



CITY COUNCIL MEETING

January 17, 2017 – Agenda

Mt. Si Senior Center, 411 Main Ave. S., North Bend, Washington

7:00 P.M. – CALL TO ORDER, ROLL CALL, FLAG SALUTE

CONSENT AGENDA:

		Pg.#
1) Minutes	Council Meeting of January 3, 2017	1
2) Checks	December 31, 2016 – 63797 – 63861, 63872, 63873, 63884 in the amount of \$136,964.59 January 17, 2017 – 63874 – 63883, 63885 – 63887 , in the amount of \$287,524.00	
3) AB17-005	Motion – Authorizing Blanket Purchase Orders for 2017	Ms. Masko 5
4) AB17-006	Motion – Authorizing Amendment to Blueline Work Order 2016-22	Mr. Rigos 9
5) AB17-007	Motion – Authorizing Amendment to G&O On-Call Contract	Mr. Rigos 13
6) AB17-008	Motion – Authorizing Discretionary Request with KC for 2017 Overlay	Mr. Rigos 33
7) AB17-009	Resolution – Authorizing Submittal of Wastewater Facilities Plan to DOE	Mr. Rigos 37
8) AB17-010	Motion – Authorizing Purchase of Equipment for Sewer Inspections	Mr. Rigos 63
9) AB17-011	Motion – Authorizing Work Order with Axis for 468 th Ave. Survey	Mr. Rigos 73

CITIZEN’S COMMENTS: (Please restrict comments to 3 minutes)

ANNOUNCEMENTS, PRESENTATIONS, APPOINTMENTS:

10) Introduction Police Chief Phipps Mayor Hearing

COMMISSION AND COMMITTEE REPORTS:

Planning Commission	Community & Economic Development – Councilmember Pettersen
Parks Commission	Finance & Administration – Councilmember Gothelf
Economic Development Commission	Public Health & Safety – Councilmember Elwood
	Transportation & Public Works – Councilmember Loudenback
	Mayor Pro Tem – Councilmember Rosen
	Eastside Fire & Rescue Board – Councilmember Gothelf

INTRODUCTIONS:

11) AB17-012	Resolution – Accepting 2016 Pavement Overlay as Complete	Mr. Rigos 81
12) AB17-013	Resolution – Accepting TIB Grant for SE NB Way Overlay Project	Mr. Rigos 85
13) AB17-014	Motion – Authorizing Contract with Stowe Development	Ms. Lindell 97

MAYOR, COUNCIL & ADMINISTRATOR CONCERNS AND INITIATIVES: (Business and general information presented that may be deliberated upon by the Council. Formal action may be deferred until a subsequent meeting; immediate action may be taken upon a vote of a majority of all members of the Council.)

ADJOURNMENT:

DRAFT

<p style="text-align: center;">NORTH BEND CITY COUNCIL MINUTES January 3, 2017 Senior Center, 411 Main Ave. S., North Bend, Washington</p>
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CALL TO ORDER, ROLL CALL:

Acting Mayor Pro Tem Loudenback called the regular meeting to order at 7:01 p.m.

Councilmembers Present: Elwood, Gothelf, Loudenback, Pettersen, and Volken. Councilmember Rosen was excused. Councilmember Kostanich arrived at 7:05 p.m.

CONSENT AGENDA:

Minutes – Special Workstudies of November 29, 2016 & December 6, 2016, Council Meeting of December 6, 2016 & Special Council Meeting of December 12, 2016

Payroll – December 5, 2016 – 27562 through 27567, in the amount of **\$200,859.99**

December 20, 2016 – 27568 through 27573, in the amount of **\$166,241.59**

December 31, 2016 – 27574 through 27579, in the amount of **\$185,011.26**

Checks – December 20, 2016 – 63665 through 63734, in the amount of **\$217,274.29**

December 30, 2016 – 63735 through 63785, 63796, in the amount of **\$312,896.53**

January 3, 2017 – 63786 through 63795, in the amount of **\$104,422.41**

Councilmember Gothelf **MOVED**, seconded by Councilmember Pettersen to approve the consent agenda as presented. The motion **PASSED** 4-0.

ANNOUNCEMENTS, PRESENTATIONS, APPOINTMENTS:

AB17-001 – 2017 Council Standing Committee Appointments

Audio: 02:58

Acting Mayor Pro Tem Loudenback proposed the following 2017 Council Committee appointments for Council’s consideration:

Community & Economic Development Committee:

Chair – Councilmember Pettersen

Members – Councilmember Kostanich, Councilmember Rosen

Budget, Finance & Administration Committee:

Chair – Councilmember Gothelf

Members – Councilmember Elwood, Councilmember Volken

Public Health & Safety Committee:

Chair – Councilmember Elwood

Members – Councilmember Gothelf, Councilmember Loudenback

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Transportation & Public Works Committee:

Chair – Councilmember Loudenback

Members – Councilmember Kostanich, Councilmember Pettersen

Councilmember Gothelf **MOVED**, seconded by Councilmember Pettersen to approve AB17-001 confirming the 2017 appointments to the Council’s Standing Committees. The motion **PASSED** 4-0.

Councilmember Kostanich arrived at 7:05 p.m.

INTRODUCTIONS:

AB17-002 – Ordinance Amending NBMC 18.10 RE RV Parks

Audio: 03:49

Senior Planner McCarty provided the staff report.

The following individuals spoke regarding the Ordinance Amending NBMC 18.10:

Michael Thomas, 1231 LaForest Drive

Councilmember Pettersen **MOVED**, seconded by Councilmember Elwood to approve AB17-002, an ordinance amending North Bend Municipal Code Sections 18.10.030 & 18.10.050 relating to RV Parks.

Councilmember Pettersen **MOVED**, seconded by Councilmember Gothelf, to amend Section NBMC 18.10.050-2.22(i) by changing “90 days” to “45 days”. The motion **PASSED** 5-0.

Councilmember Pettersen **MOVED**, seconded by Councilmember Elwood to amend the Table of Permitted and Conditional Uses - Section NBMC 18.10.030-2.22 (Recreational Vehicle Park) by removing the permitted use (P) in the EP-1, EP-2 and TL-MPOD zones and to bring the Ordinance Amending NBMC 18.10 RE RV Parks back for discussion and a Public Hearing at the February 7, 2017 City Council meeting, as a first reading. The motion **PASSED** 5-0.

The main motion then **PASSED AS AMENDED** 5-0.

AB17-003 – Motion Authorizing CO #3 with Sierra Pacific for Bendigo Right Turn Lane Project

Audio: 21:15

Public Works Director Rigos provided the staff report.

Councilmember Kostanich **MOVED**, seconded by Councilmember Elwood to approve AB17-003, authorizing Change Order #3 with Sierra Pacific Construction, LLC for the

DRAFT

Bendigo Blvd Right-Turn Lane Project, in an amount not to exceed \$2,462.00. The motion **PASSED** 5-0.

AB17-004 – Motion Authorizing Amendment #1 to Blueline Work Order 2016-10

Audio: 24:50

Public Works Director Rigos provided the staff report.

Councilmember Pettersen **MOVED**, seconded by Councilmember Gothelf to approve AB17-004, authorizing Amendment No. 1 to Work Order 2016-10 with The Blueline Group for additional Engineering Services, in a form and content acceptable to the City Attorney, in an amount not the exceed \$25,000. The motion **PASSED** 5-0.

MAYOR, COUNCIL, AND ADMINISTRATOR CONCERNS AND INITIATIVES:

Councilmembers wished everyone a Happy New Year.

Councilmember Kostanich commented he looked forward to the upcoming year's collaborative efforts with fellow Councilmembers.

Councilmember Gothelf wished a speedy recovery to Mayor Hearing and Councilmember Rosen.

Acting Mayor Pro Tem Loudenback spoke regarding the following items:

- Susie Oppedal, 2016 Employee of the Year
- Clean Audit Reported at State Auditor Exit Conference

ADJOURNMENT:

Councilmember Gothelf **MOVED** to adjourn, seconded by Councilmember Kostanich. The motion **PASSED** 5-0.

The meeting adjourned at 7:33 p.m.

ATTEST:

Ross Loudenback, Acting Mayor Pro Tem

Susie Oppedal, City Clerk



City Council Agenda Bill

SUBJECT:		Agenda Date: January 17, 2017	AB17-005	
Motion Authorizing Blanket Purchase Orders with City vendors		Department/Committee/Individual		
		Mayor Ken Hearing		
		City Administrator – Londi Lindell		
		City Attorney - Mike Kenyon		
		City Clerk – Susie Oppedal		
		Community & Economic Development – Gina Estep		
		Finance – Dawn Masko		X
		Public Works – Mark Rigos		
Cost: N/A				
Fund Source: Various				
Timeline: Immediate				
Attachments: Exhibit A – List of 2017 Blanket Purchase Orders				
<p>SUMMARY STATEMENT:</p> <p>A Blanket Purchase Order is a purchase order that is used for routine or normal operating supplies and services purchased on a repetitive basis from the same vendor. The City’s current purchasing policies require City Council approval for any contract or purchase order exceeding \$7,500. Staff estimates that it will spend more than \$7,500 on routine purchases from the vendors listed in Exhibit A during 2017.</p> <p>Staff is requesting approval of blanket purchase orders with the vendors listed in Exhibit A in amounts not to exceed those listed for the 2017 calendar year. Sufficient funds have already been appropriated within the existing budget for these purchases.</p>				
<p>COMMITTEE REVIEW AND RECOMMENDATION: The Finance & Administration Committee reviewed this item at their January 3, 2017 meeting and recommended using blanket purchases orders for routine purchases with placement on the consent agenda.</p>				
<p>RECOMMENDED ACTION: MOTION to approve AB17-005, authorizing Blanket Purchase Orders with the vendors listed in Exhibit A in amounts not to exceed those listed in Exhibit A.</p>				
RECORD OF COUNCIL ACTION				
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>		
January 17, 2017				

EXHIBIT A – 2017 BLANKET PURCHASE ORDERS

VENDOR	PURPOSE	2017 AMOUNT NOT TO EXCEED
Ace Hardware	Operating supplies	\$15,000
Amtest Inc.	Lab testing	\$15,000
Aquionics Inc.	WWTP & Water repair & maintenance supplies	\$10,000
HD Supply	Water supplies & parts	\$38,000
North Bend Auto Parts (NAPA)	Supplies for vehicles & equipment	\$25,000
Northstar Chemical, Inc.	Chemicals	\$25,000
Staples Business Advantage	Office & operating supplies	\$20,000
USA Bluebook	WWTP & Water supplies	\$15,000



City Council Agenda Bill

SUBJECT:		Agenda Date: January 17, 2017	AB17-006								
A Motion Authorizing Amendment #1 to Work Order 2016-22 with Blueline Group for Construction Administration Services on the Bendigo Right Turn Lane Project		Department/Committee/Individual									
		Mayor Ken Hearing									
		City Administrator – Londi Lindell									
		City Attorney - Mike Kenyon									
		City Clerk – Susie Oppedal									
		Community & Economic Development – Gina Estep									
		Finance – Dawn Masko									
		Public Works – Mark Rigos, P.E.		X							
Cost Impact: \$5,000											
Fund Source: Streets Capital											
Timeline: Immediate											
Attachments: Work Order Amendment											
<p>SUMMARY STATEMENT:</p> <p>On September 20, 2016, North Bend City Council awarded an engineering services contract to The Blueline Group to perform Construction Administration duties on the Bendigo Boulevard at Park Street – Northbound Right Turn Lane Transportation Capital project. Since that project began, there have been several problems related to franchise utilities that resulted in two change orders that added working days to the contract. In addition to the added working days, the difficulties encountered have required significantly more time investment on the consultant’s part to assist in coordinating utilities inspections, coordinating materials approvals, responding to requests for information, and other work that exceeded the level of effort originally anticipated.</p> <p>This amendment proposes to add \$5,000 to the Construction Administration work order for a total not to exceed fee estimate of \$23,200. Payment will be made on a time and materials basis so the actual fee to finish the project may be less than approved.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Fee Estimate</th> </tr> </thead> <tbody> <tr> <td>Original Contract</td> <td>\$18,200</td> </tr> <tr> <td>Amendment #1</td> <td>\$ 5,000</td> </tr> <tr> <td>Total Revised Contract</td> <td>\$23,200</td> </tr> </tbody> </table>				Item	Fee Estimate	Original Contract	\$18,200	Amendment #1	\$ 5,000	Total Revised Contract	\$23,200
Item	Fee Estimate										
Original Contract	\$18,200										
Amendment #1	\$ 5,000										
Total Revised Contract	\$23,200										
<p>COMMITTEE REVIEW AND RECOMMENDATION: The Transportation and Public Works Committee reviewed this item at their January 11, 2017 meeting and recommended approval and placement on Consent Agenda.</p>											
<p>RECOMMENDED ACTION: MOTION to approve AB17-006, authorizing Amendment #1 to Work Order 2016-22 with Blueline Group for Construction Administration Services on the Bendigo Right Turn Lane Project, in an amount not to exceed \$5,000.</p>											
RECORD OF COUNCIL ACTION											
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>									
January 17, 2017											

**CITY OF NORTH BEND
WORK ORDER
2016**

This work order dated the 11th day of January 2017 is to specify services to be provided under the On-Call Professional Services contract which has been entered into by the CITY OF NORTH BEND (City) and THE BLUELINE GROUP, INC. (Consultant). This work order is for the below mentioned project/scope of work.

Work Order No.: 2016-22 – Amendment #1

Project Name: Bendigo Blvd at Park Street – Northbound Right Turn Lane Construction Admin

Project No.: T-010 **Amount:** \$ 5,000.00 NTE

City Project Lead: Don DeBerg, PE
City Engineer **(Authorized cost of work not to be exceeded without written authorization)**

SCOPE OF WORK:

Under this work order, The Blueline Group, Inc. will provide construction administration services for the Bendigo Blvd at Park Street – Northbound Right Turn Lane project. This work shall include assisting the City with materials submittal review and approval, on-site inspection, testing report reviews, and other work.

Amendment #1 – This amendment is necessary because change orders to the contract added additional working days and additional contract administration demand.

Original Cost - \$ 18,200
Amendment #1 - \$ 5,000
 Amended Total - \$ 23,200

The compensation will be on a time and materials basis, not to exceed the above amount.

CONSULTING FIRM:	CITY OF NORTH BEND:
Authorized Signature	Authorized by
Date	Date

NOTE: *The City of North Bend will not be liable for charges for services not authorized by a fully executed work order.*

FOR INTERNAL USE ONLY

Funds for work available through the following account:

310-100-008-595-30-63-00

Distribution: *Original: City Clerk Copies: Project Lead, Consultant, Accounting Coordinator*



City Council Agenda Bill

SUBJECT:		Agenda Date: January 17, 2017	AB17-007
A Motion Authorizing Amendment #1 to the Professional Services On-Call Contract with Gray & Osborne, Inc.		Department/Committee/Individual	
		Mayor Ken Hearing	
		City Administrator – Londi Lindell	
		City Attorney - Mike Kenyon	
		City Clerk – Susie Oppedal	
		Community & Economic Development – Gina Estep	
		Finance – Dawn Masko	
		Public Works – Mark Rigos, P.E.	
Cost Impact: N/A			
Fund Source: N/A			
Timeline: Immediate			
Attachments: Amendment #1, Original Contract with Supplement			
<p>SUMMARY STATEMENT:</p> <p>City staff recently reviewed the Professional Services On-Call Contract with Gray & Osborne, Inc. and discovered some outdated information that needs to be corrected. The most important of these corrections was adding the ability for the consultant to provide engineering services at the City’s Waste Water Treatment Facility. The proposed Amendment No. 1 (attached) provides for this addition to the existing contract’s Scope of Work and features other minor corrections that are clerical in nature.</p>			
<p>COMMITTEE REVIEW AND RECOMMENDATION: This item was reviewed by the Transportation and Public Works committee at their January 11, 2017 meeting and was recommended for approval and placement on Consent Agenda.</p>			
<p>RECOMMENDED ACTION: MOTION to approve AB17-007, authorizing Amendment #1 to the Professional Services On-Call Contract with Gray & Osborne, Inc.</p>			
RECORD OF COUNCIL ACTION			
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>	
January 17, 2017			

**FIRST AMENDMENT TO THE CONTRACT FOR ON-CALL SERVICES
BY AND BETWEEN THE CITY OF NORTH BEND AND
GRAY & OSBORNE, INC**

THIS AMENDMENT (“Amendment”) to the Contract for On-Call Services by and between the City of North Bend and Gray & Osborne, Inc. effective April 5, 2011 (hereafter the “Agreement”), as amended by the “Supplement No. 1” dated December 5, 2012, is made in consideration of the mutual benefits and conditions hereinafter specified and pursuant to Section 14 of the Agreement.

1. “Supplement No. 1” dated December 5, 2012, is null and void as of the date of this Amendment.

2. Section 3 of the Agreement is hereby amended to read as follows:

Duration of Agreement. This Agreement shall be in full force and effect for a period commencing April 5, 2011, and ending December 31, 2013, and shall automatically renew for annual terms thereafter unless earlier terminated by the City, with or without cause.

3. Section 15 of the Agreement is hereby amended to read as follows:

Notices. Notices to the City of North Bend shall be sent to the following address:

Londi Lindell, City Administrator
City of North Bend
P.O. Box 896
211 Main Ave. N
North Bend, WA 98045
Phone: (425) 888-1211

Notices to the Contractor shall be sent to the following address:

Mike Johnson, P.E.
Gray & Osborne, Inc.
701 Dexter Ave. N, Suite 200
Seattle, WA 98109
Phone: (206) 284-0860

4. Paragraph (B) of Exhibit A to the Agreement is hereby amended to read as follows:

B. If called upon by the engineering department, Contractor shall provide support services for the operation, upgrade, expansion, and maintenance of the City’s water, sewer, storm utilities, and wastewater treatment plant.

All other terms and conditions remain as provided in the original Agreement effective April 5, 2011.

DATED this ____ day of January, 2017.

*** signature page follows ***

CITY OF NORTH BEND

GRAY & OSBORNE, INC.

By: _____
Kenneth G. Hearing, Mayor

By: _____

Printed Name: _____

Title: _____

Attest/Authenticated:

Susie Oppedal, City Clerk

Approved As To Form:

Michael R. Kenyon, City Attorney

CONTRACT FOR ON-CALL SERVICES
City of North Bend and Gray & Osborne, Inc

This Agreement is entered into by and between the City of North Bend, Washington, a municipal corporation of the State of Washington, hereinafter referred to as "the City," and Gray & Osborne, Inc., hereinafter referred to as "the Contractor."

WHEREAS, the City has determined the need to have certain services performed for its citizens; and

WHEREAS, the City desires to have the Contractor perform such services pursuant to certain terms and conditions; NOW, THEREFORE,

IN CONSIDERATION OF the mutual benefits and conditions set forth below, the parties hereto agree as follows:

1. **Scope of Services to be Performed by Contractor.** The Contractor shall perform those services described on Exhibit "A" attached hereto and incorporated herein by this reference as if fully set forth. In performing such services, the Contractor shall at all times comply with all federal, state, and local statutes, rules, and ordinances applicable to the performance of such services and the handling of any funds used in connection therewith.
2. **Compensation and Method of Payment.** The City shall pay the Contractor for services rendered within ten (10) days after City Council voucher approval. The Contractor will bill the City monthly based upon actual time expended and expenses incurred against the approved budget for the designated project at the rates provided in Exhibit "B". The Contractor shall be paid a total amount not to exceed the approved budget for the designated project without written modification of the Agreement signed by the City. The Contractor shall complete and return Exhibit "C", Taxpayer Identification Number, to the City prior to or along with the first billing invoice submittal.
3. **Duration of Agreement.** This Agreement shall be in full force and effect for a period commencing April 5, 2011, and ending December 31, 2012, unless sooner terminated under the provisions hereinafter specified or extended through a mutually agreed upon written amendment to this agreement.
4. **Ownership, Form, and Use of Documents.** All documents, drawings, specifications, and other materials produced by the Contractor in connection with the services rendered under this Agreement shall be the property of the City whether the project for which they are made is executed or not. The Contractor shall provide to the City all final documents, reports, or studies in printed and electronic form unless otherwise designated in Exhibit A. Unless otherwise directed in writing by the City, all final documents, reports, or studies shall be provided to the City in both a PDF and Word format. Where applicable, all Complete Plan Set Drawings shall include all Specifications and shall be submitted to the City in the most updated version of AutoCAD in an unrestricted format and in accordance with City Code.
5. **Independent Contractor.** The Contractor and the City agree that the Contractor is an independent contractor with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither the Contractor nor any employee of the Contractor shall be entitled to any benefits accorded City employees by virtue of the services provided under this Agreement. The City shall not be responsible for paying, withholding, or otherwise deducting any customary state or federal payroll deductions, including but not limited to FICA, FUTA, state industrial insurance, state workers compensation, or otherwise assuming the duties of an employer with respect to the Contractor or any employee of the Contractor.

COPY

6. **Indemnification.** The Consultant shall indemnify, defend, and hold harmless the City, its officers, agents, and employees, from and against any and all claims, losses, or liability, including attorneys' fees, arising from injury or death to persons or damage to property occasioned by any negligent act, omission, or failure of the Consultant, its officers, agents, and employees, in performing the work required by this Agreement. With respect to the performance of this Agreement and as to claims against the City, its officers, agents, and employees, the Consultant expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees, and agrees that the obligation to indemnify, defend, and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of the Consultant. This waiver is mutually negotiated by the parties. This paragraph shall not apply to any damage resulting from the sole negligence of the City, its agents, and employees. To the extent that any of the damages referenced by this paragraph were caused by or resulted from the concurrent negligence of the City, its agents, or employees, this obligation to indemnify, defend, and hold harmless is valid and enforceable only to the extent of the negligence of the Consultant, its officers, agents, and employees.

7. **Insurance.**

- A. The Contractor shall procure and maintain in full force throughout the duration of the Agreement comprehensive general liability insurance with a minimum coverage of \$1,000,000 per occurrence/aggregate for personal injury and property damage. Said policy shall name the City of North Bend as an additional named insured and shall include a provision prohibiting cancellation or reduction in the amount of said policy except upon thirty (30) days prior written notice to the City. Cancellation of the required insurance shall automatically result in termination of this Agreement.
- B. In addition to the insurance provided for in Paragraph A above, the Contractor shall procure and maintain in full force professional liability insurance for those services delivered pursuant to this Agreement that, either directly through Contractor employees or indirectly through contractual or other arrangements with third parties, involve providing professional services. Such professional liability insurance shall be maintained in an amount not less than \$1,000,000 combined single limit per claim/aggregate. For the purposes of this Paragraph "professional services" shall include, but not be limited to, the provision of any services provided by any licensed professional.
- C. Certificates of coverage as required by Paragraphs A and B above shall be delivered to the City within fifteen (15) days of execution of this Agreement.

8. **Record Keeping and Reporting and "Red Flag" Rules.**

- A. The Contractor shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Contractor shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement and compliance with this Agreement.
- B. These records shall be maintained for a period of seven (7) years after termination hereof unless permission to destroy them is granted by the Office of the Archivist in accordance with RCW Chapter 40.14 and by the City.
- C. The Contractor has received, and shall adhere to, the City's Identity Theft Prevention Program ("Red Flag" rules) a copy of which is attached as Exhibit "D".

9. **Taxes, Licenses and Permits.**
- A. The Contractor shall procure and maintain a City Business License in accordance with NBMC Chapter 5.04, Business Licenses and Business and Occupation Tax, prior to beginning work under this agreement. The Contractor shall also ensure that, and be responsible for, all contractors, sub-contractors, and suppliers, obtain a City Business License.
 - B. The Contractor acknowledges that it is responsible for the payment of all charges and taxes applicable to the services performed under this Contract, including NBMC Chapters 5.04 and 5.05, and the Contractor agrees to comply with all applicable laws regarding the reporting of income, maintenance of records, and all other requirements and obligations imposed pursuant to applicable law. If the City does not receive, or is assessed, made liable, or responsible in any manner for such charges or taxes, the Contractor shall reimburse and hold the City harmless from such costs, including attorney's fees. The Contractor shall also require all contractors, sub-contractors, and suppliers, pay all charges and taxes in accordance with this section.
 - C. In the event the Contractor fails to pay any taxes, assessments, penalties, or fees imposed by the City or any other governmental body, then the Contractor authorizes the City to deduct and withhold and/or pay over to the appropriate governmental body those unpaid amounts upon demand by the governmental body. This provision shall, at a minimum, apply to taxes and fees imposed by City ordinance. Any such payments shall be deducted from the Contractor's total compensation.
10. **Audits and Inspections.** The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review, or audit by law during the performance of this Agreement. The City shall have the right to conduct an audit of the Contractor's financial statement and condition and to a copy of the results of any such audit or other examination performed by or on behalf of the Contractor.
11. **Termination.** This Agreement may at any time be terminated by the City upon giving to the Contractor thirty (30) days written notice of the City's intention to terminate the same. If the Contractor's insurance coverage is canceled for any reason, the City shall have the right to terminate this Agreement immediately.
12. **Discrimination Prohibited.** The Contractor shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Contractor under this Agreement on the basis of race, color, religion, creed, sex, age, national origin, marital status, or presence of any sensory, mental, or physical handicap.
13. **Assignment and Subcontract.** The Contractor shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.
14. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind any of the parties hereto. Either party may request changes to the Agreement. Proposed changes which are mutually agreed upon shall be incorporated by written amendments to this Agreement.

COPY

15. **Notices.** Notices to the City of North Bend shall be sent to the following address:

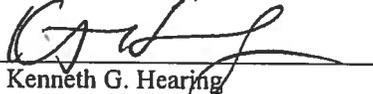
Duncan Wilson, City Administrator
City of North Bend
P.O. Box 896
211 Main Avenue North
North Bend, Washington 98045
Phone Number: (206) 888-1211

Notices to the Contractor shall be sent to the following address:

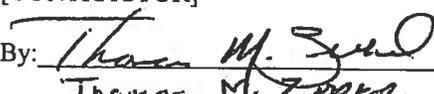
Tom Zerkel, P.E.
Gray & Osborne, Inc.
701 Dexter Avenue North, Suite 200
Seattle, Washington 98109
Phone Number: (206) 284-0860

16. **Applicable Law; Venue; Attorneys' Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its attorney and expert witness fees, and costs of suit.

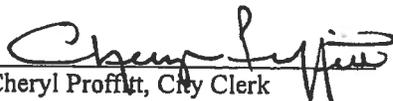
CITY OF NORTH BEND, WASHINGTON

By: 
Kenneth G. Hearing
Title: Mayor
Date: 4/6/2011

[CONTRACTOR]

By: 
Thomas M. Zerkel
Title: President
Date: 4/8/2011

Attest/Authenticated:


Cheryl Proffitt, City Clerk

Approved As To Form:

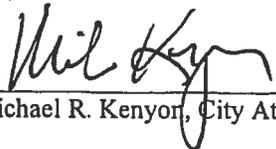

Michael R. Kenyon, City Attorney

EXHIBIT A

The Contractor (Gray & Osborne) shall furnish services including, but not limited to, the following:

- A. If called upon by the engineering department, Contractor shall provide support for development permit reviews associated with City utilities. Work for any permit review shall commence only after written approval of Contractor's work scope and fee for individually assigned projects and upon the giving of written notice by the City to the Contractor to proceed. The areas to be covered under these reviews shall include compliance of a development with the currently adopted King County Surface Water Design Manual (including temporary erosion control) and concurrency with utilities, all in accordance with the City's municipal code. Contractor shall provide a written summary of the permit review comments and recommendations for any permit approval. The Contractor shall not be an approving agent for the City.
- B. If called upon by the engineering department, Contractor shall provide support services for the operation, upgrade, expansion, and maintenance of the City's water, sewer, and storm utilities, but not including its wastewater treatment plant.
- C. If called upon by the planning or engineering department, Contractor shall provide engineering support functions in the areas of their expertise without the use of subcontractors. Work in these areas shall not commence without written approval from the City and not without an approved scope and fee. It is recognized that efforts in engineering support functions for the City are not exclusively assigned to the Contractor and that other Contractors may have similar agreements with the City. Areas of work may include drafting and surveying,

COPY

EXHIBIT B

Contractor's Fee Structure.

GRAY & OSBORNE

COMPUTATION OF OVERHEAD MULTIPLIER

Federal, State, and Local Taxes	23.87%
Insurance and Medical	19.27%
Professional Development and Education	6.32%
Vacations and Holidays	13.95%
Administration (Typing, CADD, GIS, Computer)**	46.92%
Rent, Utilities, and Depreciation.....	14.74%
Office Expenses	11.40%
Recruiting.....	1.18%
Professional Services	1.23%
Incentive & Retirement.....	31.57%
Facilities Cost of Capital.....	0.55%
TOTAL:	171%

**PROFESSIONAL ENGINEERING SERVICES CONTRACT
ENGINEER'S REPRESENTATIVE PAYROLL RATES
THROUGH JUNE 15, 2011***

<u>Employee Classification</u>		<u>Payroll Rates</u>		
Draftsman/Technician/Engineering Intern	\$15.00	to		\$33.00
Design/Civil Engineers	18.00	to		36.00
Electrical/Structural Engineers	24.00	to		50.00
Environmental Tech./Specialist	27.00	to		38.00
Project Engineers	25.00	to		48.00
Principal Engineers/Project Managers	32.00	to		56.00
Field Inspectors/Resident Engineers	22.00	to		45.00
Field Survey Crew (2 Person)	43.00	to		75.00
Field Survey Crew (3 Person)	70.00	to		98.00
Professional Land Surveyor	33.00	to		42.00
Secretary/Word Processor			N/A**	

* Updated annually, together with the overhead.

All actual out-of-pocket expenses incurred directly on the project are added to the billing. The billing is based on direct out-of-pocket expenses; meals, lodging, laboratory testing and transportation. The transportation rate is \$0.50s per mile or the current maximum IRS rate without receipt IRS Section 162(a).

** Administration expenses include secretarial and clerical work; GIS, CADD, and computer equipment; owned survey equipment and tools (stakes, hubs, lath, etc. – Note: mileage billed separately at rate noted); miscellaneous administration tasks; facsimiles; telephone; and printing costs, which are less than \$150.

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EXHIBIT C

CITY OF NORTH BEND
P.O. Box 896
211 Main Avenue North
North Bend, WA 98045
Phone: (206) 888-1211
FAX: (206) 831-6200

TAX IDENTIFICATION NUMBER

In order for you to receive reimbursement from the City of North Bend, we must have either a Tax Identification Number or a Social Security Number. The Internal Revenue Code requires a Form 1099 for payments to every person or organization other than a corporation for services performed in the course of trade or business. Further, the law requires us to withhold 20% on reportable amounts paid to unincorporated persons who have not supplied us with their correct Tax Identification Number or Social Security Number.

Please complete the following information request form and return it to the City of North Bend before or along the submittal of the first billing voucher.

Please check the appropriate category:

Corporation Partnership Government Agency
 Individual/Proprietor Other (please explain)

TIN#: - _____

SS#: - _____

Print Name: _____

Print Title: _____

Business Name: _____

Business Address: _____

Business Phone: _____

Date

Authorized Signature (required)

EXHIBIT D

CITY OF NORTH BEND
IDENTITY THEFT PREVENTION PROGRAM

I. PROGRAM ADOPTION

The City of North Bend developed this Identity Theft Prevention Program ("Program") pursuant to the Federal Trade Commission's Red Flags Rule ("Rule"), which implements Sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003. This Program was developed with the oversight and approval of the City's Finance Director. After consideration of the size and complexity of the City's operations and account systems, and the nature and scope of the City's activities, the City Council determined that this Program was appropriate for the City, and therefore approved this Program by the adoption of Ordinance No.1351 on the 21 day of April, 2009.

II. PROGRAM PURPOSE AND DEFINITIONS

A. Fulfilling Requirements of the Red Flags Rule.

Under the Red Flags Rule, every financial institution and creditor is required to establish an identity theft prevention program tailored to its size, complexity and the nature of its operation. The Program must contain reasonable policies and procedures to:

- Identify relevant red flags as defined in the Rule and this Program for new and existing covered accounts, and incorporate those red flags into the Program;
- Detect red flags that have been incorporated into the Program;
- Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
- Update the Program periodically to reflect changes in risks to customers or to the safety and soundness of the City from identity theft.

B. Red Flags Rule Definitions Used in this Program.

For the purposes of this Program, the following definitions apply:

Account. "Account" means a continuing relationship established by a person with a creditor to obtain a product or service for personal, family, household or business purposes.

Covered Account. A "covered account" means:

- a. Any account the City offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
- b. Any other account the City offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the City from identity theft.

Creditor. "Creditor" has the same meaning as defined in Section 701 of the Equal Credit Opportunity Act, 15 U.S.C. 1691a, and includes a person or entity that arranges for the extension, renewal or continuation of credit, including the City.

Customer. A "customer" means a person or business entity that has a covered account with the City.

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Financial Institution. "Financial institution" means a state or national bank, a state or federal savings and loan association, a mutual savings bank, a state or federal credit union, or any other entity that holds a "transaction account" belonging to a customer.

Identifying Information. "Identifying information" means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including name, address, telephone number, social security number, date of birth, government passport number, employer or taxpayer identification number or unique electronic identification number.

Identity Theft. "Identity theft" means fraud committed using the identifying information of another person.

Red Flag. A "red flag" means a pattern, practice, or specific activity that indicates the possible existence of identity theft.

Service Provider. "Service provider" means a person or business entity that provides a service directly to the City relating to or in connection with a covered account.

III. IDENTIFICATION OF RED FLAGS

In order to identify relevant red flags, the City shall review and consider the types of covered accounts that it offers and maintains, the methods it provides to open covered accounts, the methods it provides to access its covered accounts, and its previous experiences with identity theft. The City identifies the following red flags, in each of the listed categories:

A. Notification and Warnings from Credit Reporting Agencies - Red Flags.

- Report of fraud accompanying a credit report;
- Notice or report from a credit agency of a credit freeze on a customer or applicant;
- Notice or report from a credit agency of an active duty alert for an applicant; and
- Indication from a credit report of activity that is inconsistent with a customer's usual pattern or activity.

B. Suspicious Documents - Red Flags.

- Identification document or card that appears to be forged, altered or inauthentic;
- Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document;
- Other document with information that is not consistent with existing customer information (such as a person's signature on a check appears forged); and
- Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information -Red Flags.

- Identifying information presented that is inconsistent with other information the customer provides (such as inconsistent birth dates);

- Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a driver's license);
- Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
- Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
- Social security number presented that is the same as one given by another customer;
- An address or phone number presented that is the same as that of another person;
- Failing to provide complete personal identifying information on an application when reminded to do so (however, by law social security numbers must not be required); and
- Identifying information which is not consistent with the information that is on file for the customer.

D. Suspicious Account Activity or Unusual Use of Account - Red Flags.

- Change of address for an account followed by a request to change the account holder's name;
- Payments stop on an otherwise consistently up-to-date account;
- Account used in a way that is not consistent with prior use (such as very high activity);
- Mail sent to the account holder is repeatedly returned as undeliverable;
- Notice to the City that a customer is not receiving mail sent by the City;
- Notice to the City that an account has unauthorized activity;
- Breach in the City's computer system security; and
- Unauthorized access to or use of customer account information.

E. Alerts from Others - Red Flag.

- Notice to the City from a customer, a victim of identity theft, a law enforcement authority or other person that it has opened or is maintaining a fraudulent account for a person engaged in identity theft.

IV. DETECTING RED FLAGS

A. New Accounts.

In order to detect any of the red flags identified above associated with the opening of a new account, City personnel will take the following steps to obtain and verify the identity of the person opening the account:

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- Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
- Verify the customer's identity (for instance, review a driver's license or other identification card);
- Review documentation showing the existence of a business entity; and
- Independently contact the customer.

B. Existing Accounts.

In order to detect any of the red flags identified above for an existing account, City personnel will take the following steps to monitor transactions with an account:

- Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
- Verify the validity of requests to change billing addresses; and
- Verify changes in banking information given for billing and payment purposes.

V. PREVENTING AND MITIGATING IDENTITY THEFT

In the event City personnel detect any identified red flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the red flag:

A. Prevent and Mitigate Identity Theft.

- Monitor a covered account for evidence of identity theft;
- Contact the customer with the covered account;
- Change any passwords or other security codes and devices that permit access to a covered account;
- Not open a new covered account;
- Close an existing covered account;
- Reopen a covered account with a new number;
- Not attempt to collect payment on a covered account;
- Notify the Finance Director for determination of the appropriate step(s) to take;
- Notify law enforcement; or
- Determine that no response is warranted under the particular circumstances.

B. Protect Customer Identifying Information.

In order to further prevent the likelihood of identity theft occurring with respect to City accounts, the City shall take the following steps with respect to its internal operating procedures to protect customer identifying information:

- Secure the City website but provide clear notice that the website is not secure;
- Undertake complete and secure destruction of paper documents and computer files containing customer information;
- Make office computers password protected and provide that computer screens lock after a set period of time;
- Keep offices clear of papers containing customer identifying information;
- Request only the last 4 digits of social security numbers (if any);
- Maintain computer virus protection up to date; and
- Require and keep only the kinds of customer information that are necessary for City purposes.

VI. PROGRAM ADMINISTRATION

A. Oversight.

The Finance Director or other designated city employee at the level of senior management shall be responsible for developing, implementing, and updating the Program.

The Finance Director shall also be responsible for the Program administration, for appropriate training of City staff on the Program, for reviewing the annual staff report required under the Program, as well as any other staff reports regarding the detection of red flags and the steps for preventing and mitigating identity theft, determining which steps of prevention and mitigation should be taken in particular circumstances, and considering periodic changes to the Program.

B. Staff Training and Reports.

City staff responsible for implementing the Program shall be trained either by or under the direction of the Finance Director in the detection of red flags, and the responsive steps to be taken when a red flag is detected. Additionally, a compliance report shall be provided annually to the Finance Director. The annual compliance report shall at a minimum address the following:

1. The effectiveness of the City's policies and procedures in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts;
2. Service provider arrangements;
3. Significant incidents involving identity theft and the City's response; and
4. Recommendations for material changes to the Program.

C. Service Provider Arrangements.

In the event the City engages a service provider to perform an activity in connection with one or more covered accounts, the City shall take the following steps to require that the service provider performs

its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft.

- Require, by contract, that service providers acknowledge receipt and review of the Program and agree to perform their activities with respect to City covered accounts in compliance with the terms and conditions of the Program and with all instructions and directives issued by the Finance Director relative to the Program; or
- Require, by contract, that service providers acknowledge receipt and review of the Program and agree to perform their activities with respect to City covered accounts in compliance with the terms and conditions of the service provider's identity theft prevention program and will take appropriate action to prevent and mitigate identity theft; and that the service providers agree to report promptly to the City in writing if the service provider in connection with a City covered account detects an incident of actual or attempted identity theft or is unable to resolve one or more red flags that the service provider detects in connection with a covered account.

D. Customer Identifying Information and Public Disclosure.

The identifying information of City customers with covered accounts shall be kept confidential and shall be exempt from public disclosure to the maximum extent authorized by law, including RCW 42.56.230(4). The City Council also finds and determines that public disclosure of the City's specific practices to identify, detect, prevent, and mitigate identify theft may compromise the effectiveness of such practices and hereby direct that, under the Program, knowledge of such specific practices shall be limited to the Finance Director and those City employees and service providers who need to be aware of such practices for the purpose of preventing identity theft.

VII. PROGRAM UPDATES

The Program will be periodically reviewed and updated to reflect changes in risks to customers and to the safety and soundness of the City from identity theft. The Finance Director shall at least annually review the annual compliance report and consider the City's experiences with identity theft, changes in identity theft methods, changes in identity theft detection and prevention methods, changes in types of accounts the City maintains and changes in the City's business arrangements with other entities and service providers. After considering these factors, the Finance Director shall determine whether changes to the Program, including the listing of red flags, are warranted. If warranted, the Finance Director shall present the recommended changes to the City Council for review and approval.

**SUPPLEMENT NO. 1
CONTRACT FOR SERVICES
Gray & Osborne with the City of North Bend**

THIS Supplement No. 1, to the Contract for Services entered into between the City of North Bend, Washington, hereinafter referred to as "the City", and Gray & Osborne, Inc., hereinafter referred to as "the Consultant", is made in consideration of the mutual benefits, terms, and conditions hereinafter specified.

1. **Project Designation.** No change to the original Agreement
2. **Scope of Services.** No change to the original Agreement.
3. **Time for Performance.** Work under this contract shall be extended from the original completion date of December 31, 2012 to December 31, 2013 and automatically renewed thereafter unless earlier terminated by the City, with or without cause.
4. **Compensation and Method of Payment.** No change in the Method of Payment.
5. **Notices.** Notices to the City of North Bend shall be amended to be as follows:

Frank Page, P.E., Public Works Director
City of North Bend
P.O. Box 896
North Bend, Washington 98045

All other terms and conditions remain as provided in the original agreement authorized April 5, 2011.

DATED this 5 day of December, 2012.

CITY OF NORTH BEND

CONSULTANT

By: [Signature]
Its: Mayor

By: [Signature]
Its: President

Attest/Authenticated

Approved as to Form:

[Signature]
City Clerk, Susie Oppedal

[Signature]
City Attorney, Michael R. Kenyon

COPY



City Council Agenda Bill

SUBJECT:		Agenda Date: January 17, 2017	AB17-008
A Motion Authorizing a Discretionary Request with King County for Design and Construction Administration for the 2017 SE North Bend Way Overlay	Department/Committee/Individual		
	Mayor Ken Hearing		
	City Administrator – Londi Lindell		
	City Attorney - Mike Kenyon		
	City Clerk – Susie Oppedal		
	Community & Economic Development – Gina Estep		
	Finance – Dawn Masko		
	Public Works – Mark Rigos, P.E. X		
Cost Impact: \$60,000			
Fund Source: Pavement Overlay			
Timeline: Immediate			
Attachments: Discretionary Request			
<p>SUMMARY STATEMENT:</p> <p>In 2005 the City of North Bend entered into an Interlocal Agreement (ILA) with King County for various regular maintenance activities and assistance with certain types of Capital projects. Under this ILA the City submits a Discretionary Request (similar to a work order) for work to be performed by the County.</p> <p>The City has been awarded two grants totaling \$450,000 to overlay SE North Bend Way between SE 140th St and 468th Ave SE. The total estimated cost of the project is \$564,420. City staff recommends including this work in the 2017 King County Countywide Overlay as we did with our last overlay project on North Bend Way in 2014. By doing this, the City will see lower design and construction costs due to the economies of scale. Additionally, there is less pavement overlay customization compared to the City’s 2016 pavement projects such as NE 14th Street and the Old Si View neighborhood.</p> <p>King County has estimated design costs to be \$15,000 and construction administration costs to be \$45,000 for a total cost not to exceed \$60,000. The City will only pay for those costs actually incurred in performing the work requested under the Discretionary Request, so the actual costs may be lower than estimated.</p>			
<p>COMMITTEE REVIEW AND RECOMMENDATION: The Transportation and Public Works Committee reviewed this item at their January 11, 2017 meeting and recommended approval and placement on Consent Agenda.</p>			
<p>RECOMMENDED ACTION: MOTION to approve AB17-008, authorizing a Discretionary Request with King County for Design and Construction Administration of the 2017 SE North Bend Way Overlay, in an amount not to exceed \$60,000.</p>			
RECORD OF COUNCIL ACTION			
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>	
January 17, 2017			

Discretionary Work Request for King County Road Services

FORM A

City of: north bend **Request Number:** NB-032 **Date:** 11/30/2016

Problem Description: Deteriorating pavement on East North Bend Way between SE 140th Street to approximately 600 feet west of the intersection of East North Bend Way and 468th Ave SE.

Nature of Request: Pavement Overlay of East North Bend Way within limits described above. Funding sources consist of \$100K legislative appropriation, being managed by WSDOT, \$350K TIB grant, and the remainder in local funds.

Location: East North Bend Way from SE 140th St to approximately 600 feet west of the intersection of East North Bend Way and 468th Ave SE.

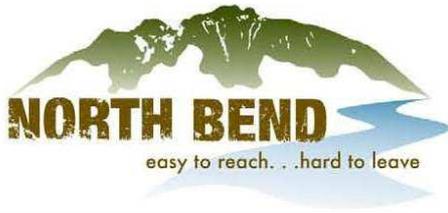
Attachments:

City Priority: High

Special scheduling requirements: Please let us know design estimate ASAP so we can gain City Council approval for the expenditure.

City Project Manager-Telephone Number: Don DeBerg - 425-888-7652

Authorized By: Don DeBerg **Date:** 11/30/2016



City Council Agenda Bill

SUBJECT:		Agenda Date: January 17, 2017	AB17-009
A Resolution Authorizing Submittal of the Wastewater System Facilities Plan to Washington State Department of Ecology for Review and Approval		Department/Committee/Individual	
		Mayor Ken Hearing	
		City Administrator – Londi Lindell	
		City Attorney - Mike Kenyon	
		City Clerk – Susie Oppedal	
		Community & Economic Development – Gina Estep	
		Finance – Dawn Masko	
		Public Works – Mark Rigos, P.E.	
Cost Impact: N/A			
Fund Source: N/A			
Timeline: Immediate			
Attachments: Resolution, Executive Summary			
<p>SUMMARY STATEMENT:</p> <p>On September 1, 2015, the City Council awarded an engineering services contract to Tetra Tech to create a Wastewater System Facilities Plan and to perform a sewer rate study based on that Plan. This approximately 900-page plan contains the most thorough review and analysis of the City’s wastewater facilities that has been performed since 2001. Contained within the report are descriptions of the existing sanitary sewer system, including problem areas that have been identified over the last 15 years, land-use analysis, flow and load projections, condition and capacity analyses of both the collection system and treatment plant, recommended improvements to the collection system and treatment plant, a financial analysis to support the recommended improvements, and recommendations for future collection system expansion. Additionally, having this Plan updated (typically within six years) allows the City to submit sewer grant and loan applications to Ecology. The Plan is now complete, has been reviewed by staff, and is ready for submission to the Washington State Department of Ecology (Ecology) for review and approval.</p> <p>This resolution authorizes staff to submit the Plan to Ecology for review and approval. This action does not formally accept the Plan, but fulfills Ecology’s request that the City Council affirm the information and consultant/staff recommendations contained in the Plan prior to submission for Ecology review. Attached is the Executive Summary of the Plan. The Plan will be presented to the City Council for final acceptance after comments from Ecology have been addressed and Ecology approves the Plan.</p>			
<p>COMMITTEE REVIEW AND RECOMMENDATION: The Transportation and Public Works Committee reviewed this item at their January 11, 2017 meeting and recommended approval and placement on Consent Agenda.</p>			
<p>RECOMMENDED ACTION: MOTION to approve AB17-009, a resolution authorizing submittal of the Wastewater System Facilities Plan to Washington State Department of Ecology for review and approval.</p>			
RECORD OF COUNCIL ACTION			
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>	
January 17, 2017			

RESOLUTION

A RESOLUTION OF THE CITY OF NORTH BEND, WASHINGTON, AUTHORIZING SUBMISSION OF THE WASTEWATER SYSTEM FACILITIES PLAN TO THE WASHINGTON STATE DEPARTMENT OF ECOLOGY FOR REVIEW AND APPROVAL

WHEREAS, the North Bend City Council desires to have and maintain a comprehensive plan for improving and expanding the City's wastewater system; and

WHEREAS, Section 173-240-030 of the Washington Administrative Code (WAC) requires that the City prepare an engineering report (as defined in WAC 173-240-060) prior to constructing or modifying any domestic wastewater facility; and

WHEREAS, on September 1, 2015, the City Council awarded a contract to Tetra Tech to create a Wastewater System Facilities Plan ("the Plan") for the City; and

WHEREAS, in December 2016, the Plan was completed with sufficient detail to meet the requirements of an Engineering Report pursuant to WAC 173-240-060; and

WHEREAS, WAC 173-240-030 requires that the Plan be submitted for review and approval of the Washington State Department of Ecology;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council accepts the information presented in the Plan as accurate, accepts the recommendations in the Plan, and authorizes submission of the Plan to the Washington State Department of Ecology for review and approval.

PASSED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17TH DAY OF JANUARY, 2017.

CITY OF NORTH BEND:

APPROVED AS TO FORM:

Kenneth G. Hearing, Mayor

Michael R. Kenyon, City Attorney

ATTEST/AUTHENTICATED:

Effective:

Posted:

Susie Oppedal, City Clerk

ACRONYMS/ABBREVIATIONS

Acronym or Abbreviation	Definition
3W water	non-potable water
7Q10	low flow over a seven-day period that is statistically likely to occur once every 10 years low flow
BOD	biochemical oxygen demand
CBOD ₅	five-day carbonaceous biochemical oxygen demand
cfu/100 mL	colony-forming units per 100 milliliters
CIP	capital improvement plan
CLDR	Constrained Low Density Residential
CMOM	Capacity, Management, Operation, and Maintenance
CR	Cottage Residential
DC	Downtown Commercial
DMR	discharge monitoring reports
DO	Dissolved oxygen
DTAS	deep-tank activated sludge
EFH	Essential Fish Habitat
EP-1	Employment Park—1
EP-2	Employment Park—2
ERU	Equivalent residential unit
GFC	General Facility Charge
gpad	gallons per acre per day
gpcd	gallons per capita per day
gpd	gallons per day
gpm	gallons per minute
HDR	High Density Residential
HDR	High Density Residential with Density Restrictions
IC	Interchange Commercial
IMU	Interchange Mixed Use
IPS	influent pump station
LDR	Low Density Residential
MBR	membrane bioreactor
MCC	motor control center
MCP	main control panel
mgd	million gallons per day
MH	manhole
mJ/cm ²	millijoules per square centimeter
MLSS	mixed-liquor suspended solids
MLVSS	mixed-liquor volatile suspended solids
MTU	master telemetry unit
NB	Neighborhood Business
NBOD	nitrogenous biological oxygen demand
NPDES	National Pollutant Discharge Elimination System

Acronym or Abbreviation	Definition
O&M	operation and maintenance
OCU	odor control unit
OFM	Washington Office of Financial Management
PE	Population equivalent
PLC	programmable logic controller
POSPF	Park/Open Space/Public Facilities
ppcd	pounds per capita per day
ppd	pounds per day
RAS	return activated sludge
SCADA	supervisory control and data acquisition
SRP	soluble reactive phosphorus
SSO	sanitary sewer overflow
SVI	sludge volume index
SWMM	Storm Water Management Model
TDH	total dynamic head
TKN	total Kjeldahl nitrogen
TMDL	Total maximum daily load
TP	total phosphorus
TSS	total suspended solids
UGA	urban growth area
ULID	Utility Local Improvement District
ULID#6	Utility Local Improvement District No. 6
VSS	volatile suspended solids
WAC	Washington Administrative Code
WAS	waste activated sludge

EXECUTIVE SUMMARY

The *City of North Bend Wastewater System Facilities Plan* is a comprehensive planning document for all elements of the City of North Bend's wastewater system—collection, treatment, biosolids management and effluent disposal or reuse. It addresses all areas currently served by the City's wastewater system as well as those expected to be served by the system over a 20-year planning period (by 2036). The facilities plan identifies improvements needed to collect and treat wastewater in the City's sewer service area and provides a capital improvement plan (CIP) to implement the improvements over the next 20 years.

WASTEWATER SERVICE AREA DESCRIPTION

The planning area for this facilities plan is defined as North Bend's Urban Growth Area (UGA), which encompasses about 6 square miles (see Figure ES-1). The UGA consists of the area within the North Bend city limits, the unincorporated area between the city limits and Interstate 90 (I-90), and the Riverbend area south of I-90. Many places within the planning area can be classified as critical areas. The combination of rivers and flat valley floors makes the region prone to extreme flooding and results in the presence of many wetland areas. The entire planning area is in the upgradient region of the East King County Ground Water Management Area. This area is classified as a critical aquifer recharge area with a rating for susceptibility to contamination from human activity of moderately high (Category I) to high (Category II).

The U.S. Environmental Protection Agency (EPA) and Federal Emergency Management Agency (FEMA) have procedures for floodplain management and wellhead protection that must be followed when development may impact a flood hazard area or critical aquifer recharge area. The facilities plan addresses these critical areas in its assessment of current system conditions and recommendations for expansions and improvements.

The City's wastewater system collects and treats wastewater from all sewered areas of the City of North Bend. The newest addition to the service area is at the east end of the city, where Utility Local Improvement District No. 6 (ULID#6) was formed to finance bringing sewer service to recently annexed areas. The ULID#6 project included installation of sewer pipelines, construction of a new pump station and connection to the existing treatment plant. The project was completed in 2011. There are currently 1,266 residential and commercial sewer accounts. These consist primarily of single-family residences (1,018 accounts), commercial customers (153 accounts), and multi-family residential housing (74 accounts serving an estimated 529 residential units). Other accounts include mixed-use and senior customers. There are no known significant industrial users currently connected to the City's wastewater collection system.

Although North Bend has adopted regulations intended to encourage installation of sewers throughout the City to protect the critical aquifer recharge areas and the City's potable water supply, progress has been slow because of the high cost of new sewers. Large areas of the City still use on-site septic systems. Such systems provide sewage treatment and disposal for a third of the residential development within the city limits and all residential development outside the city but within the UGA. Some commercial development within the UGA also uses on-site septic systems. It is expected that on-site septic systems will continue to provide a major source of wastewater treatment and disposal in the North Bend planning area in the near future.

Sewered Area

The following assumptions about sewered area were made for this facilities plan:

- The developed area currently contributing flow to the City sewer system covers 796 acres.
- Sewered area at the end of the planning period is assumed to be 1,255 acres, consisting of the current sewered area plus all 459 acres of available residential area.
- The ultimate future sewered area is assumed to be 2,486 acres, calculated as the entire UGA area minus unzoned areas and areas zoned for parks, open space and public facilities.

Population

The City of North Bend’s 2015 population is 6,296 and an additional 2,676 residents live in unincorporated areas of the UGA, for a total planning area population of 8,972. Average population per household is 2.57 residents. City utility records show 1,614 current residential sewer accounts, representing a sewered population of 4,147—66 percent of the city population.

Projections of future sewered population in the planning area account for total population associated with overall area growth as well as future connection to the sewer system by existing homes that are now served by on-site septic systems. Table ES-1 and Figure ES-2 show the resulting projections of sewered population. Table ES-1 also shows the projected population at a future time when all residences and businesses in the planning area will be connected to the sewer system.

	2015	2020	2025	2030	2035	2036	Future
Population Within the City Limits							
On Sewer	4,147	5,784	7,454	9,100	10,668	10,968	16,500
On Septic System	2,149	1,740	1,330	921	512	430	0
Total	6,296	7,524	8,785	10,021	11,180	11,398	16,500
Population in the Unincorporated UGA							
On Sewer	0	0	138	310	480	514	5,500
On Septic System	2,676	2,813	2,813	2,777	2,742	2,734	0
Total	2,676	2,813	2,951	3,087	3,221	3,248	5,500
Total Planning Area (UGA) Population							
On Sewer	4,147	5,784	7,593	9,410	11,148	11,482	22,000
On Septic System	4,825	4,553	4,143	3,698	3,254	3,164	0
Total	8,972	10,337	11,735	13,108	14,401	14,646	22,000

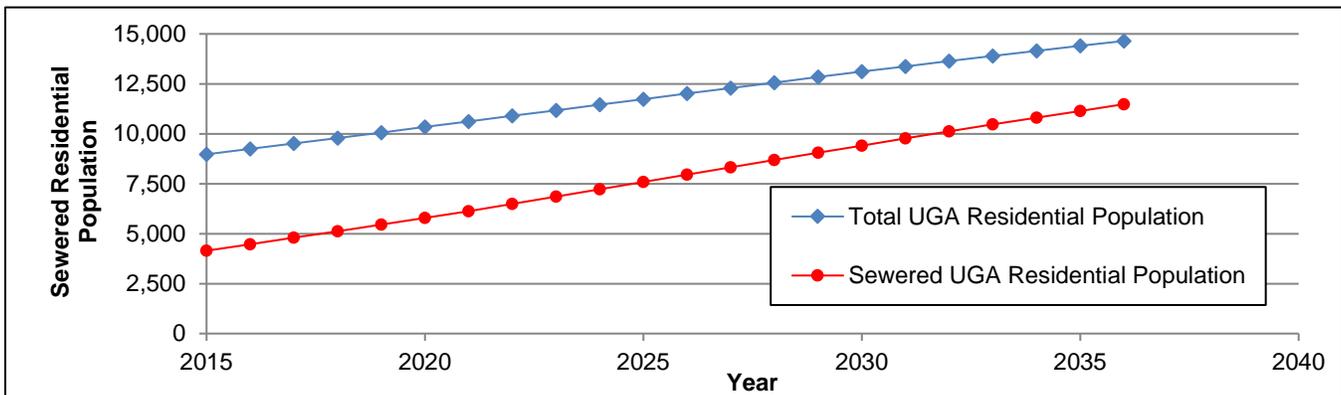


Figure ES-2. Projected Annual Population Growth Rate Through 2065

WASTEWATER FLOWS

Wastewater system improvements must be sized to have adequate capacity for the wastewater flows the system is projected to convey and treat over the course of the planning period. System flows consist of base sewage flow from connected customers (residential and commercial) as well as infiltration and inflow into the system from groundwater and stormwater.

Existing Base Flow

Base wastewater flows includes contributions from residential sources as well as commercial sources. To simplify wastewater planning and ensure consistency, non-residential sources are often estimated as a comparable residential source, using one of the following equivalencies:

- Equivalent residential unit (ERU)—An ERU represents the amount of wastewater contributed by an average residential household in the planning area. A business with wastewater flow equal to twice the wastewater flow from an average residential home would be treated as 2 ERUs.
- Population equivalent (PE)—A PE represents the average amount of wastewater contributed by each resident in the planning area. A business with wastewater flow equal to five times the wastewater flow from an average individual person would be treated as 5 PEs.

Based on City utility account records, North Bend’s base wastewater flow is 123 gallons per day per ERU. Sewer flow from non-residential sources is converted to ERUs using this value, and the equivalent sewered population is calculated by dividing the number of ERUs by the average household population of 2.57. The estimated current numbers of ERUs and sewered population are as shown on Table ES-2.

Table ES-2. Estimated Current Base Flow in Equivalent Residential Units and Population Equivalents

	Equivalent Residential Units	Sewered Population Equivalents
Residential Subtotal	1,614	4,147
Commercial Subtotal	678	1,743
Total	2,292	5,890

Existing I/I

Infiltration and inflow (I/I) are sources of water other than sanitary sewage entering the sewer system:

- Infiltration is groundwater that enters the system underground, through cracks or joints.
- Inflow is water entering the sewer collection system from street and area drains, catch basins, manhole covers, roof downspouts, and building foundation drains.

I/I is a year-round problem for North Bend. Summer groundwater infiltration is 45 percent of average dry-weather flow to the treatment plant, and winter I/I is 70 percent of maximum-month flow to the plant. North Bend wastewater flows have exceeded EPA standards that define excessive infiltration and excessive inflow.

Projected Future Flow

Future wastewater flows are estimated using the projections of future population and development in combination with two types of design criteria:

- Unit design criteria define the typical amount of flow from a single “unit” such as a person, household, business, or acre of land.
- Peaking factors define standard ratios between average flows and likely peak values.

The facilities plan establishes unit design criteria and peaking factors based on analysis of historical wastewater flows in North Bend as well as regionally and nationally accepted industry standards for these criteria. Resulting projections of total flow to the treatment plant are presented in Table ES-3. The City must implement a successful I/I control program to achieve these projected future flows. Without a successful I/I program, future flows will be larger and more capacity improvements will be required in the collection system and treatment plant.

Table ES-3. Estimated Future Flows to Treatment Plant

Year	Total Sewered Population Equivalent	Dry-Weather Flow (million gallons/day)	Maximum-Month Flow (million gallons/day)	Peak-Day Flow (million gallons/day)	Peak-Hour Flow (million gallons/day)
2015	5,890	0.53	1.19	3.30	4.00
2020	7,792	0.64	1.36	3.64	4.45
2025	9,872	0.76	1.54	4.00	4.94
2030	11,957	0.88	1.73	4.38	5.44
2035	13,945	1.00	1.91	4.74	5.92
2036	14,327	1.02	1.95	4.82	6.02
Future	26,274	1.84	3.15	8.31	10.43

WASTEWATER POLLUTANT LOADS AND WATER QUALITY

Wastewater treatment facilities must have adequate capacity to treat expected pollutant loads to the treatment plant. The North Bend wastewater treatment plant discharges treated effluent to the South Fork Snoqualmie River, and the plant’s permit for that discharge (its National Pollutant Discharge Elimination System, or NPDES, permit) establishes limits on the pollutants the plant can put into the river. Understanding the influent wastewater characteristics and pollutant loadings, along with the receiving water quality objectives and effluent limitations, is fundamental for selection of the most appropriate treatment system for the City.

Like wastewater flows, wastewater pollutant loads are projected using projections of future population and development in combination with unit design criteria and peaking factors. The key pollutant loads of interest for planning are biochemical oxygen demand (BOD), total suspended solids (TSS), nutrients (phosphorus and nitrogen), and temperature.

BOD, TSS, Nitrogen and Phosphorus

Table ES-4 summarizes projected future BOD and TSS loads and concentrations in the treatment plant influent, based on growth projections and selected unit load design criteria. The projections show that growth in the planning area will cause BOD and TSS loads to more than double by the end of the 20-year planning period. The loads of nitrogen and phosphorus will increase in proportion to BOD and TSS loads.

Table ES-4. Projected Future Treatment Plant Influent BOD and TSS Loads

Year	Sewered Population Equivalents	Projected BOD and TSS Load (pounds/day)			Projected BOD and TSS Concentration (mg/liter)	
		Annual Average	Maximum Month	Peak Day	Dry-Weather Flow	Maximum-Month Flow
2015	5,890	1,178	1,414	1,885	267	119
2020	7,792	1,558	1,870	2,494	291	137
2025	9,872	1,974	2,369	3,159	311	153
2030	11,957	2,391	2,870	3,826	324	166
2035	13,945	2,789	3,347	4,463	334	175
2036	14,327	2,865	3,438	4,585	335	176
Future	26,274	5,255	6,306	8,408	343	200

The NPDES permit sets a maximum limit for the total load of these pollutants allowed into the river, as well as a minimum limit for how much the plant's treatment processes should reduce the influent concentration of these pollutants. At the projected influent concentrations of BOD, TSS and nitrogen, a well-run conventional secondary treatment plant should be able to comply with the existing and future permit requirements. Chemical addition will be required in the near future to remove soluble reactive phosphorus to meet a limit of 2 to 3 pounds per day for the maximum day and 1 to 1.5 pounds per day as a monthly average during from August through October; these limits are in accordance total maximum daily load allocations for the Snoqualmie River established in 1994.

Temperature

The 2011 *Snoqualmie River Temperature Total Maximum Daily Load* report established effluent temperature load allocations for the North Bend wastewater treatment plant discharge to the South Fork Snoqualmie River. The report concluded that the North Bend treatment plant would not require mitigation until effluent flow approaches 0.81 million gallons per day, provided that the temperature of the effluent remains at 22°C. The report noted that if effluent temperature were to increase to 23°C, then mitigation would be needed when effluent flow during the critical period reaches about 0.70 million gallons per day .

This facilities plan determined “excessive thermal load” as the amount of thermal loading, in British thermal units (BTU), that would cause a rise in river temperature of 0.3°C or more (0.3°C is the plant’s “thermal load allocation”). The projections indicate that 2019 is the first year that the peak instantaneous thermal load will reach the thermal load allocation at some point during the day. By 2035, the projected thermal load exceeds the thermal load allocation from about 10 a.m. until 10 p.m. The facilities plan provides estimates of quantities of effluent that can be stored during the hottest part of the day to avoid excessive temperature loading to the river.

PERMITS, REQUIREMENTS AND REGULATIONS

Federal, state, and local regulations drive much of the decision-making for wastewater facilities planning. The following were key to development of this plan.

Federal Regulations and Guidelines

- National Pollutant Discharge Elimination System (NPDES) permits regulate point discharges into water.
- The Clean Water Act requires publicly owned wastewater treatment facilities to provide at least secondary treatment and sets standards for effluent quality.
- Federal standards apply to sewage sludge from wastewater treatment plants.
- The EPA outlines requirements for wastewater treatment plant equipment reliability.
- The EPA's Capacity, Management, Operation, and Maintenance program outlines recommended guidelines for wastewater system practices to reduce sewage overflows.

State Policies and Regulations

- Washington's Water Quality Standards for Surface Waters define water quality criteria for each segment of the Snoqualmie River.
- Total maximum daily load studies for the Snoqualmie River have established limits on discharges to the river and its forks, based on temperature, ammonia, fecal coliform, biochemical oxygen demand and phosphorus (the phosphorus limits have not yet been established). Specific numerical limits are assigned for discharges by the City of North Bend.
- The Washington Department of Ecology oversees the NPDES permitting of the City of North Bend wastewater treatment plant. The current permit was issued in May 2013 and will be renewed in 2018.
- The state has its own standards for water reclamation, use and disposal of sludge, treatment plant equipment reliability, and septic systems.

Local Policies

- The City of North Bend municipal code requires that sewers be installed for all new or revised development in the city, except in special situations, and that homes with failing septic systems connect to sewers if available within 200 feet. The municipal code also sets regulations relating to critical areas, stormwater management, shoreline protection, and building structural and fire safety that will apply to work proposed in this facilities plan.
- The City's Comprehensive Plan recommends that the City adopt policies preventing land uses that could adversely affect groundwater in any way that would jeopardize the existing and future quality of the drinking water supply.
- North Bend voluntarily participates in FEMA's Community Rating System, a program that provides reduced federal flood insurance premiums in communities that adopt optional floodplain management measures. The City's wastewater treatment plant is located in a mapped floodplain.

Water Quality Criteria

Water quality criteria establish maximum concentrations of toxic pollutants that are allowed to be present in a river at the edge of an outfall mixing zone (the region of the river around the outfall where initial dilution of the effluent with river water occurs). Ecology spreadsheets were used to evaluate future North Bend treatment plant effluent dilution in the receiving water, the South Fork Snoqualmie River. The results indicate that there is no reasonable potential for violation of water quality standards for the 2036 effluent flows. Therefore, it is not expected that effluent limits will be established for these toxic constituents.

WASTEWATER COLLECTION SYSTEM

Existing Facilities

The existing North Bend sanitary sewer collection system has seen progressive expansion since the first sewer facilities were constructed in early 1950s. By 2001, when a previous City sewer plan was prepared, the collection system almost doubled in size. This expansion took place east and south of the city's core area. The most extensive additions were in the commercial area west of the South Fork Snoqualmie River adjacent to the South Fork/I-90 Interchange. These improvements include the South Fork Lift Station and its force main over the Snoqualmie River, also serving the North Bend Premium Outlets mall and the Nintendo distribution center. The City formed ULID#6 in 2007 to expand the collection system in the Tanner and Truck Town areas. As part of the ULID#6 expansion, a new influent pump station was constructed adjacent to the City wastewater treatment plant. Today, the City is served by 27 miles of sewer, 1.1 miles of force mains, and four lift stations (see Figure ES-3):

- **South Fork Lift Station**—The South Fork Lift Station was constructed in 1986 at the southeast corner of the intersection of Bendigo Boulevard South and South Fork Way SW. Its force main follows Bendigo Boulevard, crosses the South Fork of the Snoqualmie River attached to the road bridge, and discharges to a sewer just north of the bridge.
- **Snoqualm Lift Station**—The Snoqualm Lift Station is in the roadway at the intersection of Snoqualm Place and NE 8th Street. It serves 14 houses on Snoqualm Place. It is equipped with two grinder pumps.
- **Nintendo Lift Station**—The Nintendo Lift Station is a private station owned and operated by Nintendo. It was intended to be a temporary lift station that would be abandoned when gravity sewers are installed in the future to serve the Meadowbrook area. This lift station is on the Nintendo distribution center property and provides service to that facility. It pumps flow through a force main discharging to a gravity sewer adjacent to the North Bend Premium Outlets.
- **E.J. Roberts Park Lift Station**—The E.J. Roberts Park Lift Station serves the restroom facilities at the park. The lift station has a single grinder pump. Its force main conveys discharge to a manhole at the intersection of Thrasher Avenue NE and NE 4th Street.

On-site septic systems currently provide sewage treatment and disposal for about a third of the residential development within the city limits and all residential development in the UGA outside the city limits. The City has not inventoried or mapped the location of septic systems in North Bend, but any development with no mapped sewer nearby can be assumed to be serviced by on-site septic systems. The largest developed area in the city that is currently unsewered is the Silver Creek neighborhood. Because of the environmental contamination that can result when septic systems fail, the City of North Bend has adopted measures requiring sewer service for almost all new development and conversion to sewer service for properties where septic systems have failed.

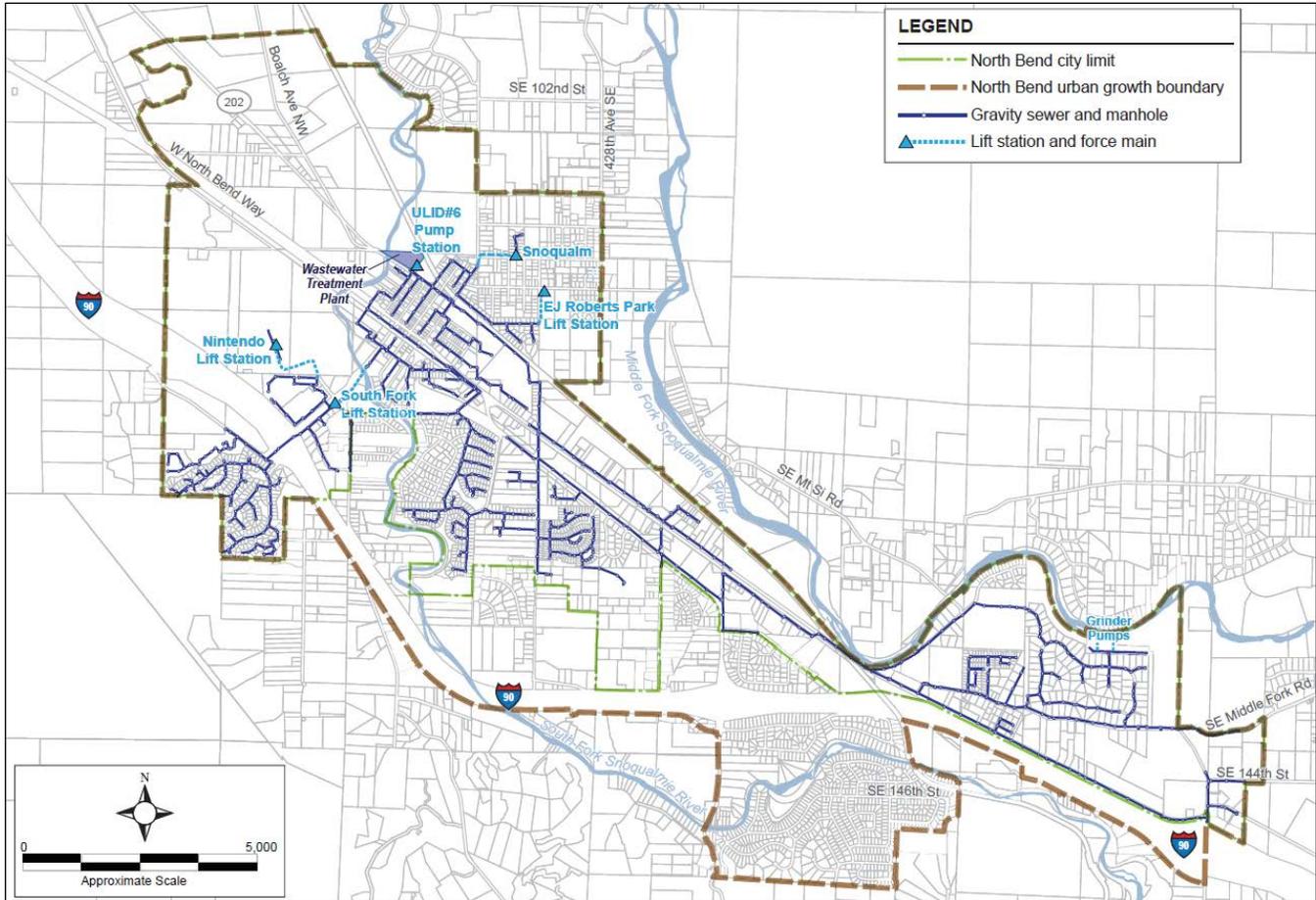


Figure ES-3. Existing City Collection System

System Condition Evaluation

The following deficiencies have been identified at the wastewater collection system lift stations:

- South Fork Lift Station**—Testing has indicated that the pumps at this lift station are not providing the full capacity the station was designed for. Access to the station’s drywell is via a small-diameter manway with a 20-foot vertical ladder and no landing. This needs to be upgraded with a new concrete stairwell with landings. The wet well and dry well ventilation system is inadequate, and there are strong foul odors at the station. The standby power and pump controls need to be coordinated for reliable operation when power fails. The station needs to be outfitted for bypass pumping. The existing force main is nearly 40 years old and it conveys sewage from the pump station over the South Fork River on an existing bridge to the gravity collection system serving the core area. A condition assessment of the pipeline is recommended prior to upgrading the station.
- Snoqualm Lift Station**—The Snoqualm Lift Station is in fair condition and generally functions well. It is in a poor location in the roadway intersection. The control panel is in a planter strip below waist level, requiring operators to kneel to access the controls. Improvements are needed to provide status information to the SCADA (supervisory control and data acquisition) system. The station should also be equipped with station bypass piping and fittings.
- Nintendo Lift Station**—The Nintendo Lift Station is operated and maintained by Nintendo. Any failures or issues at the station are currently handled by Nintendo staff. No deficiencies have been reported for this station by City staff.

- **E.J. Roberts Lift Station**—The E.J. Roberts Lift Station is in fair condition and has generally functioned well since installation. Following a mechanical failure in spring 2016, the grinder pump unit was replaced and the station has continued to function well since then.

No sanitary sewer overflows were reported in the collection system in 2014 or 2015. One overflow, of less than 50 gallons, occurred on January 20, 2016. This event did not occur during a storm and was addressed by local maintenance of the sewer. Areas of the collection system considered most vulnerable to overflow were inspected during and after severe storm and flow events in the winter of 2015–2016, and no evidence was found of severe surcharge or overflow.

Infiltration and Inflow

Treatment plant flow data indicate that significant levels of infiltration and inflow enter the sewer system year-round. I/I is most severe during winter wet weather when rain is falling heavily, groundwater is at or near the ground surface level, and shallow side sewers are submerged in groundwater. Plant flows and I/I reached new highs in November and December 2015. Infiltration is also significant during dry weather, with about half of the average plant flows in the summer attributed to groundwater leaking into deep mainline sewers. The City has not thoroughly studied the sources or conducted flow measurements or spot inspections for I/I since the I/I improvements in 1998 and 2003. In 2015, the City identified areas where stormwater ponded over sanitary sewer manholes. Some of these manholes may represent significant sources of inflow. The South Fork Lift Station basin probably has the highest level of I/I. The core area where original sewers or side sewers have not been rehabilitated probably has the next highest level of I/I.

Capacity Analysis

A computer modeling analysis of the wastewater collection system was performed for the facilities plan. For existing-condition peak wet-weather flows, the model found that no City sewers are under capacity as long as there is no backwater condition at the treatment plant's influent pump station (the ULID#6 Pump Station). If water is high in the wet well of the ULID#6 Pump Station, creating a backwater effect, then surcharging may occur in some sewers, though no overflows are predicted by the modeling.

With projected 2036 peak wet-weather flows and full connection of the service area, the existing system has a relatively low risk of experiencing capacity limitations. The magnitude of flow in the collection system is highly dependent on the location and type of future development, so future flows may deviate from the model predictions. It is recommended that periodic review and monitoring of collection system flows be undertaken to confirm that peak flow can be accommodated without risk of overflows.

Recommended Improvements

Based on the assessment of existing conditions and future requirements for the collection system, improvements were identified to ensure that the collection system meets the City's needs through the end of the 20-year planning period. Four types of improvements were identified:

- **I/I flow reduction**—Based on this cost-effectiveness assessment, it is recommended that the City incorporate I/I rehabilitation into its annual operation and maintenance program. The annual program should focus initially on the most promising opportunities for controlling I/I. Later tasks would include flow monitoring to confirm how I/I is spread across the City and assess the effectiveness of I/I reduction measures.
- **Lift station upgrades**—At the South Fork Lift Station, pumps should be repaired or replaced, dry well access should be improved, ventilation should be improved, odor control should be provided, the control system should be upgraded, and provisions should be made to allow for bypass pumping. Any pump

station capacity upgrade should be coupled with an upgrade of the force main, surge protection, or both. The condition of the existing force main from the South Fork Lift station should be evaluated, particularly the steel pipe section on each side of and on the Bendigo Boulevard bridge. The Snoqualm Lift Station should be improved with radio telemetry, backup power, provisions for bypass pumping, and a relocated control panel.

- **Extensions to unsewered areas**—Within the city limits, any existing unsewered development that experiences failures of onsite septic systems will need to transition to sewer service to protect public health and the environment. In wellhead protection areas, given the particular risks to drinking water supplies, conversion of onsite systems to sewers may be warranted regardless of whether onsite system failures have occurred. The City is currently evaluating the need for special requirements for wellhead protection areas. In unincorporated areas of the UGA, sewer service will be extended as a result of annexation requests to serve development.
- **Improved operation and maintenance (O&M)**—The collection system O&M program should be updated to include regular programs of inspections, cleaning, flow monitoring, and the I/I reduction measures described above.

WASTEWATER TREATMENT PLANT EVALUATION

The City of North Bend wastewater treatment plant is located on the bank of the South Fork of the Snoqualmie River by State Route 202 (Bendigo Boulevard North). The plant uses an oxidation ditch for treatment and discharges treated and disinfected effluent to the South Fork of the Snoqualmie River. Figure ES-4 shows the current plant site.

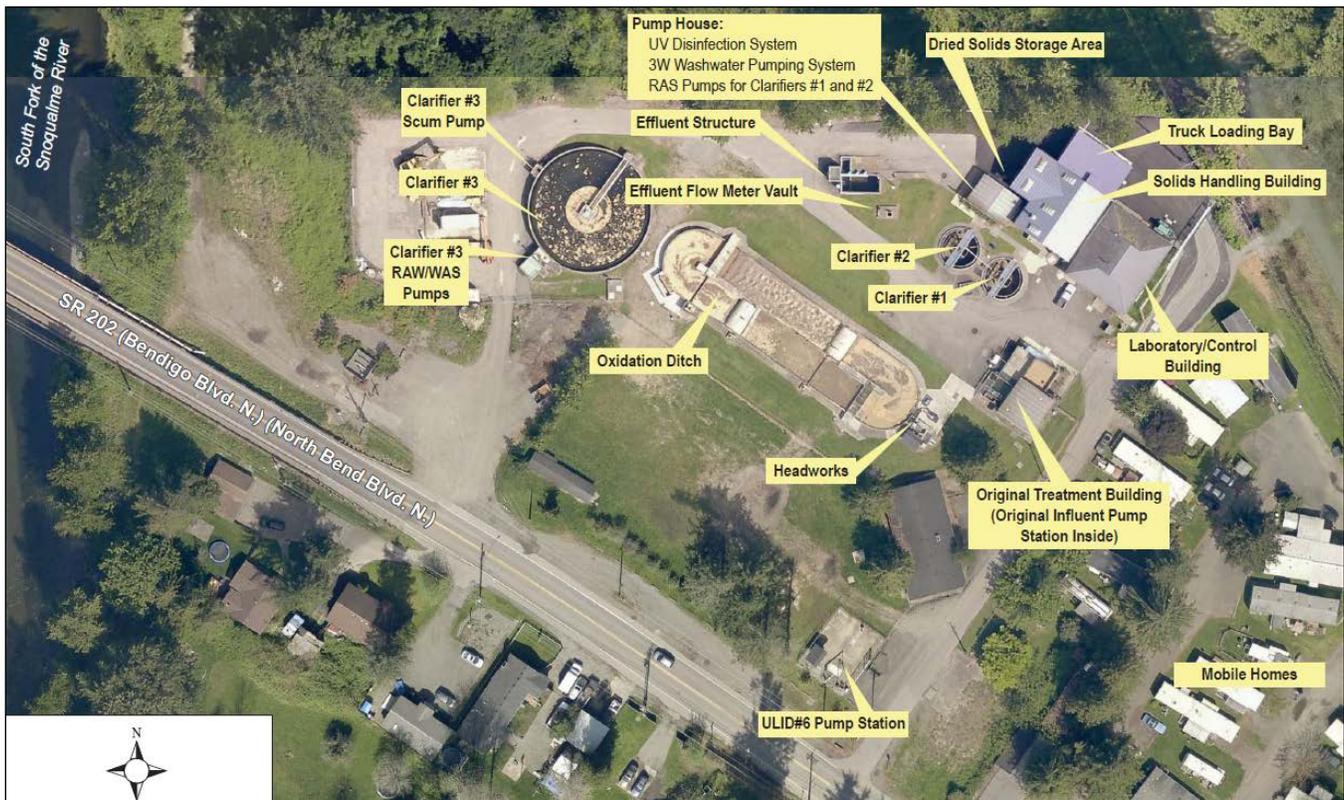


Figure ES-4. North Bend Wastewater Treatment Plant Site

Current processes for the liquid stream at the wastewater treatment plant are as follows:

- Wastewater enters the ULID#6 Pump Station, which serves as the plant's current influent pump station, through a pipe from a manhole (MH-A) on Bendigo Boulevard North.
- The plant's original influent pump station (IPS) receives sewage from mobile homes next to the plant, storm drainage from the southeast section of the plant, recycle flow from pumps in the Solids Handling Building, and excess collection system flows that exceed the capacity of the ULID#6 Pump Station.
- The original IPS force main is connected to the ULID#6 Pump Station force main just upstream of the current headworks facility. The combined raw wastewater flows are discharged to the north channel of the headworks, which features a mechanical fine screen to remove screenings entering the plant and a washer/compactor to remove water so that the screenings can be disposed of as solid waste.
- The headworks south channel receives return activated sludge (RAS) from the main secondary clarifier (Clarifier #3). This channel features a manual bar screen for screening of the RAS flows.
- Screened wastewater and RAS continue to the oxidation ditch, which is aerated by four brush rotors.
- Mixed liquor from the oxidation ditch normally is conveyed over two adjustable outlet weirs on the oxidation ditch to the 80-foot-diameter Clarifier #3. During peak flow events or in the event of a failure of Clarifier #3, mixed liquor can also be diverted to two older, smaller clarifiers (Clarifiers #1 and #2).
- Secondary effluent from the clarifiers is combined and conveyed to UV reactors for disinfection.
- Most of the disinfected effluent leaves the plant through a 21-inch reinforced concrete outfall pipe from the effluent structure, except for a small quantity that is recycled as non-potable plant reuse water.

Current processes for the solids stream at the wastewater treatment plant are as follows:

- A pump station next to Clarifier #3 pumps RAS from the clarifier to the headworks influent channel, where a slide gate prevents the RAS from mixing with raw influent. The headworks discharges the screened RAS back to the oxidation ditch.
- A pump station next to Clarifier #3 pumps waste activated sludge (WAS) to an aerated sludge holding tank.
- A centrifuge in the Solids Handling Building dewateres the WAS from the aerated sludge holding tank. The sludge cake produced is conveyed to a disposal container or truck for transport to a disposal site or to an off-site location for further treatment and/or reuse.
- As of this year, the City has been conveying dewatered sludge to containers to be transported off-site for disposal at a landfill; the City previously heat-dried the sludge to produce Class A biosolids, but has discontinued this process because of reliability, odor, safety and operating cost concerns and problems with excess heat in the treatment plant's effluent.

Overall Treatment Plant Capacity

Table ES-5 compares the hydraulic and treatment process capacities of the plant to current flows and loads. The existing overall treatment plant flows and loads are all well below the plant's design capacity, and flow projections developed for this facilities plan do not show total flows exceeding design capacities for nearly 10 years. However, due to various condition deficiencies, not all processes at the plant are currently achieving their design capacity. These deficiencies and potential solutions are addressed in the individual process evaluations provided in the facilities plan.

Table ES-5. Wastewater Treatment Plant Hydraulic and Treatment Process Capacity

Flow	Treatment Plant Capacity	Existing Flow or Load
Dry-Weather Flow (million gallons per day)	1.26	0.53
Annual Average Flow (million gallons per day)	1.67	0.77
Maximum-Month Flow (million gallons per day)	2.58	1.19
Peak-Day Flow (million gallons per day)	4.48	3.11
Peak-Hour Flow (million gallons per day)	5.10	3.8
Maximum Month BOD Load (pounds per day)	2,805	1,414
Maximum Month TSS Load (pounds per day)	2,304	1,414

Wastewater Treatment Plant Permit Compliance

The NPDES permit specifies limits for treatment plant influent flow, BOD load and TSS load. Based on the projections developed for the facilities plan, the limits are not expected to be exceeded before the following timeframes:

- Maximum-month flow is projected to reach the permit limit after 2036.
- Maximum-month BOD load is projected to reach the permit limit in 2029 or 2030.
- Maximum-month TSS load is projected to reach the current permit limit in 2024 or 2025. However, the 2018 permit renewal is expected to include higher limits, which the plant is projected to reach in 2029 or 2030.

The North Bend wastewater treatment plant’s discharge monitoring reports from 2011 through 2015 were reviewed to assess the plant’s recent record of compliance with the NPDES permit requirements for effluent:

- **BOD and TSS**—BOD and TSS effluent concentrations and loads were below the limit every month in the period analyzed. The permit’s 85-percent monthly BOD and TSS removal requirements were achieved in all but three months.
- **Fecal Coliform Bacteria**—The plant has met effluent fecal coliform permit limits consistently since 2011.
- **pH**—There was one instance during the review period in which pH measurement was outside the permits limits.
- **Total Oxygen Demand**—Effluent nitrogenous + carbonaceous biochemical oxygen demand is listed in the NPDES permit as the indication of oxygen demand in the effluent discharge. The plant has met the permit limits consistently since 2011.
- **Phosphorus**—Soluble reactive phosphorus limits have been proposed but not yet established. The phosphorus effluent loads have been well above the proposed limits every month except one in the period analyzed.

Individual Treatment Plant Processes

Based on an assessment of each process at the treatment plant, the following key deficiencies have been identified:

- **ULID#6 Pump Station**—This station’s small pump failed shortly after startup in 2009 for unclear reasons, and it failed again almost immediately after being repaired. The electrical control panels, which are installed above ground, are in a location susceptible to flood damage.
- **Headworks**—Headworks performance during high flows has indicated that the mechanical screen does not provide its design capacity. The headworks slide gate interferes with maintenance access to the influent mechanical fine screen.

- **Oxidation Ditch**—New instrumentation and programming is needed for the aeration system. Two rotors are under bridge walkway structures that do not contain splashing from the rotors; they also are old and deteriorating, with peeling paint. Splashing of the uncovered rotors presents a health risk as well as aesthetic issues. Rotors #201 and #202 still have the original baffles, which have a much lower efficiency of oxygen transfer than the new baffles installed in 2006 on Rotors #203 and #204.
- **Clarifier #3**—The clarifier drive failed in 2015 and emergency repairs were made to keep it in service. Permanent improvement is still needed. Liquid clarifier effluent is not screened, and grease balls and large debris that leave the clarifier are believed to have broken lamps in the UV system. An additional large clarifier is needed to enable the City to take Clarifier #3 out of service for maintenance, to meet Ecology’s reliability requirements, and to maintain good clarifier performance during peak flow events
- **Clarifiers #1 and #2**—Because they have been used only sporadically as backup units since Clarifier #3 was installed, the clarifiers are in poor condition and need significant maintenance.
- **UV Disinfection**—UV disinfection system has not always performed well, and a third reactor is needed to provide reliable disinfection.
- **Effluent Structure**—The outfall has higher head loss than expected, and effluent pumps are needed now, unless the head loss at the outfall can be reduced. The structure also has experienced overflows during extreme wet-weather events.
- **Outfall**—The outfall pipe in the past has accumulated grease and sediment. The diffusion structure has become partially filled with sediment and debris, and plant effluent has overflowed out the top of the structure.
- **Sludge Holding and Digestion**—The sludge holding tank is old, small and difficult to operate. The tank has overflowed on occasion, because the submerged section of the overflow pipe in the old influent pump station wet well becomes plugged with grease and solids. Attempts to remove the grease from the pipeline have failed, and the control system does not trigger an alarm or shut off the flow of waste sludge into the tank when the tank is full. The tank can store waste sludge for only a few days, which is too little time for flexibility in scheduling sludge wasting and too little time for sludge digestion.
- **Dewatering**—The centrifuge is too small and requires too much operator attention. It needs to be completely rebuilt or replaced for reliable operation.
- **Dewatered Sludge Loading Station**—Excessive foul odors are released as sludge is dropped into the transfer containers at the sludge loading station.
- **Dryer**—In the spring of 2015, the plant discontinued the use of its thermal sludge dryer due to maintenance and reliability issues and adverse thermal impacts on the treatment plant effluent. The City is not likely to operate the sludge dryer in the future.
- **Buildings:**
 - The Original Treatment Building, which houses the original IPS, is the oldest building on the treatment plant site. It has been modified many times and is at the end of its useful life
 - The laboratory/control building is sufficient for the current plant and staff, but expanded facilities will be needed if plant capacity and staffing are increased.
 - The Pump House, which houses the UV disinfection system and the RAS/WAS pumps for Clarifiers #1 and #2, has significant structural deficiencies. The concrete south wall is severely cracked and leaning.
- **Flow Measurement and Sampling**—The existing wastewater samplers need modifications to reliably obtain representative samples of treatment plant influent and effluent. The 8-inch effluent flow meter is too small and has excessive head loss for high flows.
- **Original Influent Pump Station**—The original IPS is old and in poor condition. Current pump capacity is less than 50 percent of the rated capacity. Improved ventilation is needed at the wet well and pump room.

- **Recycle Flows**—The Solids Handling Building Pump Station pumps recycle flows (centrifuge centrate and RAS from the small clarifiers) to the original IPS, which in turn pumps the recycle flows to the headworks. These recycle flows contribute to overloading at the headworks. A better approach would be to keep these flows out of the original IPS and headworks by routing them directly to the oxidation ditch.
- **Standby Power**— The standby power system is marginal. The existing 250-kW generator was installed in 1979 and is at the end of its expected service life. It should be replaced soon for reliable service. Additional standby power is needed for reliable plant operation.
- **SCADA**—The SCADA system has extensive deficiencies.

Treatment Plant Site

The treatment plant site has limited buffering from the neighboring community. It is highly visible from adjacent roads and is not aesthetically pleasing. There is little or no landscaping to screen the site from view. Old equipment and utility supplies are stored on the grounds next to several storage sheds. The plant buildings are basic low-cost structures added to the site as needed. An old youth activity center building on the site is vacant and unused since it was damaged during a flood.

Treatment plant facilities must be built above expected 100-year flood levels. Wastewater treatment plant record drawings indicate that some, but not all, structures at the plant are sufficiently above predicted flood levels.

TREATMENT PLANT IMPROVEMENTS

Based on the assessment of existing conditions and future requirements for the facilities at the wastewater treatment plant, alternatives were identified and evaluated for improving the plant to ensure that it meets the City's needs through the end of the 20-year planning period. Three evaluations were performed:

- An assessment of treatment plant outfall location options to facilitate water quality and permit compliance
- A review of options for reusing or disposing of biosolids generated at the treatment plant to meet state biosolids management standards and achieve conformance under Washington's general permit for biosolids
- An evaluation of plant-wide combinations of improvements based on alternative choices of plant location and secondary treatment technology.

Outfall Relocation

Consideration was given to selecting a new outfall location on the Middle Fork or main stem Snoqualmie River for effluent discharge from the existing treatment plant site. A new outfall at either of the identified new locations would have the same effluent limits as the existing South Fork outfall, except for temperature and phosphorus. The assessment of these alternative locations found that they would not significantly reduce treatment costs, because the effluent limits would generally be the same as for the existing outfall. Based on this initial screening, no alternative outfall locations are recommended.

Biosolids Program Options

The City needs to upgrade its biosolids program as soon as possible. Ecology approved the City's current program, which disposes of dewatered unstabilized sludge in a landfill, only as an interim measure when the City's sludge dryer failed in 2014. Moreover, the existing biosolids facilities release significant foul odors and cause odor complaints in large areas of the City. Based on a screening of three approaches, the facilities plan recommends that the City implement Class B aerobic digestion and land application of biosolids as the most efficient and economical way to reduce foul odors at the plant site and comply with Ecology requirements.

Plant-Wide Improvement Alternatives

Five plant-wide improvement alternatives were developed for evaluation. Each would meet the City’s treatment needs through 2036, with flexibility to expand the plant for future needs after 2036. Each alternative is distinguished by the treatment plant location and type of secondary treatment technology.

- Alternative 1—Expand Oxidation Ditch on Existing Site
- Alternative 2—New Activated Sludge Plant on Existing Site
- Alternative 3—New Advanced-Technology Biological Treatment Plant on Existing Site
- Alternative 4—New Oxidation Ditch Plant at New Site
- Alternative 5-Regional Plant at Snoqualmie

Each alternative includes phasing, with projects to address existing needs in Phase 1 and projects to meet future demand through the planning period in Phase 2. Planning level capital cost estimates for the treatment plant alternatives are presented in Table ES-6. Alternatives 3, 4 and 5 have significantly higher total capital costs than Alternatives 1 and 2. Alternative 3 is expensive because it uses a more expensive treatment process. Alternatives 4 and 5 are expensive because they have significant conveyance costs to transport North Bend wastewater to a new site.

Table ES-6. Planning-Level Capital Cost Estimates for Treatment Plant Alternatives

	Alt. 1: Oxidation Ditch, Existing Site	Alt. 2: New Plant, Existing Site	Alt. 3: Advanced Treatment, Existing Site	Alt. 4: Oxidation Ditch, New Site	Alt. 5: Oxidation Ditch, Snoqualmie
Subtotal Treatment Facility Phase 1	\$14,154,000	\$16,457,000	\$84,729,000	\$28,794,000	\$28,236,000
Subtotal Treatment Facility Phase 2	\$5,480,000	\$6,450,000	\$1,260,000	\$950,000	—
Subtotal Conveyance to New Site	—	—	—	\$20,600,000	\$21,800,000
TOTAL CAPITAL COST	\$19,634,000	\$22,907,000	\$85,989,000	\$50,344,000	\$50,036,000

Alternatives 1 and 2 would have lower implementation costs, because only about 73 percent of the improvements would be implemented in Phase 1, with the remaining 27 percent deferred about 10 years to Phase 2. Alternatives 3, 4 and 5 would require almost 100 percent of the improvements to be constructed immediately in Phase 1. Based on this cost comparison, Alternatives 3, 4 and 5 were dismissed from further consideration and Alternatives 1 and 2 were carried forward for a life cycle cost comparison.

A simplified analysis of O&M costs was developed that compares only the O&M for components that differ between Alternatives 1 and 2, that is for grit, aeration basin and cooling systems. The average annual O&M costs based on this analysis are presented in Table ES-7. These estimates indicate that Alternative 2 would have about 50 percent higher O&M costs for these systems.

Table ES-7. Simplified O&M Cost Comparison for Alternatives 1 and 2

	Alt. 1: Expand Oxidation Ditch, Existing Site	Alt. 2: New Activated Sludge Plant, Existing Site
Estimated Annual O&M, 2020 – 2028	\$46,750	\$72,400
Estimated Annual O&M, 2029 – 2036	\$93,400	\$160,900

The O&M cost estimates indicate that Alternative 2 would average \$25,700 per year more than Alternative 1 from 2020 to 2028 and \$67,500 per year more from 2029 to 2036. The 2016 present worth of these extra O&M costs is estimated to be \$516,000, assuming a 3-percent interest rate. This indicates a total present worth for Alternative 2 that is \$3.79 million higher than that of Alternative 1: \$3.27 million higher capital cost and \$516,000 higher present worth of O&M.

RECOMMENDED PLAN

This recommended plan for upgrading wastewater facilities in the City of North Bend covers collection system and treatment plant improvements in two phases. Phase 1 covers the period from 2016 to 2020, and Phase 2 covers the period from 2020 to 2036. The recommended improvements will provide reliable operation and capacity through the end of the planning period in 2036.

Collection System Improvements

The following improvements, to be implemented by 2018, are needed to address deficiencies at the South Fork and Snoqualm Lift Stations:

- South Fork Lift Station
 - Control system upgrade, integration with wastewater treatment plant
 - Pump control programming and integration with automated transfer switch
 - Predesign study to verify upgrade requirements
 - Pump upgrade
 - Upgrades to dry well entry, personnel and equipment access
 - Wet well and dry well ventilation system and foul air treatment
 - Provision for bypass pumping
- Snoqualm Lift Station
 - Radio telemetry system, integrated with wastewater treatment plant control interface
 - Uninterruptible power supply for instrumentation and radio telemetry system
 - Control panel upgrade to meet code
 - Provision for bypass pumping

The collection system is projected to provide service to 80 percent of all currently unsewered development within the city limits by 2036 and into any areas of the UGA that become annexed to the city. Local improvement districts and developer extensions will likely be the primary methods of extending sewer service to currently unsewered or unconnected development in the city. Financial aid, grants and hardship funding may be available to reduce the cost of installing sewers in some neighborhoods.

In addition, it is recommended that the City incorporate I/I rehabilitation into its annual operation and maintenance program, as the most economical way to address I/I at this time. The annual program should focus initially on the most promising opportunities for controlling I/I. Later tasks would include flow monitoring to confirm how I/I is spread across the City. Subsequent work would focus on the most promising I/I control areas. A key goal is to clarify what level of I/I control is cost-effective in North Bend so the City can make informed decisions when future capacity-enhancing upgrades are being considered.

Wastewater Treatment Plant Improvements

Alternative 1 is the recommended treatment plant improvement alternative. The Phase 1 improvements will upgrade the plant so it can reliably treat the wastewater flows and loads authorized in the current NPDES permit. The Phase 2 improvements will increase plant capacity for conditions expected in 2036 and beyond. Improvements are summarized in Table ES-8.

Table ES-8. Treatment Plant Components of Recommended Plan

Process	Improvement
Phase 1	
ULID#6 Pump Station	Replace the small pump and reprogram the pump station to improve peak-flow capacity. Install a bar screen, flow baffle and isolation gate in the wet well to protect the pumps and improve maintenance access. Raise the electrical and control panel approximately 4 feet.
Headworks	Construct a new headworks with two channels for mechanical screens and one channel for a manually raked bar screen. Install the mechanical screen at the existing headworks in one of the new mechanical screen channels. Provide odor control. The unused former youth activity center building at the site of the new headworks will be demolished.
New Oxidation Ditch	Construct a new 15-foot-deep oxidation ditch with brush aerators.
New Clarifier	Construct a second 80-foot-diameter clarifier, similar to existing Clarifier #3. Construct a splitter box to route mixed liquor from the new oxidation ditch to the clarifiers.
Existing Clarifier #3	Replace the clarifier drive, re-grout the clarifier floor, install a screen to reduce floatables in effluent, and reroute the Clarifier #3 RAS force main to discharge to the new oxidation ditch.
New UV/Effluent Building	Construct a new UV/Effluent Building to replace the structurally deficient existing Pump House. The new UV/Effluent Building will house the UV system, new effluent flow measurement and pumping systems, control valve to divert excess warm effluent to storage, and the relocated 3W water system.
UV Disinfection	Rebuild the existing UV disinfection system and install it in a new UV/Effluent Building. Install a third UV unit for reliability. Incorporate the UV system into the SCADA system.
Effluent Pumping	Install two new effluent pumps in the new UV/Effluent Building to discharge peak flows to the South Fork Snoqualmie River outfall during high-flow conditions.
Effluent Flow Metering	Install a larger effluent flow meter and the existing effluent flow meter in the new UV/Effluent Building, with electric actuator valves.
Outfall Diffuser Manhole	Replace riprap on the bank side of the outfall diffuser manhole with clean riprap. Install a flow-relief system at the top of the diffuser manhole and a second diffuser manhole higher on the river bank for use during high-flow conditions in the river.
Effluent Temperature Control	Convert the existing small clarifiers and effluent structure to store excess warm effluent. Install structures to shade the effluent structure and Clarifiers #1 and #2.
Convert Oxidation Ditch to Aerobic Digester	Modify the existing oxidation ditch for use as an aerobic sludge digester and to serve as a standby oxidation ditch.
New Centrifuge	Install a new, larger centrifuge in the Solids Handling Building. Remove and scrap the existing dryer and sludge hopper.
Solids Loading Area Odor Control	Provide an odor control system for the sludge loading area.
Influent and Effluent Sampling System	Upgrade the existing controls to collect flow composite samples at the new headworks and existing effluent sampling systems.
New Electrical Building	Construct a new 50-by-35-foot electrical building.
New Motor Control Centers	Install new motor control centers in the new electrical building for all new equipment and to replace all existing motor control centers.
New Standby Generator and Load Center	Install a new 750-kW generator with an automatic transfer switch in the new Electrical Building.
SCADA Improvements	Upgrade the SCADA system to current standards and incorporate plant components currently omitted from the system.
3W Water	Relocate the existing 3W water system to the new UV/Effluent Building. Extend the 3W piping system to new areas of the plant to supply plant water.
Pipe Rerouting	Extend the Solids Handling Building Pump Station force main to discharge to the new oxidation ditch. Reroute the sanitary sewer conveying flow from the treatment plant laboratory and neighboring mobile homes to the ULID#6 Pump Station rather than the original influent pump station
Site Work and Landscaping	Plant a landscaping buffer along Bendigo Boulevard. Provide paving, fencing, flood mitigation, and other site improvements as needed.

Process	Improvement
Phase 2	
Headworks	Install a new mechanical screen in the second mechanical screen channel. Construct a new flow splitter to route flows from the headworks to two oxidation ditches.
New Oxidation Ditch	Construct a second oxidation ditch.
UV Disinfection	Install a fourth UV unit.
Phosphorus Removal	Install phosphorus removal facilities.
Sludge Thickening	Construct a new facility for recuperative thickening of digested waste activated sludge, in order to maintain a sludge concentration of 2 percent in the aerobic digester. The thickening facility will include a rotary drum thickener and polymer feed system in an all-weather enclosure above the 100-year flood. To optimize the use of the polymer, the digested sludge sent to the centrifuge should be no thicker than 1.5 percent; therefore dilution of the digested sludge will be provided using 3W water.
SCADA	Incorporate all new Phase 2 equipment into the treatment plant SCADA system.
Laboratory/Control Building	Flood-proof the existing laboratory/control building by raising it approximately 4 feet. Provide four additional work stations for plant staff.
Solids Handling Building Maintenance Shop	Provide a new maintenance shop in the existing Solids Handling Building after removal of the existing sludge dryer and sludge hopper.
Original Treatment Building and IPS	Demolish the original treatment building and original IPS.
Pump House	Demolish the above-grade portion of the existing Pump House.
Site Work and Landscaping	

Five-Year Capital Improvement Plan

The proposed implementation of the recommended Phase 1 improvements over five years is presented in Table ES-9. Capital costs are presented without escalation. For large projects spread over two years, it is assumed that design is completed in the first year, at 13 percent of the total project cost. Costs presented in this facilities plan were developed to a level of accuracy suitable for preliminary planning; refined cost estimates will be required prior to use for City budgeting.

Additional O&M Cost

Table ES-10 summarizes increased annual O&M costs through 2020 associated with the recommended collection system and treatment improvements. Costs presented in this facilities plan were developed to a level of accuracy suitable for preliminary planning; refined cost estimates will be required prior to use for City budgeting. The estimated annual O&M costs include work for reduction of I/I in the City collection system.

Table ES-9. Five-Year Capital Improvement Plan

	2016	2017	2018	2019	2020	Total
Collection System						
Snoqualm Lift Station SCADA System Integration	\$55,000					\$55,000
South Fork Lift Station SCADA & Controls	\$56,000					\$56,000
South Fork Lift Station Pumps, Dry Well, Odor Control, Predesign Study		\$152,520	\$351,480			\$504,000
Treatment Plant						
ULID#6 Pump Station Improvements						
Pump replacement, bar screen, gate, controls	\$24,700	\$165,300				\$190,000
Electrical and control panel floodproofing		\$23,400	\$156,600			\$180,000
UV Disinfection System and Effluent Discharge						
New UV/Effluent Building	\$81,900	\$548,100				\$630,000
UV Disinfection System	\$94,900	\$635,100				\$730,000
Disinfected Effluent Piping	\$45,500	\$304,500				\$350,000
New Effluent Pumps	\$29,900	\$200,100				\$230,000
Relocate 3W Water	\$22,100	\$147,900				\$170,000
Effluent Flow Meter	\$24,700	\$165,300				\$190,000
Outfall Diffuser Structure	\$39,000	\$261,000				\$300,000
Solids Handling Building Pump Station Force Main to Oxidation Ditch	\$14,300	\$95,700				\$110,000
Solids Loading Odor Control		\$50,000				\$50,000
Influent and Effluent Sampling System Improvements		\$26,000				\$26,000
SCADA Upgrade		\$330,000				\$330,000
Effluent Temperature Equalization		\$158,000				\$158,000
New Clarifier		\$366,600	\$2,453,400			\$2,820,000
Site Work Fencing, Paving, Flood Mitigation		\$36,400	\$243,600			\$280,000
Landscaping		\$26,000	\$174,000			\$200,000
Lab and Mobile Home Park Sanitary Sewer to ULID#6 PS			\$110,000			\$110,000
Existing Clarifier Repair			\$160,000			\$160,000
New Centrifuge			\$152,100	\$1,017,900		\$1,170,000
Convert Oxidation Ditch to digester						
Brush Rotor Support Repair	\$20,000					\$20,000
Aeration Controls, Covers, Walkways & Piping			\$88,400	\$591,600		\$680,000
Headworks - Screening				\$149,500	\$1,000,500	\$1,150,000
New Oxidation Ditch				\$247,000	\$1,653,000	\$1,900,000
New Electrical Building and Motor Control Centers				\$88,400	\$591,600	\$680,000
New Standby Generator in Building				\$174,200	\$1,165,800	\$1,340,000
Total	\$508,000	\$3,591,920	\$3,889,580	\$2,268,600	\$4,410,900	\$14,769,000

Table ES-10. Estimated Annual O&M Cost Increases Associated with Recommended Improvements

Description	Incremental Annual O&M Cost				
	2016	2017	2018	2019	2020
Increase without recommended improvements	\$7,000	\$13,000	\$20,000	\$27,000	\$34,000
Collection system asset management (includes I/I reduction program)	\$213,000	\$484,000	\$319,000	\$319,000	\$319,000
Delete sludge dryer natural gas	(\$24,000)	(\$26,000)	(\$27,000)	(\$29,000)	(\$30,000)
Power	\$2,000	\$2,000	\$2,000	\$3,000	\$6,000
Chemical and material	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000
Labor	\$50,000	\$100,000	\$200,000	\$200,000	\$200,000
Lab testing	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Sludge hauling	\$6,000	\$18,000	\$32,000	\$46,000	\$53,000
Equipment replacement and structural maintenance	\$20,000	\$27,000	\$59,000	\$79,000	\$121,000
Total Annual Incremental Cost	\$280,000	\$624,000	\$611,000	\$651,000	\$710,000

FINANCING ANALYSIS

A sewer rate study conducted for this wastewater facilities plan identified rate adjustments required to ensure that adequate funds are available to implement recommended capital improvements and maintain operation of the City’s wastewater facilities through 2020.

North Bend’s sewer utility is an enterprise fund, meaning that it is self-sufficient, and rates and fees collected for sewer service support the financial obligations of the utility. The primary sources of funding are monthly user charges for service and a developer connection charge called a general facility charge, or GFC. The study found a revenue deficiency at current rate levels. Sewer rates will need to increase to meet the total annual revenue requirement in all years. Rate revenues would need to increase by 12.7 percent in 2016 and 2017, 8.25 percent in 2018 and 2019 and 8.0 percent in 2020.

The rate study identified new sewer rates that achieve three goals established by the City:

- To meet the projected five-year sewer utility revenue requirements
- To adjust rates so that the average sewer rate cost per cubic meter of water consumption is the same for residential customers and commercial customers
- To set consumption-based rates that encourage water conservation.

Based on the proposed rates, an average residential monthly sewer bill in 2016 will increase from \$76.09 under the previous rate structure to \$78.13, an increase of 2.7 percent. The average commercial customer’s monthly 2016 bill will increase \$210.68 to \$328.96, a 56.1-percent increase.

The rate study assessed the GFC to determine equitable charges based on the wastewater facilities now in use and to be implemented under the recommended plan. System costs to be recovered by the GFC include two parts: an existing cost portion based on historical investments in existing infrastructure, and a future cost portion that recovers costs related to planned capital projects. The future cost basis includes only the recommended improvements required to accommodate expected growth in the city, not improvements to repair existing facilities. The GFC to cover these costs was calculated to be \$10,222 per connection throughout the city except within the ULID#6 area, where the GFC is \$7,699.

The City adopted the sewer rate study’s recommended adjustments in July 2016.



City Council Agenda Bill

SUBJECT:		Agenda Date: January 17, 2017	AB17-010
A Motion Authorizing the Purchase of Equipment for Storm Drainage and Sanitary Sewer System Inspections from Seattle Pump and Equipment		Department/Committee/Individual	
		Mayor Ken Hearing	
		City Administrator – Londi Lindell	
		City Attorney - Mike Kenyon	
		City Clerk – Susie Oppedal	
		Community & Economic Development – Gina Estep	
		Finance – Dawn Masko	
		Public Works – Mark Rigos, P.E.	
Cost Impact: \$42,668.11			
Fund Source: 33.3% Storm Operating, 33.3% Sewer Operating, 33.3% Flood			
Timeline: Immediate			
Attachments: Decision Card Summary Table, Decision Card with Quote			
<p>SUMMARY STATEMENT:</p> <p>On December 6, 2016 the City Council approved Decision Card #2017-06 for the purchase of a portable storm sewer and sanitary sewer pipe camera system in the amount of \$42,668. As described on the decision card, the purchase of this equipment will allow the City’s Public Works Maintenance Division to perform work in-house that would otherwise be performed by an outside vendor at a cost to the City. The purchase will also allow for more expedient maintenance of the City’s storm drainage and sewer systems, quicker troubleshooting when a problem is suspected, and a more cost-effective operation.</p> <p>The camera system is the Iris Pan and Tilt Camera that is manufactured by Insight/Vision. It is a self-contained, portable system that can easily be moved from vehicle to vehicle and comes with a control center, 600 feet of cable, a crawler for the camera, a locating sonde and locator, and all necessary software.</p>			
<p>COMMITTEE REVIEW AND RECOMMENDATION: The Transportation and Public Works Committee reviewed this item at their January 11, 2017 meeting and recommended approval and placement on the consent agenda.</p>			
<p>RECOMMENDED ACTION: MOTION to approve AB17-010, authorizing the purchase of equipment for storm drainage and sewer system inspections from Seattle Pump and Equipment, in an amount not to exceed \$42,668.11.</p>			
RECORD OF COUNCIL ACTION			
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>	
January 17, 2017			

2017 Approved Decision Cards

DC #	Project Title	Council Consensus	2017 Card Total	General Fund	Streets Operations	Economic Development	Capital Imp. (REET)	Water Operating	Sewer Operating	Storm Operating	Flood	Equipment Operating	Equipment Reserves
2017-01	Economic Development Consultant	Y	\$ 50,000			50,000							
2017-02	Communications/PR Contract	Y	\$ 40,000	30,000				4,000	4,000	2,000			
2017-04	WWTP Vehicle & CED/Admin Vehicle	Y	\$ 40,000	8,100					25,000				6,900
2017-05	WWTP Lab Equipment	Y	\$ 8,700						8,700				
2017-06	Portable Sewer/Storm Pipe Camera System	Y	\$ 42,668						21,334	21,334			
2017-07	Connect PW Shop into sewer system	Y	\$ 20,000						20,000				
2017-08	Government 101 Videos	Y	\$ 7,500	7,500									
2017-09	MyBuilding Permit - paperless permitting system	Y	\$ 21,431	21,431									
2017-10	Increase Utility Coordinator to Full Time	Y	\$ 32,897										
2017-11	Downtown Revitalization - Landscape Contract	Y	\$ 12,000	12,000									
2017-12	Equipment Replacement Reserves Contribution	Y	\$ 174,733	51,452	48,106			16,482	34,752	23,941			
2017-13	Technology Equip Replacement Reserves Contribution	Y	\$ 62,545	39,181	1,626	652		7,500	7,477	3,723	1,649	737	
	2017 Grand Total		\$ 512,474	\$ 169,664	\$ 49,732	\$ 50,652	\$ -	\$ 38,838	\$ 132,119	\$ 56,591	\$ 7,241	\$ 737	\$ 6,900

Agenda H

2017 Council Additions

DC #	Project Title	2017 Card Total	General Fund	Streets Operations	Economic Development	Capital Imp. (REET)	Water Operating	Sewer Operating	Storm Operating	Flood	Equipment Operating	Equipment Reserves
	General Fund transfer to Overlay Fund	Y	\$ 90,000	90,000								
	2017 Grand Total	\$ 90,000	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF NORTH BEND DECISION CARD 2017-2018 Biennial Budget	
Department: Public Works	Year: 2017 <input checked="" type="checkbox"/> 2018 <input type="checkbox"/> Both <input type="checkbox"/>
Fund: 50% Storm, 50% Sewer Operating	Total Cost: \$ 42,668.11
Person Submitting Request: Mark Rigos	
Brief Summary Description: Portable Storm and Sanitary Sewer Pipe Camera System	
Type of Expense: Project <input type="checkbox"/> Equipment <input checked="" type="checkbox"/> Staff Position <input type="checkbox"/>	
Budget Impact: Ongoing <input type="checkbox"/> One-time Purchase/Expense: <input checked="" type="checkbox"/>	
Department Priority: Critical <input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low <input type="checkbox"/>	
Project/Item Detailed Description ⁽¹⁾: Currently the City largely ignores the pipes that make up both the storm and sanitary sewer systems. The only times they are investigated are when there are problems identified (i.e. water observed backing up in system, sinking roadway over pipe, etc.). During those times, the City is forced to call an outside firm to clean the pipes and another firm to “camera” the pipes. This costs the City more time and money. This request is for a portable CCTV crawler camera system that is capable of video recording pipes ranging in diameter from 6” to 18” and up to 600 feet long. The equipment is easy to use and can be used by one person working from one of the existing fleet trucks. There is no need to purchase an additional vehicle to use this system. The system includes the base station, camera, camera transporter, locating sonde, locating wand, and the software necessary to support the system.	
Budget Request Justification: The purchase of this piece of equipment will allow the City to perform work in-house that was previously contracted to an outside service provider. Performing the work in-house will save the City money over time. It is anticipated that performing this work in-house will save the City enough money over the first year of full-time use to pay for the purchase.	
Funding or Financing Source ⁽²⁾: Funding will be split. 50% Storm Operating, 50% Sewer Operating	
Service Implications, Benefits or Impacts: As previously described, the purchase of this camera system will allow staff the opportunity to perform this work in-house as opposed to continually coordinating and contracting with an outside service provider, saving the City money. Storm System: This camera equipment will be used in the storm sewer system to investigate problems that are encountered and to assess the condition of existing pipes prior to capital or development projects. Much of the City’s culvert and storm drainage pipe infrastructure is old. Recommendations for re-use or replacement of the existing	

system can be made based on the findings of the camera investigation.

Sanitary Sewer System:

The sanitary sewer system currently suffers from a very large inflow and infiltration (I&I) problem. The new sewer rates include money in the operating and maintenance (O&M) fund to hire collection system personnel and to begin investigating and identifying the sources of the I&I. This camera, along with the forthcoming jetter/vactor truck, is an integral part of that operation. Without it, staff will be forced to use outside firms at a very high cost to the City.

Consequence of Delay or Disapproval:

If not approved, staff will continue using outside firms to provide pipeline camera services at an increased cost to the City.

Total One-Year Costs: \$ 42,668.11

Annual Costs After First Year: \$0

Requested Supplemental Funding

EXPENSES:	Description	Amount
Personnel Services		0
Contractual/Consultant Services		0
Supplies & Materials		0
Other Expenses		0
Capital Equipment		\$ 42,668.11
Capital Project Expenses		0
One-Time Expenses		0
TOTAL:		\$ 42,668.11
REVENUES:	Description	Amount
Grants & Other Aid		0
Charges for Services		0
Other Revenue		0
TOTAL:		\$ 42,668.11

Instructions:

- (1) Describe what is being requested and why. If the request includes employees, provide a basic explanation of job functions. If the request includes consulting or contracting fees, include a description of the scope of work. If the request includes equipment, include a description of what the equipment will be used for. If the request includes construction, describe the service result of the finished project.
- (2) Describe the proposed method of funding. If funding is split between funds (i.e. General, Capital, Enterprise), please include the percentage split. List the amounts and sources of anticipated additional revenue that will result from the approval of the request.

Requested Supplemental Funding:

- For new positions, coordinate in advance with Human Resources for estimated salary and benefits.
- Include all operating and capital outlay costs that will result if the position is hired. Some possible items include phone, computer, software, dues & licenses, supplies and training.
- Capital items are items with a value over \$1,000 and a useful life of at least one year.



2222 15th Ave West
 Seattle, WA 98119
 Phone (206) 283-5252
 Toll free (800) 863-7867
 Fax (206) 284-8638
 sales@seattlepump.com

Estimate

Date	Estimate #
7/25/2016	72518MR

Name / Address
CITY OF NORTH BEND LLOYD JOHNSON PO BOX 896 NORTH BEND WA 98045

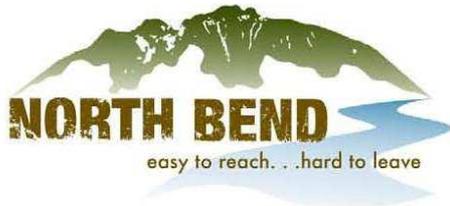
Ship To
CITY OF NORTH BEND 1155 E NORTH BEND WA NORTH BEND, WA 98045

Terms	Rep	FOB
Net 30	MR	

Item	Description	Qty	Rate	Total
JT.CAM-IRIS600	IRIS MAINLINE CRAWLER CAMERA, 600FT. CABLE, PAN AND TILT CAMERA HEAD,10" MONITOR. RECORDS VIDEO AND STILL PICTURES, TEXT WRITER AND ON-SCREEN FOOTAGE COUNTER. INCLUDES SMALL AND MID-SIZE WHEELS FOR 6-12" PIPE	1	32,000.00	32,000.00
SPECORDER	106013 512hz SONDE	1	660.00	660.00
SPECORDER	208100 PNEUMATIC AIR TIRE ASSEMBLY + HUB FOR UP TO 18" PIPE	1	592.00	592.00
SPECORDER	MUNIXS 3RD PARTY SOFTWARE PACKAGE	1	3,744.00	3,744.00
JT.LOC2310SC	JETT-TECH TRIAD LOCATOR, MODEL 2310SC for 50hz-200khz WITH LCD DISPLAY WITH TOTAL UTILITY LOCATION	1	1,970.00	1,970.00
JT.LOC2310-CASE	STORAGE CASE for TRIAD LOCATOR	1	215.00	215.00

Subtotal	\$39,181.00
Sales Tax (8.9%)	\$3,487.11
Total	\$42,668.11

Signature _____



City Council Agenda Bill

SUBJECT:	Agenda Date: January 17, 2017	AB17-011
A Motion Authorizing a Work Order with Axis Survey and Mapping for Survey Work along the 468th Avenue SE Corridor between Interstate 90 and SE 140th St/SE Middle Fork Rd Cost Impact: \$19,160 NTE Fund Source: Storm Prof. Services (404) Timeline: Immediate	Department/Committee/Individual	
	Mayor Ken Hearing	
	City Administrator – Londi Lindell	
	City Attorney - Mike Kenyon	
	City Clerk – Susie Oppedal	
	Community & Economic Development – Gina Estep	
	Finance – Dawn Masko	
	Public Works – Mark Rigos, P.E.	X
Attachments: Axis Survey and Mapping Proposal		
<p>SUMMARY STATEMENT:</p> <p>City staff requested a proposal from Axis Survey and Mapping in December of 2016 to provide survey work along the 468th Avenue SE Corridor between Interstate 90 and SE 140th Street/SE Middle Fork Road. This survey work shall have several benefits as listed below:</p> <ol style="list-style-type: none"> 1. Staff can begin planning for right-of-way acquisition for the proposed roundabout at the intersection of 468th Ave. SE and SE 140th Street/SE Middle Fork Road which is part of the 6-year TIP. 2. Establish right-of-way and utility locations for CED’s 468th Avenue SE Corridor Gateway Study. 3. Allow design to begin for a small storm drainage collection and conveyance capital improvement project along 468th Ave SE between SE 144th Street and SE 140th Street/SE Middle Fork Road. There is currently no collection and conveyance system which is causing premature pavement damage. <p>Having a comprehensive survey of this corridor is enormously important in the analysis, planning, and design of this corridor as described above. As this area develops, City staff wants to be in front of any major issues.</p> <p>Funding for this project shall come from Storm Drainage Professional Services line item and a portion of it may be reimbursable through traffic impact fees (TIF) charged to adjacent future plats.</p> <p>Axis has performed prior survey work under the existing on call contract with the City and staff has found their quality of work to be exceptional. Staff recommends moving forward with a work order to the existing on-call contract for the project (as outlined in the attached work, scope and fee). Survey shall be completed by April of 2017.</p>		
<p>COMMITTEE REVIEW AND RECOMMENDATION: This item was reviewed by the Transportation and Public Works committee at their January 11, 2017 meeting and was recommended for approval and placement on Consent Agenda.</p>		
<p>RECOMMENDED ACTION: MOTION to approve AB17-011, authorizing a work order with Axis Survey & Mapping for the survey work on 468th Avenue SE, in a form and content acceptable to the City Attorney, in an amount not to exceed \$19,160.00.</p>		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
January 17, 2017		



December 19, 2016

Mark Rigos, P.E.
City of North Bend
1155 East North Bend Way
North Bend, WA 98045
MRigos@northbendwa.gov
Phone: 425-888-7653

RE: North Bend – 468th from SE Middle Fork Rd. to SE 144th St.
Survey Mapping
Proposal for Survey Services

Mark,

Thank you for the opportunity to provide you with this survey proposal for your project in the City of North Bend, Washington.

Please find attached a copy of our proposed scope of services that we feel will meet your current needs. We propose to complete this work on a Time and materials not to exceed price of \$19,160. If you wish to review or revise these task items, please do not hesitate to contact me at our office.

I look forward to this opportunity to work with you on this project. We can be reached by phone at 425-823-5700 extension 310 and by fax at 425-823-6700. My email is SteveP@axismap.com

Regards,

Stephen Phillips Jr
Principal
Survey Project Manager

encl.



Scope of Professional Services

Task Item 1 – Topographic Survey

This Item Proposes:

Preparation of a drawing at 1" = 20' scale (unless otherwise specified) detailing the location information and topographic relief. See attached "Exhibit A" map for a graphic representation of the proposed limits of the topographic survey. This drawing will be delivered in both a digital (Autocad) and paper format.

This drawing will depict:

- Horizontal datum shall be NAD83(91)2007.
- Vertical datum shall be NAVD88.
- Verify horizontal and vertical control and maintaining secondary horizontal and vertical points throughout the project.
- Subject area limits will be depicted from record drawings.
- Topographic relief will be depicted as 1' contours.
- Topographic survey per area shown on attached "Exhibit A" approximately 2100'x70' and a 300'x400' area at the intersection of Se 140th and 468th Ave SE
- Ground elevations within the subject area on an approximate 25' station plus elevations along obvious topographic breaks.
- Location and elevation of the following infrastructure improvements:
 - a) Edge of asphalt, curbing, driveways, sidewalks, walls and other surface improvements within the subject area.
 - b) Catch basins, culverts, sewer manholes (including inverts, material and size), fire hydrants, valve boxes and other utilities which are observable from surface exploration within the subject area.



- c) Locate evergreen trees 8 inches or greater in diameter and deciduous trees 12 inches or greater in diameter measured 4 feet above existing grade.
- Lidar contours will be shown for areas outside the field topographic survey area.
- GIS parcel lines will be shown for adjacent properties including current available ownership information of record. (Ownership list can be provide to the client in a spreadsheet upon request)
- Aerial image will be included and referenced within the AutoCAD Drawing. (This will be provided at no charge)
- Available as-built utility records for power, telephone, cable TV and natural gas will be interpreted from existing records to assist in determining approximate buried utility locations. *These data sources are typically not accurate. The purpose in showing these on the drawing is to indicate that they are believed to exist in the vicinity of the project.*
- Underground locates will be coordinated by Axis and is included in this fee.

Deliverables:

- 1) 1"=20' AutoCAD 2009 including topographic surface information (TIN data) drafted to APWA or City of Newcastle drafting standards.

This Item Excludes:

Resolution of physical encroachments and occupation that may be disclosed during the course of the field survey. Resolution of discrepancies caused by differing datum use of various regulatory agencies.

Underlying assumptions:

Any required access to adjoining properties will be obtained by the client as necessary to facilitate survey work to be performed. Underground locates will need to be performed prior to mapping. Axis Survey typically uses APD Locating.



Task Item 2—Meeting/Consultations/Support
This Item Proposes:

Meetings and consultation with the client, City Agency staff and any other parties as necessary to:

- Review and analyze issues affecting the project.
- Coordinate with other consultants retained by the client.
- Respond to requests of the client which lie outside the scope of work agreed upon.
- Administrative time required to process requests for prints, copies, reports and other information.
- Fee is billed at consultant’s standard hourly rate schedule in effect at the time the work is performed.

SUMMARY:

Task 1.....	Fee: \$18,260
Task 2.....	Fee: T & M (Estimated \$200)
Optional "Underground locates"	Fee: \$700

SUMMARY:

Task 1 including Underground locates..... Not to Exceed: \$19,160

SCHEDULE:

Work will commence upon your authorization to proceed and will be pursued in a diligent manner until completed.



Limits of survey Exhibit "A"
Limits in Read



North Bend, Wa.

5/5



City Council Agenda Bill

SUBJECT:	Agenda Date: January 17, 2017	AB17-012
A Resolution Accepting the 2016 Pavement Overlay and NW 14th Street Pavement Re-Construction Projects with Lakeridge Paving as Complete and Authorizing the Release of Retainage	Department/Committee/Individual	
	Mayor Ken Hearing	
	City Administrator – Londi Lindell	
	City Attorney - Mike Kenyon	
	City Clerk – Susie Oppedal	
	Community & Economic Development – Gina Estep	
	Finance – Dawn Masko	
	Public Works – Mark Rigos, P.E.	X
Cost Impact: N/A		
Fund Source: N/A		
Timeline: Immediate		

Attachments: Resolution

SUMMARY STATEMENT:

Advertisements for construction bids on the 2016 Overlay and NW 14th Street Re-construction Project were made in June, 2016. The City had a bid opening on July 12, 2016 and received three bids, the lowest responsive bid from a responsible bidder coming from Lakeridge Paving Co. LLC in the amount of \$387,236.50. There were no change orders on the project and the project was completed within the allowable working days.

The final construction cost for the project was \$376,377.60, which is \$10,858.90 less than the bid amount.

Funding for design, permitting, and construction was supplied by the City’s Street Capital account.

Retainage cannot be released until the project has been accepted by City Council, all liens have been satisfied, and all taxes have been paid. Upon receipt of all necessary documentation, retainage will be released.

Below is a before and after picture of NW 14th Street:

BEFORE:



City Council Agenda Bill

AFTER:



COMMITTEE REVIEW AND RECOMMENDATION: This item was discussed at the January 11, 2017 Transportation and Public Works Committee and was recommended for approval and placement on the consent agenda.

RECOMMENDED ACTION: MOTION to approve AB17-012, a resolution accepting the 2016 Pavement Overlay and NW 14th Street Pavement Re-Construction Projects with Lakeridge as complete and authorizing the release of retainage.

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
January 17, 2017		

RESOLUTION

A RESOLUTION OF THE CITY OF NORTH BEND, WASHINGTON, ACCEPTING THE CONSTRUCTION WORK FOR THE 2016 PAVEMENT OVERLAY AND NW 14TH STREET PAVEMENT RE-CONSTRUCTION PROJECT WITH LAKERIDGE COMPANY AND AUTHORIZING THE RELEASE OF RETAINAGE

WHEREAS, the City contracted with Blueline Group and Gray & Osborne, Inc., for design services for the 2016 Pavement Overlay and NW 14th Street Pavement Reconstruction Project (the “2016 Overlay Project”); and

WHEREAS, upon completion of design, advertisement was made on June 15, 2016 and June 22, 2016 in the Daily Journal of Commerce and the Snoqualmie Valley Record for construction bids; and

WHEREAS, on July 12, 2016, bids were opened at the North Bend City Hall and read aloud at the prescribed time with three (3) bids having been received; and

WHEREAS, the resulting lowest responsive and responsible bidder out of three (3) bids received was Lakeridge Paving Co. LLC at \$387,377.60; and

WHEREAS, on July 19, 2016, the City Council approved Resolution No. 1719 awarding the construction contract for the 2016 Overlay Project to Lakeridge Paving Co. LLC; and

WHEREAS, the construction of the 2016 Overlay Project was declared physically complete on November 4, 2016; and

WHEREAS, the final construction cost of the project was \$376,377.60; and

WHEREAS, the City must accept the work prior to submitting for releases from the State Department of Revenue, Department of Labor and Industries, and the Employment Security Department for the retainage of the contractors;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City of North Bend accepts the Lakeridge Paving Co. LLC work on the 2016 Pavement Overlay and NW 14th Street Pavement Re-Construction Project.

Section 2. The City of North Bend authorizes the release of the retainage on the contract upon receipt of the appropriate clearances from applicable state agencies or departments.

**PASSED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND,
WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17TH DAY OF
JANUARY, 2017.**

CITY OF NORTH BEND:

APPROVED AS TO FORM:

Kenneth G. Hearing, Mayor

Michael R. Kenyon, City Attorney

ATTEST/AUTHENTICATED:

Effective:
Posted:

Susie Oppedal, City Clerk



City Council Agenda Bill

SUBJECT:		Agenda Date: January 17, 2017	AB17-013	
A Resolution Accepting a Fiscal Year 2017 Transportation Improvement Board Grant for the SE North Bend Way Pavement Overlay Project Cost Impact: \$114,420 Fund Source: Streets Overlay (103) Timeline: Immediate		Department/Committee/Individual		
		Mayor Ken Hearing		
		City Administrator – Londi Lindell		
		City Attorney - Mike Kenyon		
		City Clerk – Susie Oppedal		
		Community & Economic Development – Gina Estep		
		Finance – Dawn Masko		
		Public Works – Mark Rigos, P.E.		X
Attachments: Resolution, TIB Grant Agreement, TIB Funding Status Form				
<p>SUMMARY STATEMENT:</p> <p>In May 2016, the City of North Bend was awarded \$100,000 from the State of Washington as a Legislative Appropriation in the 2016 State Transportation Budget. The appropriation required that the City use the funds for a pavement overlay on SE North Bend Way between 436th Ave SE and 468th Ave SE.</p> <p>The segment of SE North Bend Way between 436th Ave SE and SE 140th St has recently been overlaid and is not in need of replacement at this time. Because of this, City staff recommends focusing the scope of the project to a different segment of SE North Bend Way between SE 140th St and 468th Ave SE. An engineer’s estimate was created for performing an overlay and the costs were estimated to be \$564,420, including design and construction inspection and management. The City does not have adequate budget available in the Streets Overlay line item to cover the \$464,420 remaining after the Legislative Appropriation.</p> <p>In August 2016, City staff applied for a grant from the Transportation Improvement Board (TIB) in the amount of \$350,000 to supplement the \$100,000 State appropriation and \$114,420 of City funds. This Arterial Preservation Program grant was awarded by the TIB in December 2016.</p> <p>Before the funds can be used, several administrative items need to be completed including acceptance of the grant, execution of a fuel tax agreement for the project, and commitment to provide the matching funds up to \$114,420 but not less than 15% of the grant amount (\$52,500).</p>				
<p>COMMITTEE REVIEW AND RECOMMENDATION: This item was reviewed by the Transportation and Public Works committee at their January 11, 2017 meeting and was recommended for approval and placement on Consent Agenda.</p>				
<p>RECOMMENDED ACTION: MOTION to approve AB17-013, a resolution accepting a Fiscal Year 2017 TIB grant for the SE North Bend Way Overlay Project and committing \$114,420 of City funds as a match to the grant.</p>				
RECORD OF COUNCIL ACTION				
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>		
January 17, 2017				

RESOLUTION

A RESOLUTION OF THE CITY OF NORTH BEND, WASHINGTON, ACCEPTING THE TRANSPORTATION IMPROVEMENT BOARD GRANT FOR SE NORTH BEND WAY – SE 140TH STREET TO 468TH AVENUE SE OVERLAY IMPROVEMENTS AND COMMITTING MATCHING CITY FUNDS

WHEREAS, the City of North Bend (“City”) annually commits a portion of Streets funds to be used for pavement overlay and maintenance on City streets; and

WHEREAS, a pavement condition study performed in 2015 by an external Consultant showed a need to resurface that portion of SE North Bend Way between SE 140th Street and 468th Avenue SE; and

WHEREAS, an engineer’s estimate was prepared by Tom Mohr, P.E. for the design and construction of a pavement overlay project on SE North Bend Way between SE 140th Street and 468th Avenue SE (the “Project”) with an estimated cost of \$564,420 (the “Project Cost”); and

WHEREAS, in May 2016 the state awarded the City a legislative appropriation of \$100,000 to be used only for pavement overlay of SE North Bend Way between 436th Avenue SE and 468th Avenue SE; and

WHEREAS, the City does not have adequate funds in the Street Overlay line item budget to cover the remaining \$464,420 needed for the Project; and

WHEREAS, the City made application to the Washington State Transportation Improvement Board (TIB) for grant funds to be used for the Project; and

WHEREAS, the TIB awarded the City a grant in the amount of \$350,000 for design and construction of the project; and

WHEREAS, the TIB grant requires a minimum 15% match of funds by the City; and

WHEREAS, the City’s Street Overlay line item budget has funds to cover the remaining Project Cost of \$114,420, which exceeds the minimum 15% required for the TIB grant; and

WHEREAS, in order to receive the TIB grant funds, the City must enter into a Fuel Tax Grant Agreement for the Project;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The TIB grant of \$350,000 for the SE North Bend Way Overlay Project is accepted, and the Mayor is authorized to enter into the Fuel Tax Grant Agreement with TIB, in the form attached hereto as Exhibit A, as required for receipt of the grant funds.

Section 2. The City of North Bend commits to providing matching funds up to \$114,420 for the SE North Bend Way Overlay Project, but in any event not less than \$52,500, or 15% of the TIB grant amount.

PASSED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 17TH DAY OF JANUARY, 2017.

CITY OF NORTH BEND:

APPROVED AS TO FORM:

Kenneth G. Hearing, Mayor

Michael R. Kenyon, City Attorney

ATTEST/AUTHENTICATED:

Effective:
Posted:

Susie Oppedal, City Clerk



City of North Bend
3-P-804(003)-1
FY 2018 Overlay Project
Multiple Locations

STATE OF WASHINGTON
TRANSPORTATION IMPROVEMENT BOARD
AND
City of North Bend
AGREEMENT

THIS GRANT AGREEMENT (hereinafter "Agreement") for the FY 2018 Overlay Project, Multiple Locations (hereinafter "Project") is entered into by the WASHINGTON STATE TRANSPORTATION IMPROVEMENT BOARD (hereinafter "TIB") and City of North Bend, a political subdivision of the State of Washington (hereinafter "RECIPIENT").

1.0 PURPOSE

TIB hereby grants funds in the amount of \$350,000 for the project specified above, pursuant to terms contained in the RECIPIENT'S Grant Application, supporting documentation, chapter 47.26 RCW, title 479 WAC, and the terms and conditions listed below.

2.0 SCOPE AND BUDGET

The Project Scope and Budget are initially described in RECIPIENT'S Grant Application and incorporated by reference into this Agreement. Scope and Budget will be further developed and refined, but not substantially altered during the Design, Bid Authorization and Construction Phases. Any material alterations to the original Project Scope or Budget as initially described in the Grant Application must be authorized by TIB in advance by written amendment.

3.0 PROJECT DOCUMENTATION

TIB requires RECIPIENT to make reasonable progress and submit timely Project documentation as applicable throughout the Project. Upon RECIPIENT'S submission of each Project document to TIB, the terms contained in the document will be incorporated by reference into the Agreement. Required documents include, but are not limited to the following:

- a) Project Funding Status Form
- b) Bid Authorization Form with plans and engineers estimate
- c) Award Updated Cost Estimate
- d) Bid Tabulations
- e) Contract Completion Updated Cost Estimate with final summary of quantities
- f) Project Accounting History

4.0 BILLING AND PAYMENT



The local agency shall submit progress billings as project costs are incurred to enable TIB to maintain accurate budgeting and fund management. Payment requests may be submitted as often as the RECIPIENT deems necessary, but shall be submitted at least quarterly if billable amounts are greater than \$50,000. If progress billings are not submitted, large payments may be delayed or scheduled in a payment plan.

5.0 TERM OF AGREEMENT

This Agreement shall be effective upon execution by TIB and shall continue through closeout of the grant or until terminated as provided herein, but shall not exceed 10 years unless amended by the Parties.

6.0 AMENDMENTS

This Agreement may be amended by mutual agreement of the Parties. Such amendments shall not be binding unless they are in writing and signed by persons authorized to bind each of the Parties.

7.0 ASSIGNMENT

The RECIPIENT shall not assign or transfer its rights, benefits, or obligations under this Agreement without the prior written consent of TIB. The RECIPIENT is deemed to consent to assignment of this Agreement by TIB to a successor entity. Such consent shall not constitute a waiver of the RECIPIENT's other rights under this Agreement.

8.0 GOVERNANCE & VENUE

This Agreement shall be construed and interpreted in accordance with the laws of the state of Washington and venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9.0 DEFAULT AND TERMINATION

9.1 NON-COMPLIANCE

- a) In the event TIB determines, in its sole discretion, the RECIPIENT has failed to comply with the terms and conditions of this Agreement, TIB shall notify the RECIPIENT, in writing, of the non-compliance.
- b) In response to the notice, RECIPIENT shall provide a written response within 10 business days of receipt of TIB's notice of non-compliance, which should include either a detailed plan to correct the non-compliance, a request to amend the Project, or a denial accompanied by supporting details.
- c) TIB will provide 30 days for RECIPIENT to make reasonable progress toward compliance pursuant to its plan to correct or implement its amendment to the Project.
- d) Should RECIPIENT dispute non-compliance, TIB will investigate the dispute and may withhold further payments or prohibit the RECIPIENT from incurring additional reimbursable costs during the investigation.

9.2 DEFAULT



RECIPIENT may be considered in default if TIB determines, in its sole discretion, that:

- a) RECIPIENT is not making reasonable progress toward correction and compliance.
- b) TIB denies the RECIPIENT's request to amend the Project.
- c) After investigation TIB confirms RECIPIENT'S non-compliance.

TIB reserves the right to order RECIPIENT to immediately stop work on the Project and TIB may stop Project payments until the requested corrections have been made or the Agreement has been terminated.

9.3 TERMINATION

a) In the event of default by the RECIPIENT as determined pursuant to Section 9.2, TIB shall serve RECIPIENT with a written notice of termination of this Agreement, which shall be served in person, by email or by certified letter. Upon service of notice of termination, the RECIPIENT shall immediately stop work and/or take such action as may be directed by TIB.

b) In the event of default and/or termination by either PARTY, the RECIPIENT may be liable for damages as authorized by law including, but not limited to, repayment of grant funds.

c) The rights and remedies of TIB provided in the AGREEMENT are not exclusive and are in addition to any other rights and remedies provided by law.

9.4 TERMINATION FOR NECESSITY

TIB may, with ten (10) days written notice, terminate this Agreement, in whole or in part, because funds are no longer available for the purpose of meeting TIB's obligations. If this Agreement is so terminated, TIB shall be liable only for payment required under this Agreement for performance rendered or costs incurred prior to the effective date of termination.

10.0 USE OF TIB GRANT FUNDS

TIB grant funds come from Motor Vehicle Fuel Tax revenue. Any use of these funds for anything other than highway or roadway system improvements is prohibited and shall subject the RECIPIENT to the terms, conditions and remedies set forth in Section 9. If Right of Way is purchased using TIB funds, and some or all of the Right of Way is subsequently sold, proceeds from the sale must be deposited into the RECIPIENT's motor vehicle fund and used for a motor vehicle purpose.

11.0 INCREASE OR DECREASE IN TIB GRANT FUNDS

At Bid Award and Contract Completion, RECIPIENT may request an increase in the TIB funds for the specific project. Requests must be made in writing and will be considered by TIB and awarded at the sole discretion of TIB. All increase requests must be made pursuant to WAC 479-05-202 and/or WAC 479-01-060. If an increase is denied, the recipient shall be liable for costs incurred in excess of the grant amount. In the event that final costs related to the specific project are less than the initial grant award, TIB funds will be decreased and/or refunded to TIB in a manner that maintains the original ratio between TIB funds and total project costs.



12.0 INDEPENDENT CAPACITY

The RECIPIENT shall be deemed an independent contractor for all purposes and the employees of the RECIPIENT or any of its contractors, subcontractors, and employees thereof shall not in any manner be deemed employees of TIB.

13.0 INDEMNIFICATION AND HOLD HARMLESS

The PARTIES agree to the following:

Each of the PARTIES, shall protect, defend, indemnify, and save harmless the other PARTY, its officers, officials, employees, and agents, while acting within the scope of their employment as such, from any and all costs, claims, judgment, and/or awards of damages, arising out of, or in any way resulting from, that PARTY's own negligent acts or omissions which may arise in connection with its performance under this Agreement. No PARTY will be required to indemnify, defend, or save harmless the other PARTY if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence of the other PARTY. Where such claims, suits, or actions result from the concurrent negligence of the PARTIES, the indemnity provisions provided herein shall be valid and enforceable only to the extent of a PARTY's own negligence. Each of the PARTIES agrees that its obligations under this subparagraph extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, each of the PARTIES, by mutual negotiation, hereby waives, with respect to the other PARTY only, any immunity that would otherwise be available to it against such claims under the Industrial Insurance provision of Title 51 RCW. In any action to enforce the provisions of the Section, the prevailing PARTY shall be entitled to recover its reasonable attorney's fees and costs incurred from the other PARTY. The obligations of this Section shall survive termination of this Agreement.

14.0 DISPUTE RESOLUTION

- a) The PARTIES shall make good faith efforts to quickly and collaboratively resolve any dispute arising under or in connection with this AGREEMENT. The dispute resolution process outlined in this Section applies to disputes arising under or in connection with the terms of this AGREEMENT.
- b) Informal Resolution. The PARTIES shall use their best efforts to resolve disputes promptly and at the lowest organizational level.
- c) In the event that the PARTIES are unable to resolve the dispute, the PARTIES shall submit the matter to non-binding mediation facilitated by a mutually agreed upon mediator. The PARTIES shall share equally in the cost of the mediator.
- d) Each PARTY agrees to compromise to the fullest extent possible in resolving the dispute in order to avoid delays or additional incurred cost to the Project.
- e) The PARTIES agree that they shall have no right to seek relief in a court of law until and unless the Dispute Resolution process has been exhausted.



15.0 ENTIRE AGREEMENT

This Agreement, together with the RECIPIENT'S Grant Application, the provisions of chapter 47.26 Revised Code of Washington, the provisions of title 479 Washington Administrative Code, and TIB Policies, constitutes the entire agreement between the PARTIES and supersedes all previous written or oral agreements between the PARTIES.

16.0 RECORDS MAINTENANCE

The RECIPIENT shall maintain books, records, documents, data and other evidence relating to this Agreement and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement. RECIPIENT shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the Agreement shall be subject at all reasonable times to inspection, review or audit by TIB personnel duly authorized by TIB, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

Approved as to Form
Attorney General

By:

Signature on file

Guy Bowman
Assistant Attorney General

Lead Agency

Transportation Improvement Board

Chief Executive Officer Date

Executive Director Date

Kenneth G. Hearing

Print Name

Print Name



Transportation Improvement Board
Project Funding Status Form

Agency: **NORTH BEND**
 Project Name: **FY 2018 Overlay Project**
Multiple Locations

TIB Project Number: **3-P-804(003)-1**

Verify the information below and revise if necessary.

Return to:
 Transportation Improvement Board
 PO Box 40901
 Olympia, WA 98504-0901

PROJECT SCHEDULE

	Target Dates
Construction Approval Date	Jun 2017
Contract Bid Award	Jul 2017
Contract Completion	Dec 2017

PROJECT FUNDING PARTNERS

List additional funding partners and amount.

Funding Partners	Amount	Revised Funding
NORTH BEND	114,420	
WSDOT (Legislative Appropriation)	100,000	
TOTAL LOCAL FUNDS	214,420	

Signatures are required from two different agency officials. Return the originally signed form to the TIB office.

Mayor or Public Works Director

 Signature
Kenneth G. Hearing
 Printed or Typed Name

 Date
Mayor
 Title

Financial Officer

 Signature
Dawn Masko
 Printed or Typed Name

 Date
Finance Director
 Title



City Council Agenda Bill

SUBJECT:	Agenda Date: January 17, 2017	AB17-014
<p>A Motion Authorizing the Mayor to enter into a Professional Services Agreement with Stowe Development & Strategies to Perform Economic Development Services</p> <p>Cost Impact: \$50,000 per year (\$100,000 over the 2 year Biennium)</p> <p>Fund Source: Economic Development</p> <p>Timeline: 01/01/17 thru 12/31/18</p>	Department/Committee/Individual	
	Mayor Ken Hearing	
	City Administrator – Londi Lindell	X
	City Attorney - Mike Kenyon	
	City Clerk – Susie Oppedal	
	Community & Economic Development – Gina Estep	
	Finance – Dawn Masko	
	Public Works – Mark Rigos	

Attachments: Bob Stowe Decision Card; Exhibit to Decision Card containing Mr. Stowe’s resume; Professional Services Agreement with Stowe Development & Strategies with Exhibit A – Scope of Work

SUMMARY STATEMENT:

As part of the 2017-2018 Biennial Budget process, the North Bend City Council reviewed and approved various Decision Cards or new city initiatives including one for economic development to retain Bob Stowe through his company Stowe Development & Strategies, LLC. A copy of the Decision Card and Mr. Stowe’s resume is attached to this Agenda Bill.

Council has previously identified the following economic priorities for the City of North Bend:

- Bring an institution of higher learning to North Bend;
- Locate a buyer for the 36 acres owned by Puget Western which currently is the subject of litigation;
- Fill empty storefronts within the City’s historic downtown and otherwise;
- Advance and assist the City’s recently formed Economic Development Commission to promote and implement the City’s Brand Statement (e.g. North Bend is the premiere outdoor adventure destination in the Puget Sound region);
- Assist to surplus City property or enter into public/private partnerships on such property to further City Council’s vision; and
- Such other work as more specifically set forth in the Scope of Work attached to the City’s form Professional Services Agreement.

The City’s form Professional Services Agreement is also attached to this Agenda Bill along with a proposed scope of work for Mr. Stowe’s services which contains possible work items including such additional work as directed by the City Administrator. This latter category provides flexibility to address changing Council economic development priorities. Although the term of this Agreement is for 2 years (consistent with the approved Decision Card) please note that the City has the option to terminate the contract at any time, with or without cause upon 30 days’ notice. This provision provides the City greater flexibility if the City elects to move in another direction at some future date.

Mr. Stowe is a seasoned economic development professional who has impressive experience and outcomes in other cities. The City Administrator contacted the City Administrator from Lakewood who currently has Mr. Stowe under contract and she received an unequivocal outstanding recommendation on his prior and current work performance under such contract consistent with Council’s request. Staff recommends approving this contract in order to achieve the foregoing Council economic development objectives.

City Council Agenda Bill

COMMITTEE REVIEW AND RECOMMENDATION: The Finance Committee reviewed this agenda bill and scope of work at their January 3rd th meeting and recommended this item be moved to the regular agenda and not be placed on the consent agenda.		
RECOMMENDED ACTION: MOTION to approve AB17-014, authorizing a Professional Services Agreement with Stowe Development & Strategies, in an amount not to exceed \$50,000 per calendar year, in form approved by the City Attorney.		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
January 17, 2017		

CITY OF NORTH BEND DECISION CARD 2017-2018 Biennial Budget Economic Development Retain Stowe Development & Strategies				
Department: City Administration	Year:	2017 <input checked="" type="checkbox"/>	2018 <input type="checkbox"/>	Both <input type="checkbox"/>
Fund: General Fund	Total Cost: \$50,000 per year			
Person Submitting Request: Londi Lindell				
Brief Summary Description: Retain Bob Stowe of Stowe Development & Strategies for purposes of recruiting a Mcmenamins or other highly visible anchor business to fill the empty derelict buildings in North Bend's historic downtown buildings; work with the EDC to engage in business recruitment for businesses compatible with the City's Brand Statement/premiere outdoor adventure destination in the Puget Sound region (e.g. outdoor recreation, wine tasting, restaurants, etc); assist with finding compatible use for Puget Western property near Truck Stop in order to resolve litigation; perform outreach to various community colleges to determine feasibility of locating either accredited or non-accredited satellite educational institution in North Bend.				
Type of Expense:	Project <input checked="" type="checkbox"/>	Equipment <input type="checkbox"/>	Staff Position <input type="checkbox"/>	
Budget Impact:	Ongoing <input type="checkbox"/>	One-time Purchase/Expense: <input checked="" type="checkbox"/>		
Department Priority:	Critical <input type="checkbox"/>	High <input checked="" type="checkbox"/>	Medium <input type="checkbox"/>	Low <input type="checkbox"/>
Project/Item Detailed Description ⁽¹⁾: The City would enter into its standard form Professional Services Agreement with Stowe Development and Strategies to have Bob Stowe available on an on call basis to assist the City with any of the economic development opportunities that present themselves during the 2017-2018 Biennial Year for which economic development funds are available or for which Council separately approves the expenditure. Bob Stowe has extensive experience revitalizing downtowns and is an entrepreneurial real estate and community developer who has achieved proven results (e.g. McMenamins in the Anderson School in Bothell, WA; Bothell Town Center; Mill Creek Town Center). Bob was successful in bringing UW Bothell as an anchor to the City of Bothell. Bob could also be available to assist the EDC in performing any of its work surrounding its Brand identification under his Strategy and Policy Services. See attached Biography; About Stowe Development & Strategies; Flexible Approach; Unlike Others & Cover Letter. Bob Stowe is a master at matching investors with properties and the City of North Bend has numerous underdeveloped opportunity sites. Upon a recent tour of North Bend, Bob Stowe remarked that this City is ripe for such preservation through Town Center and other improvements. Mr. Stowe also recently completed a new Bothell City Hall and he would be a valuable resource as North Bend proceeds with its city hall in the coming two years. The City Administrator is swamped with day to day work given the amount of current development activity and has been unable to perform some of this long range planning and economic stimulus work which is definitely needed in North Bend. It was hoped some of this work could be performed during the last year by the hiring of an event coordinator to free our CED Director but unfortunately the current development activity and our new Council's desire to insure that our code meets its strategic plan to make sure its vision is implemented in the coming years has taken all of Director Estep's time. Hiring this resource will allow this work to occur in partnership with City Administrator Lindell and Director Estep.				

<p>Budget Request Justification:</p> <p>This Decision Card is consistent with Council's goal of revitalization of North Bend's downtown and stimulating economic development for downtown businesses. It also is consistent with promoting North Bend's brand statement by recruiting businesses that promote the brand statement. Finally, it will result in budget savings if we are successful in finding a purchaser for the Puget Western site and are able to resolve the pending litigation.</p>		
<p>Funding or Financing Source ⁽²⁾:</p> <p>General Fund and/or reallocation of Economic Development Funds</p>		
<p>Service Implications, Benefits or Impacts:</p> <p>See Budget Request Justification for Benefits</p>		
<p>Consequence of Delay or Disapproval:</p> <p>The consequences of disapproval is staff will not have the necessary resources to engage in business recruitment or economic development and the buildings along North Bend Way will remain vacant. Downtown will continue to look derelict other than the Downtown Plaza improvements.</p>		
<p>Total One-Year Costs: \$50,000</p>		<p>Annual Costs After First Year: \$50,000</p>
<p>Requested Supplemental Funding</p>		
<p>EXPENSES:</p>	<p>Description</p>	<p>Amount</p>
Personnel Services		
Contractual/Consultant Services		
Supplies & Materials		
Other Expenses		
Capital Equipment		
Capital Project Expenses		
One-Time Expenses		
TOTAL:		\$

REVENUES:	Description	Amount
Grants & Other Aid		
Charges for Services		
Other Revenue		
TOTAL:		\$

Instructions:

- (1) Describe what is being requested and why. If the request includes employees, provide a basic explanation of job functions. If the request includes consulting or contracting fees, include a description of the scope of work. If the request includes equipment, include a description of what the equipment will be used for. If the request includes construction, describe the service result of the finished project.
- (2) Describe the proposed method of funding. If funding is split between funds (i.e. General, Capital, Enterprise), please include the percentage split. List the amounts and sources of anticipated additional revenue that will result from the approval of the request.

Requested Supplemental Funding:

- For new positions, coordinate in advance with Human Resources for estimated salary and benefits.
- Include all operating and capital outlay costs that will result if the position is hired. Some possible items include phone, computer, software, dues & licenses, supplies and training.
- Capital items are items with a value over \$1,000 and a useful life of at least one year.

Stowe Development & Strategies offers strategic consultant services to cities and development clients who desire to expand their economic base, revitalize their downtowns, and guide communities in developing a sense of place and commons for business to prosper and friends and family to enjoy.



Bob Stowe is well known as an innovative and entrepreneurial real estate and community developer that utilizes sound long-range fiscal planning skills and has achieved proven results in leading small to large scale and complex redevelopment efforts from dream stage to construction. Stowe has more than 29 years experience in progressive community transformations as City Manager of several cities.

In these challenging economic times, cities, more than ever, need the proven experience, wisdom, and guidance of a trusted economic developer and partner who understands how to build community support for a project; understands the political process and needs of its elected and appointed officials; and has been able to achieve success in both good and bad economic times. Stowe Development & Strategies will fulfill this important need.

No two cities or developments are alike, requiring creative approaches specific to the needs of each. Bob Stowe has mastered a multitude of economic tools and strategies over his successful public service career, thereby providing clients with not only a proven track record, but also a variety of options based upon available resources and capabilities.

Bob has earned a reputation as a real estate and community development strategist and execution specialist and will provide the same knife-edge focus in assisting his clients that he has provided to cities over the last three decades in achieving economic and community development goals.



Town Center - Mill Creek, WA



City Hall Construction - Bothell, WA

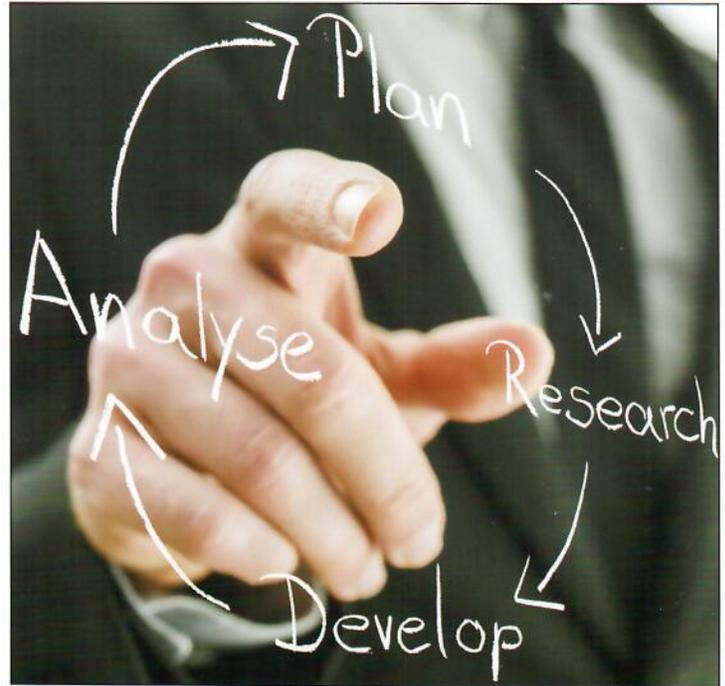


McMenamins Anderson School - Bothell, WA

Stowe Development & Strategies offers the following Dream-to-Construction services:

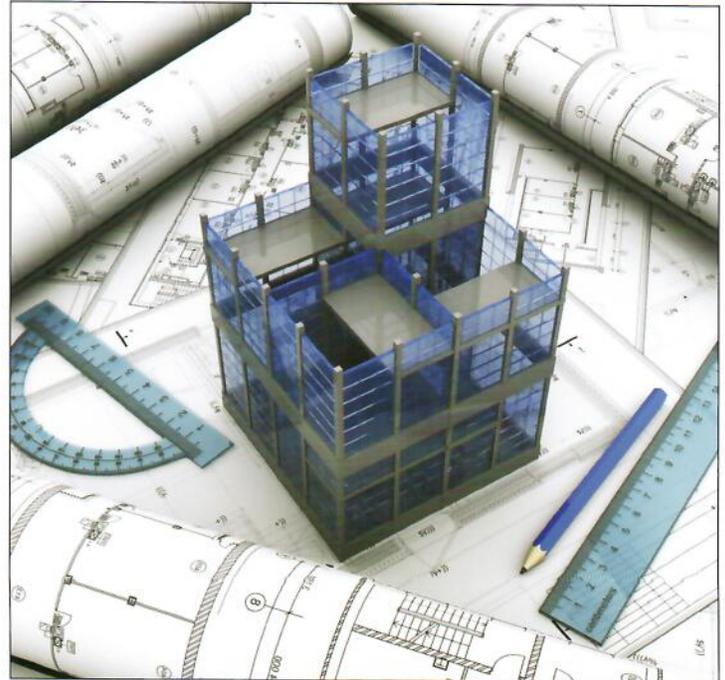
Strategy & Policy Services

- ◆ Creating a clear vision
- ◆ Promoting community engagement
- ◆ Evaluating community assets and ability to attract desired development
- ◆ Analyzing available economic development tools and resources
- ◆ Performing development service audits
- ◆ Providing top level strategic economic development advice and facilitating policy directives



Execution Services

- ◆ Developing public-private partnerships
- ◆ Facilitating entitlement process
- ◆ Assembling, leading and managing various real estate/economic development subject matter experts (legal, economists, appraisers, market analysts, marketing & communications, project managers, owner's representatives, etc.)
- ◆ Developer/Purchaser/Tenant outreach & selection
- ◆ Negotiation of term sheets, purchase and sale agreements, development agreements, and public benefit agreements
- ◆ Real estate transaction management
- ◆ Trusted project leadership & management



A multitude of compensation approaches can be customized to align with client interest and goals.

One approach is based upon a monthly retainer offering of:

3 months

6 months

9 months

12+ months



Bothell, Washington - Flexible Main Street Design

This approach will provide a defined number of hours per month of real estate and community development service from Stowe Development & Strategies. The value proposition for this approach will allow for dedicated time and service to help clients navigate the real estate development process from start to finish or any segment in between. This approach is for those clients who either don't have a staff person dedicated to economic development or need to augment their current staff with the unique professional expertise offered by Stowe Development & Strategies.

Another approach is a not-to-exceed fee for those clients who want a specific project or phase completed as part of a larger redevelopment effort being undertaken by the organization.

Stowe Development & Strategies will tailor a compensation structure designed to meet your needs.



Bob Stowe was the City Manager for the City of Bothell, Washington from January 2005 to mid 2016. Before arriving in Bothell, Bob was the City Manager for the City of Mill Creek, Washington for nine years and held other top administrator positions for two other Washington cities for an additional 10 years. Bob's specialty is his success in leading large-scale downtown revitalization projects.

His first downtown project began with the revitalization of Downtown Dayton, Washington in the late 80's, leading to the more recent creation of a new downtown with the City of Mill Creek Town Center in early 2000, to the transformation that has occurred in downtown Bothell.



Mill Creek, Washington - Town Center

Bob was the architect and leader of Washington State's largest publically-led downtown revitalization in Bothell, whereby over 25 acres was assembled under City ownership for municipal amenities and sold for private mixed-use development in the heart of downtown. Under Bob's leadership, City projects stimulated a planned private investment of over \$300 million of the city-anticipated 25-year goal of \$650 million in just a few years, and during the worst recession in recent history, with leverage from public/private collaboration.



The hallmark of Bob's effort is his commitment to create well designed and environmentally sustainable places where people want to live, work, and come together to celebrate. Bob has tackled the most difficult and complex projects, achieving the redevelopment and economic dreams of several communities with his "failure is not an option" approach.

Bob is a past president of the Washington City/County Management Association (2002-2003) and holds a bachelor's degree in Urban and Regional Planning from Eastern Washington University and a MBA from Seattle University.





Bothell, Washington - Bothell Landing

Professional Associations

- ◆ Urban Land Institute
- ◆ International City/County Management Association.
- ◆ Washington City/County Management Association.
 - President 2002-2003
 - Vice-President 2001-2002
 - Board of Directors 1999-2000
- ◆ Snohomish County Managers/Administrators.
 - Chair from 1996 to 2004
- ◆ King County Managers/Administrators.
 - Member 2005 to mid 2016

Honors and Awards

- ◆ 2011 Washington City/County Management Association – Award for Excellence
- ◆ 2011 Governors Smart Communities Award
- ◆ 2011 Association of Washington Cities Municipal Excellence in Economic Development
- ◆ 2011 Puget Sound Regional Council Vision 2040 Award
- ◆ 2007 Governors Smart Communities Award
- ◆ 2006 Washington City/County Management Association – Program Excellence Award for Innovations in Local Government
- ◆ 2003 Washington City/County Management Association – Award for Skill in Intergovernmental Cooperation
- ◆ 1998 Washington City/County Management Association – Award for Skill in Intergovernmental Cooperation
- ◆ 1997 Washington City/County Management Association – Program Excellence Award for Innovations in Local Government



Mill Creek, Washington - Town Center

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN THE CITY OF NORTH BEND
STOWE DEVELOPMENT & STRATEGIES**

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into this 17th day of January, 2017, by and between the City of North Bend, a municipal corporation of the State of Washington (“the City”) and Stowe Development & Strategies, a Washington state limited liability corporation, (“Consultant”) in consideration of the mutual benefits and conditions contained herein.

WHEREAS, the City has determined a need to have certain services performed for its citizens; and

WHEREAS, Consultant is in the business of performing such services, which are described below; and

NOW, THEREFORE, the parties hereby agree as follows:

- 1. Scope of Services.** Consultant shall perform those services described on **Exhibit A** attached hereto, which is incorporated by this reference as if fully set forth and shall perform a minimum of 210 hours of services each calendar year. All such services will be rendered with the degree of skill and care exercised by members of Consultant’s profession practicing under similar circumstances at the same time and in the same or similar locale, and in compliance with all federal, state, and local statutes, rules, and ordinances applicable to the performance of such services and the handling of any funds used in connection therewith.
- 2. Compensation and Method of Payment.** Consultant will be paid a total amount not to exceed Four Thousand One Hundred Sixty Six Dollars and 66/100 (\$4,166.66), a month (prorated for any portion of month that services are performed) and not to exceed \$50,000 a year. The City shall pay Consultant for services rendered under this Agreement within ten (10) days after City Council voucher approval. Consultant agrees to complete and return the attached **Exhibit B** (Taxpayer Identification Number) to the City prior to or along with the first invoice.
- 3. Duration of Agreement.** This Agreement shall be in full force and effect for a period commencing on January 1, 2017 and ending December 31, 2018 unless earlier terminated in accordance with Section 11 herein or extended by written amendment in accordance with Section 14 herein.
- 4. Ownership, Form, and Use of Documents.** All documents, drawings, specifications, and other materials produced by Consultant in connection with the services rendered under this Agreement shall be the property of the City whether the project for which they are made is executed or not. Except as otherwise stated in Exhibit A, Consultant shall provide to the City all final documents, reports, or studies in printed and electronic form. Unless otherwise directed in writing by the City, all final documents, reports, or studies shall be provided to the City in both a PDF and Word format. Where applicable, all Complete Plan Set Drawings shall include all Specifications and shall be submitted to the City in the most updated version of AutoCAD in an unrestricted format and in accordance with City Code. Consultant shall not be responsible for any use or modifications of said documents, drawings, specifications, or other materials by the City or its representatives for any purpose other than the project specified in this Agreement.
- 5. Independent Contractor.** The City and Consultant agree that Consultant is an independent contractor with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create an employer-employee relationship between the parties hereto. Neither Consultant nor any of Consultant’s employees shall be entitled, by virtue of the

services provided under this Agreement, to any benefits afforded to City employees. The City shall not be responsible for paying, withholding, or otherwise deducting any customary state or federal payroll deductions, including but not limited to FICA, FUTA, state industrial insurance, state workers' compensation, or for otherwise assuming the duties of an employer with respect to Consultant or Consultant's employees.

6. **Indemnification.** Consultant shall indemnify, defend, and hold harmless the City, its officers, officials, employees and volunteers from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

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 Consultant and the City, its officers, officials, employees, and volunteers, Consultant's liability hereunder—including the duty and cost to defend—shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant'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.

7. **Insurance.** Consultant shall procure and maintain for the duration of this 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 Consultant, its agents, representatives, or employees. Consultant's maintenance of insurance as required by this Agreement shall not be construed to limit Consultant's liability to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

A. **Scope of Required Insurance.** Consultant shall maintain insurance of the types and coverage described below:

1. **Automobile liability insurance**, with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident, covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage.
2. **Commercial general liability insurance**, written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate, which shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent Consultants and personal injury and advertising injury. The City shall be named as an additional insured under Consultant's Commercial General Liability insurance policy with respect to the work performed for the City, using an additional insured endorsement at least as broad as ISO CG 20 26.
3. **Professional liability insurance** appropriate to the Consultant's profession, written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.
4. **Workers' compensation coverage** as required by the Industrial Insurance laws of the State of Washington.

- B. Additional Insurance Provisions. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII. Consultant's automobile liability and commercial general liability insurance policies are to contain, or be endorsed to contain, that they shall be primary insurance as respects the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of Consultant's insurance and shall not contribute with it. Consultant shall provide the City with written notice of any policy cancellation within two (2) business days of Consultant's receipt of such notice.
- C. Certificates of Insurance. Within fifteen (15) days of the execution of this Agreement, Consultant shall deliver original certificates and a copy of amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance coverage required by this Section 7.
- D. Failure to Maintain Insurance. Consultant's failure to maintain insurance as required shall constitute a material breach of this Agreement, upon which the City may, after giving five (5) business days' notice to the Consultant to correct the breach, immediately terminate this Agreement or, at its sole discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due Consultant from the City.
- E. Full Availability of Consultant Limits. If Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and excess or umbrella liability maintained by Consultant, irrespective of whether such limits maintained by Consultant are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by Consultant.

8. Recordkeeping and "Red Flag" Rules.

- A. Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement and of the parties' compliance with this Agreement.
- B. These records shall be maintained for a period of seven (7) years after termination hereof unless permission to destroy them is granted by the Office of the Archivist in accordance with Chapter 40.14 RCW and by the City.
- C. Consultant acknowledges receipt of and agrees to adhere to the City's Identity Theft Prevention Program ("Red Flag" rules), a copy of which is attached hereto as **Exhibit C**.

9. Taxes, Licenses and Permits.

- A. Consultant shall procure and maintain a City business license in accordance with Chapter 5.04 NBMC, *Business Licenses and Business and Occupation Tax*, prior to beginning work under this Agreement. Consultant assumes responsibility for and ensures that all contractors, subcontractors and suppliers shall also obtain a City business license.

- B. Consultant acknowledges that it is responsible for the payment of all charges and taxes applicable to the services performed under this Agreement, including taxes and fees assessed pursuant to Chapters 5.04 and 5.05 NBMC, and Consultant agrees to comply with all applicable laws regarding the reporting of income and maintenance of records, and with all other requirements and obligations imposed pursuant to applicable law. If the City does not receive, or is assessed, made liable, or responsible in any manner for such charges or taxes, Consultant shall reimburse and hold the City harmless from such costs, including attorneys' fees. Consultant shall also require all contractors, subcontractors and suppliers to pay all charges and taxes in accordance with this Section 9.
- C. In the event Consultant fails to pay any taxes, assessments, penalties, or fees imposed by the City or any other governmental body, then Consultant authorizes the City to deduct and withhold and/or pay over to the appropriate governmental body those unpaid amounts upon demand by the governmental body. This provision shall, at a minimum, apply to taxes and fees imposed by City ordinance. Any such payments shall be deducted from the Consultant's total compensation.
- 10. Audits and Inspections.** The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review, or audit by law during the term of this Agreement. The City shall have the right to conduct an audit of Consultant's financial statement and condition and to a copy of the results of any such audit or other examination performed by or on behalf of Consultant.
- 11. Termination.** This Agreement may be terminated by the City at any time upon thirty (30) days' written notice; provided, that if Consultant's insurance coverage is canceled for any reason, the City shall have the right to terminate this Agreement as provided in Subsection 7(D) herein.
- 12. Discrimination Prohibited.** Consultant shall not discriminate against any employee, applicant for employment, or any person seeking Consultant's services under this Agreement on the basis of race, color, religion, creed, sex, age, national origin, marital status, or presence of any sensory, mental, or physical handicap.
- 13. Assignment and Subcontract.** Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.
- 14. Entire Agreement; Modification.** This Agreement contains the entire agreement between the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind any of the parties hereto. Proposed changes which are mutually agreed upon shall be incorporated by written amendments or addenda signed by both parties.
- 15. Notices.** Notices required hereunder shall be delivered via certified U.S. mail to the addresses below:
- To the City of North Bend: Londi Lindell, City Administrator
City of North Bend
P.O. Box 896
211 Main Avenue North
North Bend, Washington 98045
Phone: (425) 888-1211

To Consultant: Bob Stowe
Principal
Bob@stoweds.com
Phone: (206) 999-1099

16. Applicable Law; Venue; Attorneys' Fees. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be properly and exclusively in King County, Washington. The prevailing party in any such action shall be entitled to its costs of suit, including attorneys' fees and expert witness fees.

BY THEIR SIGNATURES BELOW, the authorized agents of the parties enter into this Agreement as of the day and year first written above.

CITY OF NORTH BEND

STOWE DEVELOPMENT & STRATEGIES

By: _____
Kenneth G. Hearing, Mayor

By: _____

Printed Name: Bob Stowe

Title: Principal

Attest/Authenticated:

Susie Oppedal, City Clerk

Approved As To Form:

Michael R. Kenyon, City Attorney

**EXHIBIT A:
SCOPE OF SERVICES**

Consultant shall furnish and perform services including, but not limited to, the description of work and deliverable items indicated below.

1. **Project Title:** Economic Developer Consultant

2. **Supervising Staff.** Consultant's main point of contact at the City will be Londi Lindell, City Administrator, who can be reached at 425 765-6992 or llindell@northbendwa.gov, or such other personnel as the City may designate from time to time.

2. **Description.**

Consultant will provide the services and strategic advice listed below to the City, working under the direction of its City Administrator. Consultant will lead, assist, and/or work with City staff to facilitate and advance the City's interest to stimulate economic development in North Bend, improve quality of life consistent with the City Council's land use vision, develop Downtown as a desirable and unique gathering place and to achieve the City's economic development interests. Consultant will focus his efforts creating strategies to:

- 1) Recruit a Higher Education Institution to North Bend;
- 2) Occupy Key Downtown Storefronts with Businesses Consistent with the City's Brand Statement; and
- 3) Advance and Assist the Work of the City's Economic Development Commission.

3. **Deliverable Items.**

Specific tasks related to the above objectives may include:

- Provide strategic economic development advice related to new downtown development and tourism;
- Identify methods to market any City surplus property and adjoining participating properties telling the story of North Bend and the significant development opportunity to buyers and the development community;
- Conduct recruitment/bidding process for identified properties to solicit best price and end use based upon the identified goals of the City and property owners;
- Lead the development of purchase and sale/development term sheets for identified properties with selected buyer/developer;
- Identify financial strategies, associated with various public infrastructure investments needed to attract private capital;
- Development of any financial strategies to support the construction and ownership of new City facilities to leverage private development consistent with the City's vision;
- Work with City staff and other consultants retained by the City to identify barriers for the desired development of Downtown properties and to create specific and achievable strategies, including public-private partnerships to achieve the desired development;
- Attend a variety of meetings concerning the above services including meetings with the Mayor, City Administrator, City Staff or consultants, North Bend City Council, Management Team Meetings, participating property owners, and developers;
- Any other strategic economic development services or real estate development work as directed by the City Administrator.

**EXHIBIT B:
TAXPAYER IDENTIFICATION NUMBER**

CITY OF NORTH BEND
P.O. Box 896
211 Main Avenue North
North Bend, WA 98045
Phone: (206) 888-1211
FAX: (206) 831-6200

In order for you to receive reimbursement from the City of North Bend, we must have either a Taxpayer Identification Number or a Social Security Number. The Internal Revenue Code requires a Form 1099 for payments to every person or organization other than a corporation for services performed in the course of trade or business. Further, the law requires us to withhold 20% on reportable amounts paid to unincorporated persons who have not supplied us with their correct Tax Identification Number or Social Security Number.

Please complete the following information request form and return it to the City of North Bend before or along the submittal of the first billing voucher.

Please check the appropriate category:

- Corporation Partnership Government Agency
 Individual/Sole Proprietor Other (please explain)

TIN#: ___ - _____

SS#: ___ - ___ - _____

Print Name: _____

Print Title: _____

Business Name: _____

Business Address: _____

Business Phone: _____

EXHIBIT C:
CITY OF NORTH BEND
IDENTITY THEFT PREVENTION PROGRAM

I. PROGRAM ADOPTION

The City of North Bend developed this Identity Theft Prevention Program (“Program”) pursuant to the Federal Trade Commission’s Red Flags Rule (“Rule”), which implements Sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003. This Program was developed with the oversight and approval of the City’s Finance Director. After consideration of the size and complexity of the City’s operations and account systems, and the nature and scope of the City’s activities, the City Council determined that this Program was appropriate for the City, and therefore approved this Program by the adoption of Ordinance No.1351 on the 21 day of April, 2009.

II. PROGRAM PURPOSE AND DEFINITIONS

A. Fulfilling Requirements of the Red Flags Rule. Under the Red Flags Rule, every financial institution and creditor is required to establish an identity theft prevention program tailored to its size, complexity and the nature of its operation. The Program must contain reasonable policies and procedures to:

- Identify relevant red flags as defined in the Rule and this Program for new and existing covered accounts, and incorporate those red flags into the Program;
- Detect red flags that have been incorporated into the Program;
- Respond appropriately to any red flags that are detected to prevent and mitigate identity theft; and
- Update the Program periodically to reflect changes in risks to customers or to the safety and soundness of the City from identity theft.

B. Red Flags Rule Definitions Used in this Program. For the purposes of this Program, the following definitions apply:

“**Account**” means a continuing relationship established by a person with a creditor to obtain a product or service for personal, family, household or business purposes.

“**Covered account**” means:

1. Any account the City offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
2. Any other account the City offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the City from identity theft.

“**Creditor**” has the same meaning as defined in Section 701 of the Equal Credit Opportunity Act, 15 U.S.C. 1691a, and includes a person or entity that arranges for the extension, renewal or continuation of credit, including the City.

“**Customer**” means a person or business entity that has a covered account with the City.

“**Financial institution**” means a state or national bank, a state or federal savings and loan association, a mutual savings bank, a state or federal credit union, or any other entity that holds a “transaction account” belonging to a customer.

“**Identifying information**” means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including name, address, telephone number, social security number, date of birth, government passport number, employer or taxpayer identification number or unique electronic identification number.

“**Identity theft**” means fraud committed using the identifying information of another person.

“**Red flag**” means a pattern, practice, or specific activity that indicates the possible existence of identity theft.

“**Service provider**” means a person or business entity that provides a service directly to the City relating to or in connection with a covered account.

III. IDENTIFICATION OF RED FLAGS

In order to identify relevant red flags, the City shall review and consider the types of covered accounts that it offers and maintains, the methods it provides to open covered accounts, the methods it provides to access its covered accounts, and its previous experiences with identity theft. The City identifies the following red flags, in each of the listed categories:

A. Notification and Warnings from Credit Reporting Agencies – Red Flags.

- Report of fraud accompanying a credit report;
- Notice or report from a credit agency of a credit freeze on a customer or applicant;
- Notice or report from a credit agency of an active duty alert for an applicant; and
- Indication from a credit report of activity that is inconsistent with a customer’s usual pattern or activity.

B. Suspicious Documents – Red Flags.

- Identification document or card that appears to be forged, altered or inauthentic;
- Identification document or card on which a person’s photograph or physical description is not consistent with the person presenting the document;
- Other document with information that is not consistent with existing customer information (such as a person’s signature on a check appears forged); and
- Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information – Red Flags.

- Identifying information presented that is inconsistent with other information the customer provides (such as inconsistent birth dates);
- Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a driver’s license);
- Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
- Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
- Social security number presented that is the same as one given by another customer;
- An address or phone number presented that is the same as that of another person;

- Failing to provide complete personal identifying information on an application when reminded to do so (however, by law social security numbers must not be required); and
- Identifying information which is not consistent with the information that is on file for the customer.

D. Suspicious Account Activity or Unusual Use of Account – Red Flags.

- Change of address for an account followed by a request to change the account holder's name;
- Payments stop on an otherwise consistently up-to-date account;
- Account used in a way that is not consistent with prior use (such as very high activity);
- Mail sent to the account holder is repeatedly returned as undeliverable;
- Notice to the City that a customer is not receiving mail sent by the City;
- Notice to the City that an account has unauthorized activity;
- Breach in the City's computer system security; and
- Unauthorized access to or use of customer account information.

E. Alerts from Others – Red Flag.

- Notice to the City from a customer, a victim of identity theft, a law enforcement authority or other person that it has opened or is maintaining a fraudulent account for a person engaged in identity theft.

IV. DETECTING RED FLAGS

A. New Accounts. In order to detect any of the red flags identified above associated with the opening of a **new account**, City personnel will take the following steps to obtain and verify the identity of the person opening the account:

- Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
- Verify the customer's identity (for instance, review a driver's license or other identification card);
- Review documentation showing the existence of a business entity; and
- Independently contact the customer.

B. Existing Accounts. In order to detect any of the red flags identified above for an **existing account**, City personnel will take the following steps to monitor transactions with an account:

- Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
- Verify the validity of requests to change billing addresses; and
- Verify changes in banking information given for billing and payment purposes.

V. PREVENTING AND MITIGATING IDENTITY THEFT

In the event City personnel detect any identified red flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the red flag:

A. Prevent and Mitigate Identity Theft.

- Monitor a covered account for evidence of identity theft;

- Contact the customer with the covered account;
 - Change any passwords or other security codes and devices that permit access to a covered account;
 - Not open a new covered account;
 - Close an existing covered account;
 - Reopen a covered account with a new number;
 - Not attempt to collect payment on a covered account;
 - Notify the Finance Director for determination of the appropriate step(s) to take;
 - Notify law enforcement; or
 - Determine that no response is warranted under the particular circumstances.
- B. Protect Customer Identifying Information. In order to further prevent the likelihood of identity theft occurring with respect to City accounts, the City shall take the following steps with respect to its internal operating procedures to protect customer identifying information:
- Secure the City website but provide clear notice that the website is not secure;
 - Undertake complete and secure destruction of paper documents and computer files containing customer information;
 - Make office computers password protected and provide that computer screens lock after a set period of time;
 - Keep offices clear of papers containing customer identifying information;
 - Request only the last 4 digits of social security numbers (if any);
 - Maintain computer virus protection up to date; and
 - Require and keep only the kinds of customer information that are necessary for City purposes.

VI. PROGRAM ADMINISTRATION

- A. Oversight. The Finance Director or other designated city employee at the level of senior management shall be responsible for developing, implementing, and updating the Program.

The Finance Director shall also be responsible for the Program administration, for appropriate training of City staff on the Program, for reviewing the annual staff report required under the Program, as well as any other staff reports regarding the detection of red flags and the steps for preventing and mitigating identity theft, determining which steps of prevention and mitigation should be taken in particular circumstances, and considering periodic changes to the Program.

- B. Staff Training and Reports. City staff responsible for implementing the Program shall be trained either by or under the direction of the Finance Director in the detection of red flags, and the responsive steps to be taken when a red flag is detected. Additionally, a compliance report shall be provided annually to the Finance Director. The annual compliance report shall at a minimum address the following:
1. The effectiveness of the City's policies and procedures in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts;
 2. Service provider arrangements;
 3. Significant incidents involving identity theft and the City's response; and
 4. Recommendations for material changes to the Program.

- C. Service Provider Arrangements. In the event the City engages a service provider to perform an activity in connection with one or more covered accounts, the City shall take the following steps to require that the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft.
- Require, by contract, that service providers acknowledge receipt and review of the Program and agree to perform their activities with respect to City covered accounts in compliance with the terms and conditions of the Program and with all instructions and directives issued by the Finance Director relative to the Program; or
 - Require, by contract, that service providers acknowledge receipt and review of the Program and agree to perform their activities with respect to City covered accounts in compliance with the terms and conditions of the service provider's identity theft prevention program and will take appropriate action to prevent and mitigate identity theft; and that the service providers agree to report promptly to the City in writing if the service provider in connection with a City covered account detects an incident of actual or attempted identity theft or is unable to resolve one or more red flags that the service provider detects in connection with a covered account.
- D. Customer Identifying Information and Public Disclosure. The identifying information of City customers with covered accounts shall be kept confidential and shall be exempt from public disclosure to the maximum extent authorized by law, including RCW 42.56.230(4). The City Council also finds and determines that public disclosure of the City's specific practices to identity, detect, prevent, and mitigate identify theft may compromise the effectiveness of such practices and hereby direct that, under the Program, knowledge of such specific practices shall be limited to the Finance Director and those City employees and service providers who need to be aware of such practices for the purpose of preventing identity theft.

VII. PROGRAM UPDATES

The Program will be periodically reviewed and updated to reflect changes in risks to customers and to the safety and soundness of the City from identity theft. The Finance Director shall at least annually review the annual compliance report and consider the City's experiences with identity theft, changes in identity theft methods, changes in identity theft detection and prevention methods, changes in types of accounts the City maintains and changes in the City's business arrangements with other entities and service providers. After considering these factors, the Finance Director shall determine whether changes to the Program, including the listing of red flags, are warranted. If warranted, the Finance Director shall present the recommended changes to the City Council for review and approval.