.157 on October 26, 2016 and November 1, 2016;

NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. That Ordinance No 13-3810, relating to the City's garbage management utility, is hereby repealed.

SECTION 2. That KMC 8.04.100, relating to the City's effective date of rates, be amended to read:

The rates and fees fixed by ~~ordinance resolution~~ of the city council shall become effective for each customer on such date specified in such ~~ordinance resolution~~

SECTION 3. That pursuant to Section 8.04.090(B) of the Kelso Municipal Code, the rates to be charged for garbage collection service effective January 1st of the listed year below shall be as follows:

I. RESIDENTIAL

a. Collection - The rate for once-per-week collection for a single-family dwelling shall be as listed below per month per container.

<u>2017</u>	<u>2018</u>
\$14.82/mo.	\$15.12/mo.

Any head-of-household who qualifies as a low-income senior citizen pursuant to RCW 74.38.070 may make application to the appropriate City officials and qualify for a single container rate as listed below per month per container, as provided by Ordinance No. 3049.

<u>2017</u>	<u>2018</u>
7.78	7.94

The rate for once-per-week collection for a two, three, four, or five-family dwelling unit shall be as listed below per month per container times the respective number of units.

<u>2017</u>	<u>2018</u>
\$14.82/mo.	\$15.12/mo.

Multi-family dwellings with more than five dwelling units or which receive more than once-per-week collection shall be charged under the commercial rate schedule in Section II below.

b. Recycling – There shall be added to the solid waste collection charges set forth in **a.** above, the sum of \$0.75 for each single-family residential unit and for each multi-family residential unit.

c. Special Service - (i.e., the picking up of the garbage container of any such dwelling at other than the point established pursuant to Section 8.04.050 of the Kelso Municipal Code).

<u>AMOUNT</u>	<u>SERVICE</u>	<u>DISTANCE FROM CURB TO ALLEY</u>
\$0.08/ft per trip	1 roll-out container	Measured from City's designated placement location to customer's requested pick-up location

(Add an additional \$0.08 per foot per trip for each additional container. In the event the distance is 25 feet or less, the charge shall be \$2.00 per trip).

Where no adult occupants of the dwelling are physically capable of moving the containers to the designated location, this charge shall be waived, if approved by the Solid Waste Division of the Public Works Department and the City's Contract.

II. COMMERCIAL

Commercial shall include other types of occupancies, including other multi-family dwellings, places of business, industrial establishments and institutional and public buildings, and may be charged the following monthly rates multiplied by the number of collections per week:

CONTAINER SIZE

2017

60 Gallon	\$19.42	Per collection
90 Gallon	\$21.72	Per collection
350 Gallon	\$68.62	Per collection

2018

60 Gallon	\$19.81	Per collection
90 Gallon	\$22.15	Per collection
350 Gallon	\$69.99	Per collection

COMMERCIAL CONTAINER SIZE PER PICK-UP PER MONTH

2017

1 Yard	\$99.15
2 Yard	\$123.29
3 Yard	\$166.29
4 Yard	\$188.66
5 Yard	\$215.34

2018

1 Yard	\$101.13
2 Yard	\$125.76
3 Yard	\$169.62
4 Yard	\$192.43
5 Yard	\$219.65

The total monthly charge shall be the above rates multiplied by the number of containers collected.

The minimum charge for a multi-family dwelling with once-per-week collection shall be as listed below per month.

<u>2017</u>	<u>2018</u>
\$64.34	\$65.63

III. SPECIAL CONTAINER SERVICE (Including Additional Containers)

Charges shall be as determined by Solid Waste Division of the Public Works Department. Charges are subject to review by the Director of Public Works as may be required. Generally, such rates shall include a service fee plus the landfill charge and a 22% administrative fee.

SECTION 4. The rates established herein shall take effect on the customer’s first billing cycle after January 1, 2017.

SECTION 5. This Ordinance shall be in full force and effect on January 1, 2017 upon its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2016.

ATTEST/AUTHENTICATION:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

AN ORDINANCE OF THE CITY OF KELSO
REPEALING ORDINANCE NO. 15-3843 AND
FIXING THE RATES TO BE CHARGED BY
THE CITY OF KELSO RELATING TO THE
STORMWATER MANAGEMENT UTILITY

Agenda Item: _____

Dept. of Origin: Community Development/Eng

For Agenda of: November 1, 2016

Cost of Item: _____

City Manager: Steve Taylor

PRESENTED BY:

Michael Kardas, P.E.
Community Development Director / City Engineer

AGENDA ITEM ATTACHMENTS:

Proposed Ordinance

SUMMARY STATEMENT:

The attached proposed Ordinance reflects the adjusted utility rates to be charged by the City of Kelso for use of the storm drainage system effective January 1, 2017.

The proposed annual rate increases from the prior year are as follows:

	<u>2017</u> (above prior yr)	<u>2018</u> (above prior yr)	<u>2019</u> (above prior yr)
Residential	4%	4%	3%
Commercial	4%	4%	3%

FINANCIAL IMPACT:

See above summary

RECOMMENDED ACTION:

Move to approve the Ordinance amending stormwater utility rates for 2017, 2018 and 2019 on first reading.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF KELSO REPEALING
ORDINANCE NO. 15-3843 AND FIXING THE RATES TO BE CHARGED
BY THE CITY OF KELSO RELATING TO THE STORMWATER
MANAGEMENT UTILITY**

WHEREAS, Ordinance No. 15-3843 last amended the City's stormwater management utility rates in 2015; and

WHEREAS, the City operates a utility for the provision of stormwater management services and has set rates and fees to fund the costs of these services; and

WHEREAS, the City has a continued need to adjust rates in consideration of the City's long term plan to bring rates into balance with expenditures and escalating costs of doing business;

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN
AS FOLLOWS:

SECTION 1. That Ordinance No. 15-3843, relating to the City's stormwater management utility, is hereby repealed.

SECTION 2. That pursuant to Section 13.10.115 of the Kelso Municipal Code, the rates to be charged for use of the storm drainage system effective January 1st of the listed year below shall be as follows:

System of Charges: The following monthly service charges are hereby established for all parcels of real property within the boundaries of the City of Kelso as they now exist or as they may be hereafter established for the purpose of carrying on the responsibilities of the stormwater management utility:

A. Undeveloped Parcels: Undeveloped parcels shall not be charged. For the purposes of this ordinance, an undeveloped parcel is defined as a parcel that has native vegetation, including second-growth forests, and undisturbed native soils that existed prior to Euro-American settlement.

B. Single-Family Parcels: The monthly service charge for each single-family parcel shall hereafter be referred to as the "base rate." For the purposes of this ordinance, a single-family parcel is defined as a residential parcel with only one residential building that is either a single-family home or a duplex or a triplex. Alternatively, the residential parcel could contain two single-family homes.

2017 2018 2019

SECTION 4. Payment of Stormwater Management Utility fees and Capital Recovery fees shall be the responsibility of the parcel owner. Non-payment of these fees can result in a lien against the parcel or discontinuation of water service.

SECTION 5. This Ordinance shall be in full force and effect on January 1, 2017 upon its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2016.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY